

Daffodil International University



An Internship Report on

***“Outsourcing Industry of Retirement Provident Fund (RPF) in
Bangladesh: A Study on FinSource Ltd.”***

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Date of Submission: 7th November, 2022

**Outsourcing Industry of Retirement Provident Fund
(RPF) in Bangladesh: A Study on FinSource Ltd.**

Letter of Transmittal

7th November, 2022

Mr. Mohammad Shibli Shahriar

Associate Professor

Faculty of Business & Entrepreneurship

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Subject: Submission of the Internship Report.

Dear Sir,

With due respect, I want to submit the report that has been assigned to me as a requirement of internship program for completing my postgraduate degree from the Department Master of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University I have prepared my internship report on '**Outsourcing industry of Retirement Provident Fund (RPF) in Bangladesh: A study on FinSource Ltd.**' which is being submitted along with this letter.

I would like to thank you for your valuable guidance and support while preparing this report. I hope with great anticipation that you would be kind enough to accord your approval to this report.

Sincerely,

Mafroza Yasmin Nisha

ID: 213-14-3385

Master of Business Administration

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Declaration

I hereby proclaim that excluding the places where I have included particular references, the contents of the following internship report are authentic and a result of my hard work. This work has not been submitted elsewhere for any other degree or qualification in any university. This internship report contains my sole effort apart from the parts where I have provided necessary referencing.



.....

Mafroza Yasmin Nisha

Acknowledgement

This report would have been impossible without the valuable contributions and limitless help of several individuals. I have been benefited by many people in the completion of this report. They have generously supplied insightful comments, helpful suggestions, and contributions all of which have progressively enhanced the quality of this report. First, my thank goes to Almighty Allah for giving me the grace to finish this report. I feel honored to lay my sincerest gratitude to my respected academic supervisor Associate Professor Mr. Mohammad Shibli Shahriar for helping me in every possible way during the preparation of this project. I would also like to express my humble gratitude to the colleagues of FinSource Limited who not only helped me to prepare this report but also helped me with their guidance and by sharing their valuable knowledge. During my preparation, I did not face any major difficulties rather I enjoyed each and every moment.

Also, I would like to thank all the authors of the journals, books, and articles that are secondary sources from which I have collected the necessary information regarding this project.

Finally, thanks to Daffodil International University for arranging an excellent opportunity to make an internship course work where the students are getting the ultimate benefit to transform their academic learning into an experience.

Certificate of the Organization



Ref: FS/HR/LOI/22/02

25th October 2022

Letter of Introduction

This is to certify that **Mafoza Yasmin Nisha** has been employed with Finsource Limited as an **Associate Executive with Operations** Department since **22nd February 2022**. She is working as a Full Time Permanent Employee.

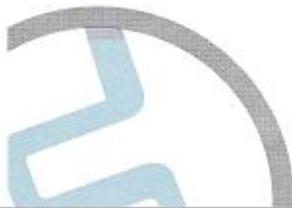
This certification is being issued upon her request for whatever purpose it may serve.

Yours Sincerely,


Samir Majumder

Deputy General Manager
FinSource Limited

Email: Samir.majumder@finsource.net



Certificate of Supervision

This is to certify that **Mafroza Yasmin Nisha** has worked under my supervision in preparing the internship report entitled “**Outsourcing industry of Retirement Provident Fund (RPF) in Bangladesh: A study on FinSource Ltd.**” submitted in the fulfillment of the requirement for the award of the degree of Master of Business Administration in the Department of Business Administration in Human Resource Management, Daffodil International University. This report is prepared with sincerity and dedication carried out by **Mafroza Yasmin Nisha** alone and to the best of my knowledge.



.....

Supervisor

Mr. Mohammad Shibli Shahriar

Associate Professor

Faculty of Business & Entrepreneurship

Daffodil International University

Date: 7th November, 2022

Executive Summary

The social security systems in the United States are very high. The government as well as the citizen is very much concerned about the retirement benefit. The government makes it mandatory for the employer to give the retirement benefit to their employee at their retirement. The IRS and the DOL instruct the employer to set up the retirement benefit plan to give their employee retirement benefit which is known as “Plan” in the retirement industry. Every employer in the United States who has the retirement benefit plan mandatorily follows the IRS rules and regulations while preparing the report. To maintain the retirement account of the participant, there are some companies in the Retirement Provident Fund (RPF) industry. EdgeCo Holdings LLC is one of them. FinSource Limited is the offshore unit of them. As a growing BPO (Business Process Outsourcing) firm how it started their operations, continued with a great efficiency and developed its status is really surprising. Pension fund or provident fund is not popular in Bangladesh compared to USA. But being in that kind of state or facing other difficulties the firm manage to handle all hurdle that came to their path. This report basically conducted on the observation and experiences of the senior employees those who started their journey with this organization. Based on their opinion the report has presented some challenges like financial, infrastructural obstacle and technological laggings which is some of their impediments for further growth.

FinTech adoption is one of the most challenging tasks in Bangladesh, story of FinSource Limited will motivate entrepreneurs to establish more FinTech firms. In addition, usage of retirement provident fund in the private sectors is increasing day by day and this is a great opportunity for the current outsourcing firms as there is a huge market opening in our country in future.

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List of Acronyms

RPF – Retirement Provident Fund

IRS – Internal Revenue Service

DOL – Department of Labor

TPA – Third Party Administrator

BPO – Business Process Outsourcing

VDI – Virtual Desktop Infrastructure

VPN – Virtual Private Network

LLC – Limited Liability Company

Chapter 01: Introduction

1.1 Background of the Study

Pension systems allow people to enjoy a sound retirement after their working life. They are the main source of income for the older citizens, providing good protection against poverty and other social security measures. In the developed countries like USA provident fund management is well-developed and organized sector through which the citizens of their having a stable life at their old age after retirement. This well-organized scenario has become possible because of the Third-Party Administrator (TPA) firms. FinSource Ltd. is an outsourcing firm currently working for EdgeCo Holdings LLC.

The report has been divided into seven main chapters to elaborate the RPF industry of Bangladesh. Chapter one introduces the topic, the purpose, and the scope of the study to the readers. While chapter two tries to provide a background about the organization. Chapters three and four are based on the training gained, new skills learned, and the set of activities done as part of the internship with a summary of the overall experience of the internship. Chapters five and six explain the methodology of the report and the analysis done using the statistical tools. Chapter seven gives a conclusion of the analysis done then shares the limitations faced during the report and finally gives some relevant recommendations.

1.2 Data Collection

For this report both primary and secondary data are collected. As the report is conducted based on information and observation of the senior officials of the organization, the major portion of the report is covered on primary sources of data.

Primary sources:

- Personal Observation
- Face to Face Conversation with experienced professionals
- Group discussion with different teams

Secondary sources:

- Different Articles on Pension System of USA
- Previously published report on outsourcing firm and business processing outsourcing (BPO) firm.

1.3 Purpose of the Study

The primary purpose of the study is to identify how outsourcing industry of RPF is growing and what are the factors behind for the boom. The other purposes are following:

- To get an overview about RPF outsourcing industry of Bangladesh
- To get an idea about how operational activities are done remotely
- How Bangladeshi firms are adopting FinTech as RPF industry is fully digital
- Measuring possibility of this sector in Bangladesh applying SWOT analysis

1.4 Scope of the Study

This report covers the areas concerned with the international approach of building national pension system and retirement benefits for a country and also how an outsourcing vendor firm being situated in country providing their services accordance with client's requirement the where this kind of sector doesn't even exist. This report will also highlight the activities of different departments of FinSource Limited which are engaged in administration, compliance and operations of different types of pensions plans along with other Third-Party Administration (TPA) services offered by EdgeCo Holdings and its subsidiaries.

1.5 Limitations of the Study

- Lack of publications regarding the pension system and retirement benefits of Bangladesh
- Lack of literature and access to highly confidential official documents.
- Limited focus in quantitative research as this is a qualitative comparative study and subjective interpretations are made

Chapter 02: Overview of the Organization

2.1 Company Background

2.1.1 About the Company

FinSource Limited is a US-Bangladesh joint venture company inaugurated in August 2019. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the successful companies; FinSource collaborates with clients to help them become high performance businesses. It is currently working for Retirement Plan TPA of United States of America.

FinSource Ltd. is one of the top organizations providing end to end solutions, right from data and document capture to transformation, processing, mining and workflow using cutting edge technologies. This is accomplished through a series of breakthrough products and services. FinSource works with an approach to provide solutions, which can contribute in a meaningful way to their businesses.

In 2019, FinSource was working mainly for LT Trust. After a merger between EdgeCo Holdings LLC and LT Trust, FinSource was recognized as the offshore operations unit of EdgeCo Holdings LLC. EdgeCo Holdings LLC is a big group of companies which have almost 25% market share in the retirement provident fund industry. Currently all of the corporate clients of FinSource are the subsidiary company of EdgeCo Holdings LLC.

The corporate clients of FinSource Limited are following:

- **LT Trust**

LT Trust is an American provider of trust and custodial services including open architecture 401(k) plans. LT Trust administers 371,000 retirement plans with \$125B in assets.

- **American Trust**

American Trust is a leading, full-service provider of retirement plan solutions to advisors serving the small and mid-sized plan market. American Trust brings together the cornerstones of a quality retirement plan including plan design, fiduciary oversight, discretionary trust services, cost efficiency, service, and technology.

- **Mid Atlantic Capital Group**

Mid Atlantic Capital Group (MACG) is a leading financial services company that provides a wide array of brokerage, advisory, and trust services. Mid Atlantic Capital Group, has supported investment professionals and financial organizations with tools to help attract, grow, and retain assets.

- **NewEdge Capital Group**

NewEdge Capital Group is divided into 3 segments; NewEdge Wealth, NewEdge Advisors and NewEdge Securities. NewEdge specially focuses on wealth management, advisory solutions and trading services. NewEdge Capital Group has over \$27 billion in client assets and supports over 300 financial advisors across more than 75,000 client accounts.

- **Pension Pro**

Pension Pro is a leader in workflow management software for Third Party Administrators supporting over 200,000 plans. Pension Pro is a software product of EdgeCo Holdings LLC.

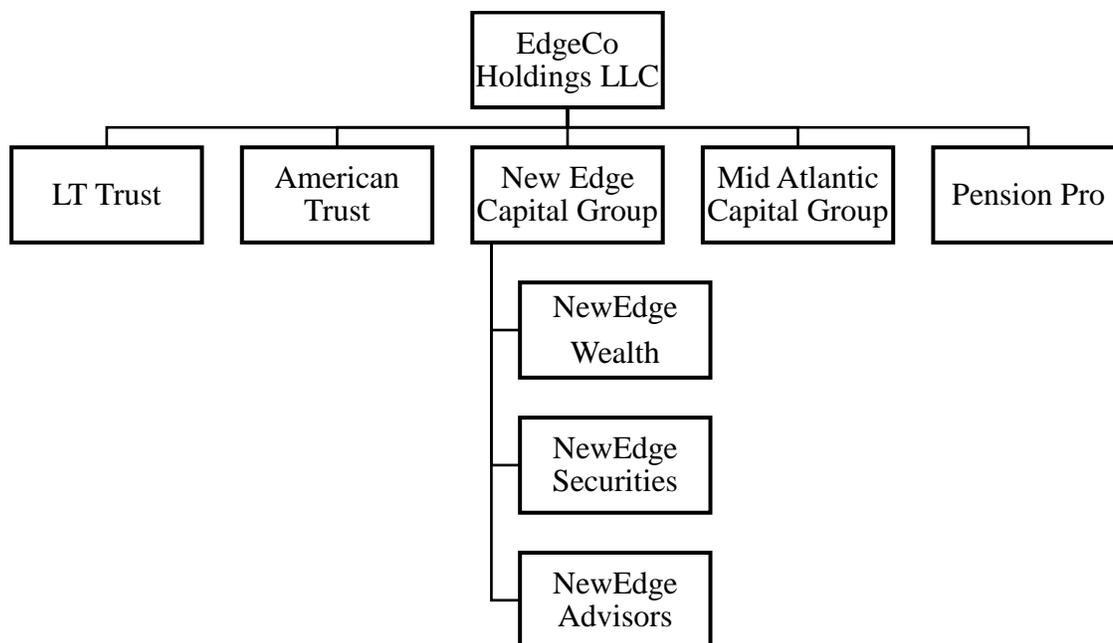


Figure 1: EdgeCo Companies

2.1.2 Policy of the Company

FinSource believes on the equal employment policy. It is the policy of the Company to provide equal opportunity for all qualified persons and not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, national origin, disability, or any other protected status.

This policy applies to recruitment and placement, promotion, training, transfer, retention, rate of pay and all other details and conditions of employment.

Employment and promotion decisions will be based on merit and the principle of furthering equal opportunity. The requirements we impose in filling a position will be those that validly relate to the job performance required.

All other personnel actions including compensation, benefits, transfers, layoffs, recalls from lay-offs, training, education, tuition assistance and recreation programs will be administered without regard to race, color, religion, sex, age, national origin, disability, or any other protected status, in accordance with appropriate law.

2.1.3 Vision

To be the most competent and innovative BPO solutions leader in Bangladesh through serving their clients and communities with the highest regards of industry dynamics.

2.1.4 Mission

To empower their clients to take control of their operation, free from the high costs and conflicts of trade off.

2.1.5 Competitors

Company	Founded
Data Path Limited	2008
Kazi IT Center Limited	2009

Table 1: Competitors

Data Path Limited

Data Path Limited is the country's first outsourcing providing firms. It was founded in 2008 under the leadership of Mr Ashfaque Rahman. The company provides support and services to many national and international companies. They are offering a wide variety of financial it based services in Retirement Provident Fund industry like Plan Selection and Management, Plan Design and Documentation Service, Administration and Recordkeeping service, Annual Compliance and Government Testing Service, Consulting Service etc.

Kazi IT Center Limited (KITC Ltd.)

Kazi IT center Ltd is a North American owned and operated company with its headquarters 60 miles outside of Los Angeles, California. KITC Ltd. is the country's biggest IT enabled outsource providers in our country. Recently they have created a very new department; wealth management. Wealth management is a retirement provident fund industry's service.

2.2 Organizational Structure

2.2.1 Number of Employees

FinSource Limited has around 110 employees in total though it started with only 10 employees, back in 2019. The employees are entitled to various job responsibilities under Various departments.

2.2.2 Main Office

Currently FinSource Limited have only one office premises. The office location is:

Paragon House (3rd Floor), 5 Mohakhali C/A, Dhaka – 1212, Bangladesh.

2.2.3 Organizational Hierarchy Structure

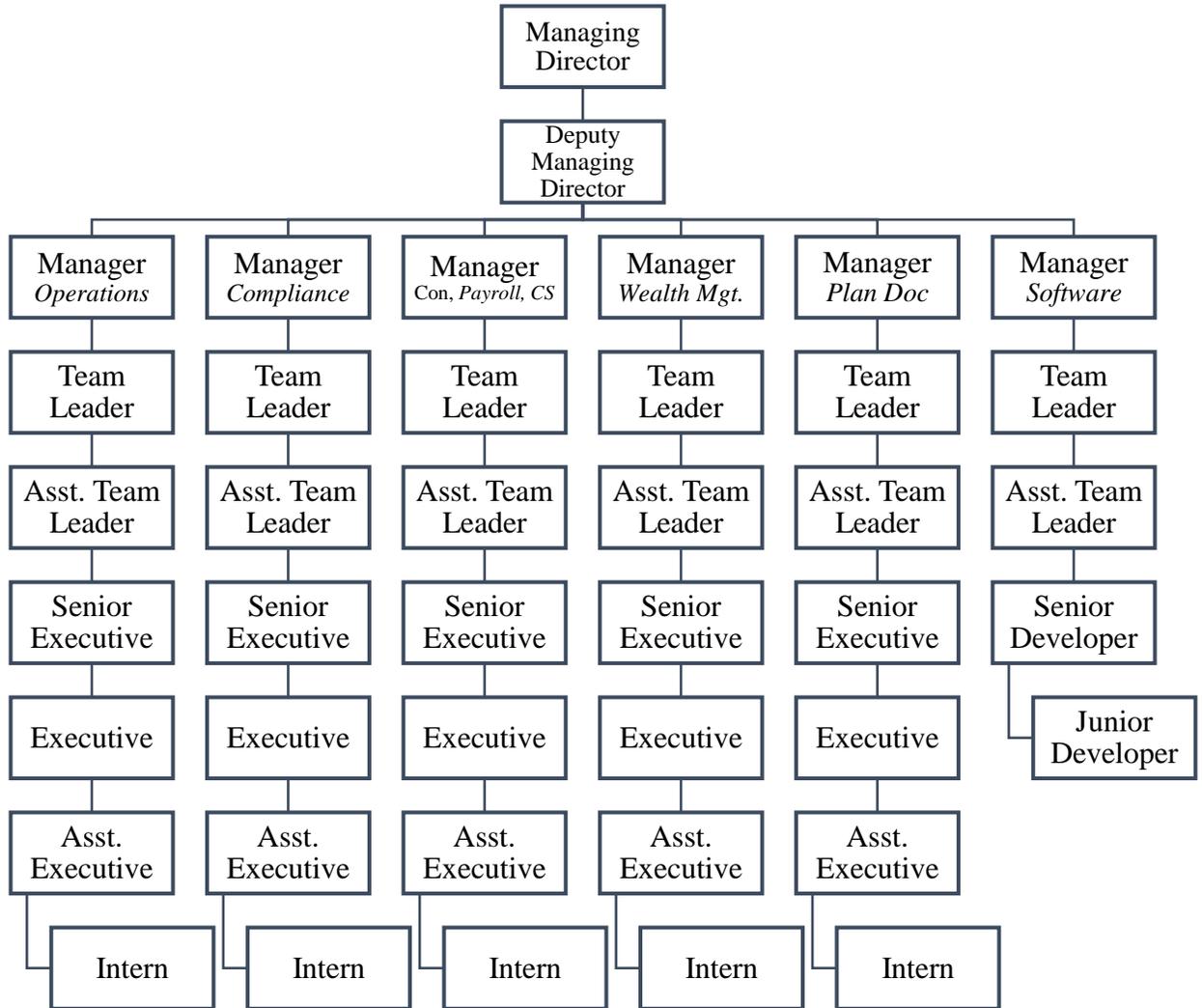


Figure 2: Hierarchy

2.2.4 Introduction of All Departments

Currently there are eight departments operating providing their services. They are as following:

- Operations
- Compliance
- Software
- Wealth Management
- Plan Doc
- Conversion
- Assisted Payroll
- Client Service

Operations

Operations department is one of the core departments at FinSource. The activities in the department are very sensitive. Operations team need to collaborate with US corporate clients to perform daily trading. Most of the activities in operations department are connected with US banks and stock exchanges. Process of different type of distribution is the main responsibilities of this department.

Compliance

Compliance department prepares summary of annual reports for participants. They are mainly quality checker in the retirement industry. Tax filing or forfeiture is their one of the major tasks in the year end. Their major responsibility is to make sure clients' best interest. They follow US federal laws and regulations to check and prepare summary. They did it through different type of software test like Contribution deductibility calculations, Annual additions testing, Top heavy testing, Coverage testing, ADP/ACP testing.

Software

Software department focuses on developing business applications with cutting-edge tech stacks including – .NET/Core, C#, ASP.NET, Web API, JavaScript, TypeScript, AngularJS/4, SQL Server, MySQL, HTML, CSS3, Less/Sass, Android/IOS, PHP,

WordPress, and automated testing tools. FinSource has expertise on the most demanding programming languages as well as SQL and NoSQL database designing.

Wealth Management

Wealth Management department focuses to maintain client's wealth like securities, assets. There is a wide variety of work in this department. Portfolio management is one of them. There are two types of portfolios; PWA managed portfolios and separately managed portfolio. The main responsibility of this department is to create individual and institutional advisory accounts and keeping records of this accounts to facilitate advisory service from NewEdge capital group.

Plan Document

Selecting, customizing and implementing a plan can be a complex process. Plan Document department makes it possible. Plan document department reviews existing plan documents and employer plan information sheet for plan provision improvements, establish a transfer timeline and blackout period dates, prepare and send final plan document package — adoption agreement, new account paperwork & fiduciary forms. Confirm any recommended plan provision changes, confirm plan's designated investment lineup, Sign the Adoption Agreement and new account paperwork

Conversion

Conversion department is responsible for setting up retirement plans. When our corporate clients are onboarded by signing service agreement via DocuSign, conversion team sets the retirement plan and input all of the necessary information on relius software. After plan creation, conversion department works for the enrollment. Participant send their enrollment materials and instruction, conversion department input all of the enrollment data. Conversion department also works for deconversion.

Assisted Payroll

Assisted Payroll department reviews plan participant's payroll data and input all of the necessary data on our system.

Chapter 03: Internship Duties and Responsibilities

3.1 Company & Department Name

Company: FinSource Limited

Department: Operations

3.2 Starting & Ending Dates of Internship

The starting date of this internship is 1st December 2021. According to the contract signed, it is a three-month long internship. The internship period was **1st December 2021 to 21st February 2022.**

3.3 Activities Performed by the Department

All of the activities of FinSource Limited are conducted through virtual desktop, a software computing platform with apps and data that is accessible from multiple devices and locations over a network. To access in the virtual desktop, VPN is essential. FinSource is using Cisco AnyConnect VPN, which is a dynamic password-based VPN to access into the server. To ensure the safety and security of VDI, all of the employees of FinSource Limited needs to complete cyber security training conducted by US counterpart.

Operations team of FinSource Limited are busy with mainly two activities; Distribution and contribution. There are also other activities. All of the activities are listed following:

- a. Distribution
- b. Contribution
- c. Information Update
- d. Check Release
- e. Money Moves
- f. Fee Out
- g. Reports
- h. Correction related tasks

a. Distribution

Distribution is the most common task of the operation department. The process of distribution differs participant to participant in retirement provident fund. There are many types of distributions.

- Loan Distribution
- MRI Distribution
- TPA Distribution
- Bundle Distribution
- Force Out Distribution
- Stop Pay & Reissue Distribution

b. Contribution

Another major task of the operations department is contribution. A 401(k) is basically a defined contribution plan. The employee and employer can make contributions to the account up to the dollar limits set by the Internal Revenue Service (IRS). Employees can contribute up to \$19,500 to their 401(k) plan for 2021 and \$20,500 for 2022. Anyone age 50 or over is eligible for an additional catch-up contribution of \$6,500 in 2021 and 2022. There are some other activities on contribution like regular file upload, ACH pull and push, Loan payment and SSN correction/merger.

c. Information Update

Updating information is another task of operations. Some participants in retirement provident fund want to change his/her bank account details and current address. Updating the information is a priority task.

d. Check Release

When a participant is eligible to get a distribution and if his/her disbursement method is check, check release to the participant or financial institution is necessary. To make the job easier, some financial institutions like Matrix, MATC and Fidelity are helping FinSource.

e. Money Moves

Money moves mostly in two ways; ACH and Wire. Wire and ACH are mainly electronic transfer of money. Wire is fast and expensive whereas ACH is comparatively slow and less expensive than Wire. ACH movement occurs through Automated Clearing House of Central bank. Processing of money movements for a participant is a priority task of operations.

f. Fee Out

Fee out is applicable for those participants whose account balance is low. In the Fee out process, we at first move the balance to fee account and then we either do residual distribution or move to the forfeiture account. We can take also both action after the movements to the fee account. Like a participant current balance is \$26 and vested balance is \$10, then we post a residual distribution for \$10 and rest of the balance, \$16 need to move to the forfeiture account of the plan owner.

g. Reports

Operations department needs to perform making some reports and forward these to the clients to inform some situations. Most of the reports need to prepare on daily basis. Some of the reports need to make weekly or monthly. Following reports need to prepare:

- Negative balance
- Cash Reconciliation
- Cash Deposit
- Returned Check
- Stale Dated Check
- 1099 Scrubs
- ACH Rejection
- Wire Failure

h. Correction

Operations department need to correct some tasks. These are following:

- Purchase back to Account
- Move to/from Forfeiture Account
- Loan Benefit Offset Deemed

3.4 Description of the job

I was appointed as an Intern of the organization. My main job role was:

- Responsible for the day-to-day administration for a group of retirement plans, including daily operation and record keeping
- Accurately input payroll contribution files into the recordkeeping system. Collaborate with the relationship management team and operations to troubleshoot instances where the contribution file does not match the deposit received.
- Responsible for processing participant withdrawal requests within defined IRS, DOL and company guidelines
- Perform quality control check and enter participant enrollment forms into the recordkeeping system.
- Review and release checks and ACHs & processes fees. Assists operation team with data cleanup projects and other duties as assigned
- As applicable, work with teams to coordinate and oversee activities that will ensure timely and accurate completion of plan valuation reports and government filings.
- Responsible for protecting, securing, and proper handling of all confidential data held by the company to ensure against unauthorized access, improper transmission, and/or unapproved disclosure of information that could result in harm to the company or our clients.
- The Core Values of being an active employee, Quality first and reliability always should be visible in your actions on a day-to-day basis showing your support of our organizational culture.

3.5 Organization Leadership Style

FinSource Limited follows Democratic organization's leadership style. Working culture at FinSource Limited is very friendly. Anyone can talk with the senior employees without hesitation. In meetings everyone can share their opinions. For planning a product, before launching a product or event everyone encouraged to participate in idea generation meetings and everyone's ideas are listened carefully. After taking everyone's opinion a decision is made. Interns are also participating in meetings and they have the rights to share an idea or opinion and senior employees listen those ideas, opinions carefully. Senior employees describe the bad and good sides of every idea and opinion. From here interns can know why this idea is good or bad and they can expand their knowledge about business and can know properly organization's strategy. Learning from mistakes interns provide good ideas day by day, which can help the organization to archive its goal. Also, interns have to do lots of work and management creates lots of pressure to watch that intern's capability. If interns can work properly under pressure and work hard, they offer them permanent job.

Chapter 04: Learning Experiences from Internship

4.1 Department: Operations

4.2 Role

During my internship period, I was mostly busy with the distribution process. Distribution occurs when an account owner of the retirement plan withdraws money from the retirement account. The overall distribution process is following:

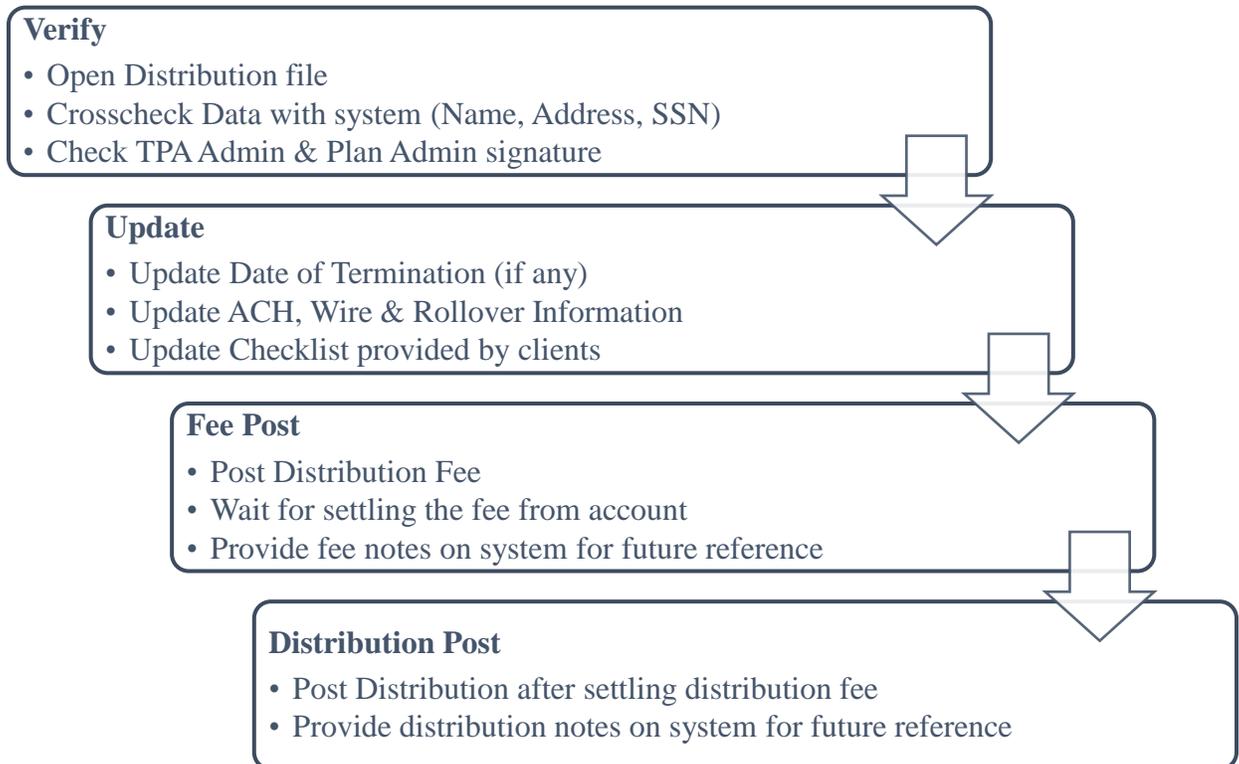


Figure 3: Distribution Process

There are many types of distribution, each type of distribution needs to settle according to different instructions provided by our clients. Some of the distributions are following

a. Termination Distribution

When an employee is terminated by an employer, he/she can request payment in cash or he/she can have their balance rolled over into another individual retirement account is generally called termination distribution. Death distribution is also considered as termination distribution. This is the most common type of distribution.

b. In Service Distribution

Some retirement plan allows employee to use their account balance of the retirement fund. This type of distribution is called In Service distribution. There are some requirements participant or account owner need to follow to get In Service distribution.

c. Hardship Distribution

When an employee of the retirement plan is undergoing a financial crisis, he/she is eligible for a hardship distribution. Eligibility of the hardship distribution:

- Certain Medical Expenses
- Home Purchasing Expense
- Up to 12 months' worth Tuition Fees
- Covid 19 Expenses
- Funeral Expenses

d. Force Out Distribution

When the balance of the account owner of the retirement plan is less than \$5000, the manager of the retirement plan has the rights to force the account owner to withdraw his/her money.

A participant or account owner of the retirement plan can take different disbursement method. They are following:

- Check to Participant
- Check to Non-participant
- Direct Deposit to Account (Through ACH- Automated Clearing House)
- Wire Transfer

Two of our main clients LT Trust and American Trust send their clients distribution forms and checklist through a shared network drive of the virtual desktop. Operations team of FinSource Limited verify all of the information in participant distribution forms and proceed to make distribution. There are two major type of distribution forms. One is Bundle form another is TPA form. Procedure of both distribution form is quite similar. In the TPA

form, there is an additional TPA fee which has to post at first. After settling TPA fee, distribution will need to be posted. To post the fee and distribution, FinSource use Relius software, a leading provider of solutions for pension and employee benefit professionals since 1974. All of the outsourcing providers firm in USA of FinSource also use relius to post fee and distribution.

4.3 Overall Experience

The overall experience here has been pleasant for the intern. The working environment, the organizational culture, employee behavior, and most importantly working experience have been inspiring and effective for future premises. The overall experience is described in detail below:

Skill Developed

Communication: Communication Was the prior responsibility for me as I had to directly work with the students and different stakeholders of the projects

Technical: Technical knowledge plays a vital role in online Learning. I had a very Productive experience regarding using different technology of teaching. This experience will help me in my Future very welly.

Got idea of corporate world: By working there I got idea about corporate world. I became to know how to behave professionally, how to talk politely with clients and colleagues, gesture and posture of business communication and many more.

Multi-Tasking: Multi-Tasking is very important for every sector. From this internship time, I developed my multi-tasking skill very much. In FinSource Limited works pressure was very high and I had to do many works together like I had to solve my coordinator problems and at the same time I had to solve affiliates problems by consulting him or by using CRM.

Chapter 05: Methodology

The report is about the Outsourcing of Retirement Provident Fund (RPF) industry in Bangladesh. To find out the concerned objectives descriptive method is used in this report. Also, SWOT analysis of this firm is shown here. Its new a company in terms of age and the industry is so small as only two firms been operating here so most of the data been collected from person-to-person interview of the executives and team leaders. Along with interview, previously published journal and article is also used in the analysis section.

Data collected for this report were both from primary and secondary sources. Semi-structured interviews were conducted for primary data during 3 months internship period.

Where, secondary data were collected from other published report on about this industry within the country and also from others international journal. Respondents were consisted of 8 team-leaders and 25 senior executives of the firm.

During the interview process the relative information is also gathered about the company size, operations, previous work experience, working environment, job satisfaction and job designation. On the other hand, the secondary data were collected from the previously conducted report on the competitor of this firm and published research on Indian side on the same sector.

Chapter 06: Analysis

6.1 Reasons for Outsourcing

EdgeCo relies radically on FinSource for their recordkeeping service, wealth management, administrative plan solutions. At present LT Trust, American Trust and FinSource Ltd. are cooperating with each other on their all kind of activities. Performance of FinSource Limited forces EdgeCo to collaborate for long term. This immense growth of FinSource leads to the overall growth of this industry in Bangladesh. There are many factors are behind the expansion of the industry. New employment opportunities are constantly being created. The major reasons for outsourcing are mentioned below:

- **Skilled manpower at lower rates**

Though there are no RPF industry in Bangladesh, the US companies still rely on our country's manpower skill. Cheap labor costs motivate them strongly. Where in USA, an employee working on RPF industry gets \$3000-\$10000 payment for a month, in our country an employee gets only \$300-\$2000 payment for a month. The US companies can save a huge portion of their operational costs.

- **Alleviate Worker Shortage**

FinSource Limited overcame the scarce IT skills, reduced issues of available qualified and right IT resources as well as the difficulties and challenges in recruiting, retaining and managing knowledgeable IT staff to keep pace with business growth.

- **More Profitable Use of Valuable In-House Resources**

FinSource Limited is free to concentrate on its core business and EdgeCo can concentrate on its core roles and objectives which is staying current with evolving technology.

- **Stay-Focused on Core Business**

FinSource Limited is able to stay focus in its core areas to drive business growth and operational efficiencies: -

- a. Maximize innovation on new projects, product designs
- b. Improve speed of market acceptance.
- c. Improve customer satisfaction and increase customer needs

- d. Streamline operating cycle without interferences.
- e. Reduce the management burden while retaining decision-making control.
- f. Respond quickly to competitive threats (new product features, new innovations)

- **Proper Utilization of Time**

There is a good amount of time difference between USA and Bangladesh. It becomes one of the key factors for outsourcing. There is a huge pressure on operation departments in LT Trust and American Trust as they are mostly focused on distribution and contribution. Distribution is one of the sensitive and lengthy works in their all sort of works. As FinSource have the same infrastructure like US end, FinSource can work for them remotely. Like LT Trust receive 100 distribution requests in a day from their clients and their daily capability to disburse the payment for 50 distribution requests. They cannot able to proceed other 50 distribution request for the time limitation of their employers. They simply forward their backlog to FinSource in the afternoon on their time zone and FinSource works to clear the pending works from morning to afternoon in Bangladeshi time zone and by the morning of USA time, LT Trust complete their all of the distributions. This is how they are utilizing their time.

- **Smoother, Less Costly Technology Migration**

Outsourcing can vastly diminish the cost and risk of upgrading technology by permitting an organization to rework selected features and functions rather than entire applications. Because outsourcing providers offer access to many different platforms.

- **Share Risks, Risk Management**

Outsourcing provides guaranteed access to relevant skills and knowledge. At least, outsourcing can bring down risk of unscheduled downtime. Another key benefit is the eradication of unorganized downtime. In the advent of a disaster, a provider can leverage its expertise and initiate procedures to rapidly return a client company's IT infrastructure to full operational capability.

6.2 SWOT Analysis of FinSource Limited

Though adoption of fintech is one of the challenges for this immense expansion of RPF industry, some of the companies can make it possible to grab attention to US companies by providing quality work. SWOT analysis of the RPF industry in Bangladesh are mentioned below:

6.2.1 Strengths:

- FinSource provides a healthy working environment and maintain a good organizational culture. Creating a great co-operative and friendly relations among employees of a department, it also ensures a great professional bonding with other departments
- Strong business relations & client driven approach by EdgeCo holdings and its subsidiaries help the staffs in creating industry based, sustainable value for their consulting partners.
- FinSource provides attractive remuneration and 2 times festival bonus in a year. It follows USA scheduled leaves and holidays. But working at Bangladesh's holidays it pays 3 times extra for that day. It provides two days off in a week for the employees to enjoy and refresh themselves.
- Team leaders and senior executives are very attached with the trainees and juniors. Maintaining a great professional relation, they ensure an error free task. They review every task seriously and make sure all the transactions are error free. This attitude has created an impressive reputation to the USA counterpart.
- Though the journey of FinSource started in 2019, it has an experience workforce as they were engaged in another firm within the same industry. Which added a great value and efficiency to the firm.

6.2.2 Weakness:

- As these 401(K) industries doesn't exist in this country, new employees or the candidates those are interested couldn't found the practical implications in here. It may sometimes create dilemma or state of confusion among them.

- FinSource processes data for different TPAs so all the tasks or projects provided by them. It creates a dependency on them. So, it can't do their business liberally because the product of the firm is information of participant which is provided by another party.

6.2.3 Opportunities

- In the current businesses we can see the applications technology has been increased. All the businesses are complying to the use sophisticated software. FinSource is the kind of firm which has enabled the way to explore the activities of fintech company of a developed country like USA. So, in future if the country market develops in this sector they will be on top of the demand.
- FinSource processing information for EdgeCo holdings and their subsidiaries. As their clients TPA firms like American Trust, LT trust are satisfied with the firm's activities. In future there is great possibility to increase the amount project the conduct. And also, the reputation will also increase.

6.2.4 Threats

- As this firm's operation is related with USA TPA firms so any political unrest between this country can shut down the whole business activities as well as the whole industry.
- Reputation and trust are big thing for this firm. If any activities willingly or unwillingly harm client's participant it would affect negatively on FinSource growth prospect.
- Use of sophisticated software is another big issue for this firm. Any disruption in this software can shut down their daily activities.
- Cyber security is big and the most challenging issue for any outsourcing organization. Information technology domain is the most important part for FinSource. Through the installation of virtual desktop their all-business activities take place. Maintaining security is big concern for the organization. Any type of hacking or malicious activity by a third party can damage participants account balance. This scenario can be a big blow this type of

organization as the legally bound to provide security any sorts of information regarding participant.

6.3 Analysis of challenges and opportunities

In here the challenges and opportunities of this firm is described based on answers from the semi-structured interview and also opportunities of the firm are presented which is also based on the perception and experience of the respondents.

6.3.1 Infrastructural Challenges

FinSource is totally depended on sophisticated software and resources provided by the TPA firms. Software like Relius, Salesforce, Pension Pro and others are not known in this country. So, learning the use of these software are hectic and rigid task as there is no expert exist within the country. While talking about less technical support, the knowledge level of employees and those interested to pursue their career in here is another setback for this firm. Lack of technical assistance and knowledge level of the employees makes the training period more time consuming and costly compared to other outsourcing firms.

6.3.2 Financial Challenges

As previously discussed about the use of sophisticated software and technologies used by firm and those technologies don't exist within the country as well as the expert person. This thing has made the scenario more complex for the company. As they have to spend 6 months and also spend minimum 1,20,000 BDT 20,000 BDT per month it depicts how much the training process is costly and time consuming. For good internet connectivity and uninterrupted power supply they also have to pay extra money. There are other things which makes the finance segment challenging as a medium company.

6.3.3 Geographical challenges

This is an issue which has been emphasized by many senior employees of the organization. As FinSource clients belong to different region and different time zone, it sometimes creates discrepancies between the communication. Even some of the tasks are halted at the middle of the processing because of proper authorization. To get verification, authorization and notifications on a transaction sometimes employees have to wait for a day. Which slowdowns the natural working speed of the employees and sometime also impacts on the work efficiency. Communication is another issue as the two parties belong to different country and continent. Even the participants of the plan don't belong to this country.

6.3.4 Opportunities

Talking about opportunities of the firms, it shows many of them. Though FinSource is a new established firm, its growth perspective is really appreciating. In terms size, no of employees, departments and projects all has seen an immense growth. It started with two members currently it comes to 80 members and where there was one department now it's been 8 departments. There are factors which led the growth of the firm today. Those are discussed below as the opportunities of the firm.

- Merge between EdgeCo holdings and LT Trust has brought a great opportunity to FinSource. During this merge EdgeCo acquired many small TPA firm. Brought them under a single umbrella which created a big opportunity for FinSource. Before FinSource as a vendor provided their services only to LT Trust but after the merge and acquisition the number of clients will increase.
- Low-cost labor is the most attractive matter for the growth of the firm. Where in USA for the same process what they pay to employees is greater than payment of their Bangladeshi counterpart.
- Available educated workforce is another prospect for this company. In Bangladesh it's been a common scenario of unemployed educated people. Where this kind of

firm can be solution to the problem, as of their requirement for job designation shows highly educated candidate. Which is very much available in Bangladesh.

- In future this firm can participate in provident fund or pension fund management program. All ready government of Bangladesh has announced “Universal Pension Scheme” which may not have similarities with USA pension plan, but this kind of organization engaged with the same sector may have greater experience than the county’s expertise. So, experience of FinSource and other firms doing the same activities, can be brought on the table to the government plan more feasible.
- There could be a emerge of new foreign currency earning sector. As FinSource is vendor their clients are USA based TPA firms, all the funds or payments are provided by them. So, development of this sector can bring more outsourcing vendors and FinSource can play a vital role for doing that. According FinSource higher officials it earns approximate 20000 Dollars per month. They also added the amount will increase as the company grows in future.

As all of the organization in outsourcing service industry of RPF is FinTech, there is a huge challenge to maintain their network infrastructure. To prevent cybercrime, a skilled IT team is essential. In our country, thousands of CSE students are completing their graduation yearly. Some of them are getting good jobs and some of them are struggling hard to find a better job. Growth of FinTech can bring them their desired jobs. FinSource have a dedicated IT wing, they are doing absolutely good to maintain network infrastructure as all of the activities are done remotely through virtual desktop (VDI) and any unauthorize access in VDI can impact a lot and impression in US end matters most.

Chapter 07: Recommendation and Conclusion

As a fintech as well as an BPO firm particularly notify or suggesting something to develop their business activities would be difficult from the context of Bangladesh. But from short time experience I found some point they could improve. For a developing firm or industry employee selection is very important resource for further development.

Though all the activities are done here by using specific software and technologies, but those are operated only by the employees. So, the knowledge level of the employees plays a vital role about operating that software efficiently. FinSource should be careful and concise while training the new employees and also chose the right method to develop their skill and encourage them. FinSource could provide a guideline for the tasks they intend to, give them proper time to practice on what they have learned.

As an outsourcing firm FinSource is totally depended on internet to process all the activities. Loading problem, slow downloading makes hamper for quick process of each task. Though it has faster internet connection, but the disruption of the speed decreases works speed and efficiency. So, ensuring strong and high internet speed can increase the productivity of the whole organization.

Development of new software or technologies can give them an extra edge. FinSource has a software team working on the matter how to provide more efficient services to its clients. Apart from serving the clients they should initiate something new for in-house IT solution. Employees found it difficult when the virtual desktop works slowly or lags during their normal working process. Consulting with American counterpart they can solve the matter and can participate developing the efficiency and satisfaction level of an employee.

At last, it could be said developing country like Bangladesh the introduction of this new business sector can bring many prosperities for this country e.g., bringing foreign currency, reducing unemployment rate and most importantly developing the economy with an emergence of new sector.

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