Mba internship report ufone

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Executive Summary

This report has been written to fulfill my MBA degree requirement. The contents of this report are based on my 6 weeks internship, starting from 22nd July 2009 till the 6thof August 2009, at Ufone GSM. This report covers the department I worked in during the tenure of my internship, the contributions I made and the lessons I learnt. My experience and observations have also been expressed here, along with some of the problems that I was able to identify during the time. Other aspects of my internship have been covered as well.

The nature of Ufone's business, its background and the over all company analysis has been performed in as much detail as possible that is Introduction to the organization since their establishment till today, its privatization, its management, its working, in all perspective of the firm.

The Financial Analysis, operational analysis, marketing analysis, HR analysis, and environmental analysis have also been discussed in detail, how they

compete in this competitive world and their growth analysis. After that, some information about the Finance department in which I worked as an internee.

And then what I did in that department followed by some problems identified in Ufone with some recommendations. Introduction Background Information of Pakistan's Telecom Industry The Telecom System of Pakistan has laid down the foundation for information infrastructure. Initially the telecom industry in Pakistan was a sort of monopoly with only PTCL operating in Pakistan and there were no other cellular companies. However in the early 1990's there was a drastic change in the Pakistan's Telecom sector as use of mobile phone increased and more rivate companies stepped into the market causing a real liberalization of the telecom industry.

The real defining moment was the passage of Telecom Re-organization Act of 1996, which established the Pakistan Telecom Authority (PTA) as independent regulator of the sector and set timeframe for ending the PTCL monopoly. With the introduction of this act the telecom sector was liberalized in line with the global trends and Pakistan's commitment to the international treaties like WTO.

With the deregulation of telecommunications sector in Pakistan in early 90s, Ministry of Communications awarded two licenses to begin cellular operations based on AMPS technology. Paktel and Instaphone were formed as joint venture between foreign and local partners. Instaphone initiated its services in 1990, while Paktel started its operations in 1992. Both the companies were using AMPS technology.

A year later, a third license was awarded to the Saif Group that led to the inception of Mobilink that started its services in 1994. It was the first company that introduced GSM technology in Pakistan.

In 1995, the Cellular Industry suffered a major blow with the closure of operations in Karachi, the largest market, but the closure sanction was lifted after almost two years. On January 19th, 2001, PTCL entered the cellular market with its on operator based on GSM technology under the brand name of Ufone. In April 2004 Pakistan Telecommunication authority (PTA) awarded two new licenses under an open auction process for a fee of $291 million. These were purchased by two companies namely, Warid telecom and Telenor.

Telenor started its operations on March 15, 2005.

Al-Warid started its operations on 23rd May 2005. The telecom sector has been the major contributor to the turnaround experienced by Pakistan's economy in the last 10 to 15 years. It not only brought Foreign Direct Investment from the cellular companies, rather due to improvement in the information infrastructure it encouraged investment by foreigners in other sectors like Banks etc. Today this telecom sector is providing Job opportunities to many people. Especially this sector has increased the pay scales and reward systems for employees.

Earlier people tried to find government jobs but with the introduction of companies like Telenor, Warid and Mobilink the private sector has progressed massively and people now earn a much higher income. At present there is a tough competition between Ufone, Telenor and Mobilink.

Each company has its distinct advantages. Mobilink on one hand is the Market leader; Telenor on the other hand is renowned for attracting the employees of these 2 companies towards itself by offering them better monetary rewards. Ufone on the other hand is now experiencing a Rapid Growth.

Company Background Ufone PTML is a wholly owned subsidiary of PTCL established to operate cellular telephony. The company commenced its operations, under the brand name of Ufone, from Islamabad on January 29, 2001. As a consequence of PTCL's privatization, 26% of its shares were acquired by Emirates Telecommunication Corporation (Etisalat). Being part of PTCL, the management of Ufone has also been handed over to Etisalat. During the year July 2005 to June 2006, Ufone continued on the path to success.

The Company further expanded its coverage and has added new cities and highways.

Ufone has network coverage in more than 2, 986 cities, towns and across all major highways of the country. During the year Ufone successfully completed the network expansion of Phase IV in existing as well as in new cities and towns, which amounted to more than US Dollar 170 million. As a result the asset base of the Company has increased from Rs. 20 billion to Rs. 27 billion.

Ufone has adopted the policy of simplified tariffs with no hidden charges, which resulted in positive impacts on the usage trends of subscribers as well

as total subscriber base, It has a subscriber base of 20. 05 million as of July 2009.

Ufone currently caters for International Roaming to more than 400 live operators across 150 countries and introduced International roaming facility for Prepaid subscribers in Saudi Arabia, United Kingdom, United Arab Emirates, Singapore, Portugal, Thailand, Cyprus, Bangladesh, Uzbekistan, Tunisia and Kuwait with lowest rates, featuring no security deposit and activation charges. GPRS Roaming facility is available with more than 90 Live Operators across 66 countries. The company has also been awarded a License for providing cellular services in Azad Jammu & Kashmir and Northern Areas.

Mission Statement To become the best cellular communication option available in the country for its customers.

Vision Statement In order to evolve with its customers and to keep pace with their needs, Ufone rejuvenated and revamped their image by changing their visual identity. Ufone understands the value of words and the need to communicate effectively and efficiently at all levels of society, which is why their primary focus is on its customers and their valued customers bring strength to them.

With a fresher look than is accepted and appreciated across the board by people of all ages, Ufone aims to connect with its customers and provide them state of the art services. No matter who they are, where they are, what they want to say, how they want to say it or how they feel, they are Ufone's

focus. Company's Analysis Operation Analysis The overall structure of Ufone is designed to encourage flexibility and innovation.

Henceforth Ufone has opted for a Divisional Structure. Mainly Ufone has four regions and within those regions the structure is functional .

The decision making authority is centralized at the top but within the regions it is decentralized i. e. regional heads have to inform top management before making any decision. From an organizational hierarchy point of view Ufone looks like this: There are eight different departments, each headed by a Project Director.

They report directly to the CEO. These 8 departments or divisions are mentioned above i. e. Marketing & Sales, Customer Care, Information System, Finance, Engineering, HR & Admin, Business Units and Quality Insurance.

Apart from this there are 4 Business Units for Ufone which are divided geographically into 3 divisions: • BU North (Peshawar to Jehlum, including Islamabad) • BU Central-1 (Gujranwala till Sialkot) • BU Central-2 (Multan till Rahim Yar Khan) • BU South (Sindh and Balochistan) The Project Directors of all these Business Units report directly to the CEO in the Regional Office which is situated in Islamabad.

Each region is assigned Home Location Register (HLR), these HLR's does not exist physically but logically, every HLR is defined by the area allotted to it, just to make it easy for the physical stock distribution purposes.

Like any other organization, all the departments are in some way interrelated to one other. Thus the functions of one department, in one way or another, not only depend but also complement that of another department. Each department tries to carry out its activities as smoothly and efficiently as possible so at to avoid any disruption in the company's activity flow. For smooth functioning and the provision of better customer services, Ufone uses advanced and reliable database software.

The LAN connects all the terminals in the organization to the central database station.

Not only this, but all the Ufone offices across the country, linked to the central server located in Islamabad. This makes it easier for the management to access and keep the required security checks over all the operations taking place across Pakistan. Some of the IT support software used has been purchased from abroad. But Ufone's software development team also deserves the credit for the development and the implementation of its CARES* software, created exclusively for the company operations.

An internal web info browser had also been recently created to increase communication and familiarize any comer to the organization about the company rules and regulations, new agendas, employee departments, positions and extension numbers.

It also held all the Ufone's technology compatible application information which employees could easily use for reference. The information available on the browser was internal to the organization and could only be view on the company's LAN setup. CARES software is used extensively at Ufone to

maintain all the necessary customer related information and carry out all the relevant SIM related activities.

Although all the 8 departments are very important for Ufone but as the facts say that Provision of quality service to the customers is of utmost importance for the progress of any service-based company. At Ufone the management is mindful of the same and has been constantly endeavoring to enhance the existing facilities.

Therefore operations at Ufone are all planned and carried out in such a way so as to maximize operational efficiency and customer satisfaction. The Customers Services department, as the name implies, takes care of all the customer queries and needs.

All its functions are entirely customer related and it operates 6 days a week (unlike other departments), and caters fully towards user satisfaction. This department is divided into two sub departments: • Customer Services • Credit and Collections Although it is the subsidiary of the Pakistan Telecom Company Limited (PTCL), Ufone carries out its operations autonomously under the license of Pakistan Telecom Mobiles Limited (PTML). The company head office is established in Islamabad (F-7 Markaz), which serves as the center for all its strategic activities.

Since the head office itself is not a very huge building, and has only a little over 100 employees working here, the Administration and the Human Resource departments are not very big and both share a combined departmental office.

Lastly considering the Operational Performance of Ufone it has been very encouraging. Despite the stiff competition in Pakistan telecom market which has led to reduction of prices to bare minimum level, due to its aggressive policies and exercising strict control over expenses the Company managed to improve its revenue and after-tax profit by 87% and 54% respectively, as compared to last year.

Ufone is operating almost everywhere with more than 5885 destinations all over Pakistan. For supply of their physical inventory, Ufone has distributed cities according to their own strategy. All physical inventories are held in warehouses.

Ufone is maintaining warehouses for the physical inventory stock of Prepaid Cards and Sim Cards. Ufone has a vendor for printing and services of prepay cards. These cards are printed and then assigned a code and then transferred to Ufone for distribution. Before distribution these cards are kept in the warehouse.

Ufone receive loose Sims from EXPON, a Malaysian vendor and prior to their distribution they are stored in the warehouse.

Financial Analysis Ufone has over the last six and a half years made huge investments in the national economy. PTML has successfully been able to build upon its excellent financial results from the previous year. During the year Ufone successfully completed the network expansion of Phase IV in existing as well as in new cities and towns which amounted to more than US Dollar 270 million. As a result the asset base of the Company has increased from Rs. 20 billion to Rs. 9 billion.

Since Ufone is an SBU of PTCL therefore they are not authorized to disclose their profits separately. For the same reason PTCL's financial statement incorporates the profits earned through its mobile operations and the figure are displayed in their annual reports. Ufone has maintained its high earning growth in the cellular sector and posted a net profit of Rs 506 million in the first quarter of 2009-10, which is 3. 3 times higher than the amount of same period last year, Network and infrastructure expansion was carried out and more is being planned to deploy WLL, Wimax etc.

In the largest network expansion deal of Pakistan, PTCL signed up Huawei for a US$ 550 million deal which will allow Ufone to double its capacity. Financial reporting standards have also been improved.

Analysts expect Ufone to be an increasingly major contributor to PTCL earnings. This indicates the growth in wireless sector and the competition in fixed-line and other sectors. Average Revenue per User (ARPU) shows declining trend over the years in emerging mobile markets, aggressive marketing and expansion of networks has enabled mobile operator to grab more subscribers on their network.

As far as the future financial plans of Ufone are concerned, keeping in view the growth potential of the cellular industry there is no option but to be aggressive in order to remain a potent force in the cellular industry. In order to extend cellular network to new cities, towns and highways and enhance its current installed capacities in existing cities, Ufone has finalized a huge network expansion contract, which will enhance the subscribers' capacity by 18 million. This is the largest ever expansion project of Ufone.

A strong focus will be on maintaining high quality of service, which is always a benchmark of Ufone, increasing usage and exploring new revenue streams on value added services, market visibility through various market initiatives to fulfill subscribers' satisfaction and demand and above all to increase the value of investment for the shareholders. Human Resources Assessment There are three Sub units of Human Resource Department at Ufone which are given as following; • Training and Development • HR Operations • Outsource Operations These 3 sub departments perform the following tasks:

Recruitment & Selection at Ufone Before recruiting a new employee, management checks whether there is a need to hire a new employee for that particular job or whether it can be incorporated into an existing employee's job. Recruitment in Ufone may be of internal or external nature. In the case of internal recruitment people from within the organization are promoted to fill the vacant vacancy. The HR department and the relevant department in which the vacancy exists, analyze whether any employee within the organization exists, who most appropriately meets the requirements of the particular vacancy.

If more then one employee is eligible for the vacancy; then that employee is chosen who has the most outstanding record.

After the promotion the employee may be sent for further training. The effect of internal vacancy is that it motivates the employee to perform their best and produce maximum output. It also creates a healthy competition amongst the employees. If the organization feels that none of their current employees can fill out the new vacancy then they hire from external sources (external recruitment).

In this case the human resource management considers other departments in the organization that might be interested in the appointment in order to make it a joint effort. They talk to relevant supervisors and especially to the people the new person will work with.

A set of expert panelists is then selected from each relevant department to interview applicants. Policy and Procedure Development The HR department is responsible for developing procedures regarding leaves that an employee can avail, i. e. he paid and the unpaid leaves, the medical insurance they will get, the salary which will be given to them, the percentage of yearly increment etc. Employees Data Management After setting the Policy and Procedure then records of each and every employee are maintained as to how many leaves he has taken, at what time he arrives, does he arrive on time or late etc, and based on his performance the HR department decides the amount of " Award" for him. The HR department also maintains HRIS i.

e. human Resource Information system which includes information about HR planning, skills inventories, employee benefits nalysis and productivity studies. Training and Development The HR Department is also responsible for organizing training and development session for the employees of Ufone in different departments. For that it decides the employees who need training, what will be the training place, who will give the training etc. Transfer, Promotion and Layoff The HR department is also responsible for promoting or to layoff any employee based on his or her performance.

Considering transfers, the HR Department checks the skills of the respective employee that whether it meets the requirements of the new department where he will be transferred.

Compensation Administration The HR Department is also responsible for designing and installing job evaluation program, pay structure, analyzing jobs and their dollar-worth, maintaining suitable records, wage and salary surveys of the labor market. Employee Relations Wages, rates of pay, hours of work, conditions of employment, negotiation, contract interpretation and administration, grievance handling, allocation of overtime, all these aspects are handled by the HR department. Benefits and Services

The HR department also plans benefits and services for its employees in the form of insurance programs, Transportation facility, sick leave pay plans, loan funds, LFA salary, and yearly bonus programs along with special bonuses for achieving high targets. Organizational Department The HR Department is responsible for increasing the level of trust and supportiveness among people in the organization, enhance interpersonal skills, make communication more open and direct, directly confront problems, tap the knowledge of all who can contribute to problem solutions wherever hey may in the organization. Equal Employment Opportunities The HR department monitors the employment conditions as to whether equal employment opportunities are provided or not.

Is there any discrimination in terms of gender, race, age, national origin, religion. It also involves complaint investigation, interpretation and policy, monitoring performance. Employee Event Management The HR department

of Ufone is also responsible for organizing different events for its employees like Gaming events, Movie night etc. Marketing Analysis

Today, Ufone is the affordable mobile service option available in the local market with all facilities available at affordable prices. Right now Ufone commercials are beings aired on 15 different TV channels.

These television commercials have received a lot of appreciation from both their valued customers and advertising industry professionals in Pakistan. Ufone, with Pakistan's largest advertising company Interflow Communications Private Limited, has always tried to deliver truthful and interesting advertising to its viewers.

Ufone invests heavily on its advertising budget and its commercials are not only aired on TV and radio but are also printed in the leading newspapers and magazines of the country. Huge billboards and banners have also been put up at eye catching locations in different cities, advertising the latest new services being offered. It also participates in sponsoring various theatre and stage plays in various cities along with live rock concerts held across the country. Cricket matches are another area in which Ufone ads are commonly viewed.

It even allows its subscribers to receive wicket alerts and download animated video clips of falling wickets via its MMS service. At times Ufone has even restored to aggressive marketing strategy in order to gain a larger market share. The Marketing Department of Ufone consists of the following 6 units: [pic] The marketing department is headed by Chief Marketing Officer (CMO). The senior manager marketing assists the hiring of employees for this

department. The final decision regarding any new product is made by the CMO.

The brainstorming session starts at the lower level i. e. the Executives and the Sr.

Executive. Both of them work together to form new services. After the completion of their project, they discuss it with the assistant manager.

After the approval by the manager, the idea goes to the CMO, who then makes the final decision whether to launch the new service or not. The Hierarchy of the Marketing Department is as follows: The Goals and Responsibilities of the Marketing Department are as follows: • Assisting the organization in meeting the revenue goals. • Maintain the brand image into the minds of customers. • Retaining the current customers. • Increasing the market share. Launching the service before the competitor does.

• Having a look at the competitors' moves. • Finding new market segments. • Advertising the promotions in most effective and efficient ways. • Keep in touch with the world wide operators to ensure the best possible roaming facility to the customer. • Providing the roaming facility in the maximum number of countries at the lowest possible rates to compete in the local market. • Organizing road shows and concerts to catch the eye of new generation.

• Keeping a record of the best shows on TV and radio to provide the sponsorship to gain the maximum viewership. Maintaining the good relationships with the vendors to ensure a non stop supply. Growth Rate of Telecom Industry Driven by lowest tariffs, maximum coverage, and relatively

better quality the Pakistan mobile market maintained rapid growth during 2007. The newly deregulated mobile market is now working on sustaining the mobile boom that hit Pakistan 2 years back and on the brink of adding Value Added Services to increase along with customer satisfactions. Steady growth saw addition of more than two million mobile subscribers every month throughout the last year.

Network coverage of almost 90% of the total population of Pakistan has made mobile industry even more attractive for foreign investment. Pakistan has emerged as one of the fastest growing mobile markets among the developing nations. This year the sector grew by 80% whereas average growth rate in last 4 years has been more than 100%. Today total subscribers have reached 76. 9 million (Jan 2008) whereas it was 34.

5million in 2007 and 12. 7million in 2006. Figure-1 shows the subscribers growth of different Cellular Mobile Operators. Competitor Analysis Major Competitors

There are four major mobile telecommunication competitors of Ufone PTML and they are given as following; • Mobilink • Telenor • Warid Telecom • ZONG Mobilink Mobilink GSM is the market leader in providing state-of-the-art communications solutions to almost 30, 000, 000 (thirty million) people in Pakistan. Being the first cellular service provider in Pakistan to operate on a 100% digital GSM technology.

Mobilink offers tariff plans that are exclusively designed to cater to the communication needs of a diverse group of people, taking into account occasional users to businessmen.

In addition to providing advanced voice communication services, Mobilink also offers a number of value added services to its valued subscribers. Keeping in mind customers' convenience, they have also bundled mobile handsets, sold either independently or bundled in Get Set Go Pack. Mobilink GSM started operations in the year 1994; from then on it has shown enormous growth. At the time when it entered the market it was a small player in the cellular market of Pakistan it is now the market leader both in terms of growth as well as having the largest subscriber base in Pakistan.

Telenor Pakistan Telenor Pakistan launched its operations in March 2005 as the single largest direct European investment in Pakistan, setting precedence for further foreign investments in the telecom sector. In a little over two years, they have grown to become a leading telecom operator in the country. In fiscal year 2008, they achieved nearly 50% growth in our subscriber base – the highest in the industry by a wide margin. They are the fastest growing mobile networks in the country, with coverage reaching deep into many of the remotest areas of Pakistan.

In the most difficult terrains of the country, from the hilly northern areas to the sprawling deserts in the south, at times they are the only operator connecting the previously unconnected.

They are keeping ahead by investing heavily in infrastructure expansion. With USD1. 5 billion already invested, they have extended agreements with our vendors for network expansion and services until 2009. The agreements, with a potential to result in USD750 million worth of orders from Telenor Pakistan, are some of the biggest of their kind in the industry.

They are spread across Pakistan, creating 2, 200 direct and 20, 000-plus indirect employment opportunities. They have a network of 15 company-owned sales and service centers, more than 200 franchisees and some 100, 000 retail outlets.

Warid Telecom Warid Telecom takes pride in being backed by the Abu Dhabi Group, one of the largest groups in the Middle East and the single largest foreign investor group in Pakistan. It has a diversified business interest in the institutions that have enjoyed commercial success as a result of its strong financial resources and extensive management expertise.

Warid Pakistan launched its services in May 2005. Within 80 days of launch Warid Pakistan claims to have attracted more than 1 million users. According to Pakistan Telecommunication Authority, currently Warid Telecom has more then 13. 4 millions subscribers in Pakistan and is ranked as the fourth largest operator in Pakistan.

Warid Pakistan claims it has the largest " post-paid" subscriber base. ZONG On Feb 13th 2007 Millicom announced that it had completed the sale of its 88. 86 per cent shareholding in Paktel Limited to China Mobile Communications Corporation which finalized Millicom's exit from Pakistan.

Soon after, china mobile company bought all the assets of Paktel, the new management seems busy, to tie up promotional strategies, with the intention to win the telecom market slowly ; silently. In Pakistan Chinese products mostly are famous due to their cheap prices. ; more than 90% population in Pakistan is price conscious due to their lower or medium income level, so lets

see weather ZONG is facilitating mobile users specially youngsters by providing lowest calling, SMS, MMS as well as GPRS rates.

Its total subscribers are more than 2. 4 millions. It covers more than 400 cities, villages and highways.

Zong has a very less market share of just 3% Their Market Shares According the results of research on market share of Pakistan's mobile companies we have following data. Ufone 20. 9% Mobilink 39.

2% Telenor 19. 5% Warid Telecom 17% Zong 3% Brief on the Department Worked During Internship I did my internship in three sub departments of the Ufone Finance Section. These departments were namely " Accounts Payable Department", " Accounts Department" and SAP reconciliation team. The Regional Office of Ufone constitutes of these three departments and it is located in Blue Area Islamabad.

The Accounts payable department deals with the Accounts Payable of each Ufone branch located in Pakistan in different regions, provinces and cities. The hierarchy of this department constitutes of " Internees" working at the bottom.

They are supervised by " Management Trainees" who are supervised by the " Financial Executives". These executives report to the " Senior Financial Executives". Above them there is an " Assistant Finance Manager" and a " Finance Manager". Till 30th June'2009 this department was using " SUN" software for keeping financial records but after that it has replaced SUN with " SAP" i. . (Structured Analyst Program).

The department makes payments for the following expenses: Tax, Office Rents, Site Rental (including payment for Towers and Generators), Marketing Expenses, Asset Payments, Transportation, Hotel, Salaries of Security Guards, Lawyers and Miscellaneous Activity. On daily basis it receives invoices from the Administration department which are basically the bills that are yet to be paid. These invoices are arranged according to the date they are received. Then the invoice information is entered in the log book which is an excel sheet.

That information includes the name of the vendor (i.

e. the company to whom Ufone has to make payment), the date on which the invoice was received, the invoice number and the Amount with the mentioning of the Currency which plays a vital role in case of international or local payment. This information is then fed in SAP. General entry (debit/credit) is passed in the financial software. Each employee is responsible for making specific payment e. g.

one person is solely responsible for making Hotel payments, similarly another person only deals with payments of Security Guards.

Similarly Marketing and other payments are made. All these employees are bound to make payments within 7 days from the date they receive the invoice. Once payments are made they are transferred to the Finance Manager who checks the entries made in the General Ledger and corrects any mistake made in it. He is also responsible for solving any query faced by the junior employees related to general entry while making payment.

He also makes the tax entry for each payment. Tax rate is different for services and goods and therefore it is his duty to carefully decide which tax rate is applicable for each expense. Tax rate for services is 6% while for goods it is 3. 5%). Similarly there are some payments against which no tax rate is charged, identifying them is also the responsibility of Finance Manager.

Once he is done with all the checking and corrections, those payments are transferred to the General Manager. The role of GM is more towards the Managerial side. Not only he checks payment made by the Finance Manager and the junior staff for correction, rather he also compares the current year's payment made for each expense with the payment made for those expenses in the previous year.

He finds out the reasons for an increase in the annual payment for any particular expense. For certain expenses like construction of building or installation of towers, GM is responsible for selecting the vendor who charges less without compromising on the quality.

These vendors ask for Advance payments and making that is also the responsibility of GM. After he has checked the work of his subordinates, he makes a sign on the vouchers (A voucher contains entry of payment made for a particular expense) and on the cheques. Those vouchers and cheques are transferred to the Senior Manager, who makes a sign on both.

Then they are passed to the Vice President and he makes a final sign on them. After this whole process, these vouchers and cheques come back to the internees; they mark those vendors for whom payments are made.

Finally those vendors visit Ufone's office, sign on the voucher and collect their cheques. Those vouchers are then filed along with the support material. Support materials are the documents such as company's letterheads which state the amount of goods purchased on which date and on which rate. These support materials are attached with their related payment vouchers.

The above mentioned process of making payments for vendors is normally for less costly expenses.

Such expenses include payments which are less than Rs. 1 million. So they initiate from Internees, then go to the Finance Manger, then to the GM, then to the Senior Manager, then to Vice President and finally come back to the internees. However there are certain payments which are in millions. Payments which are more than Rs.

1 million and less than Rs. 10 million are only made by the Finance Manager. They involve complex entries and so the use of SAP and excel sheet for those expenses is solely the duty of Finance Manager.

GM, Senior Manager and Vice President all check the accuracy and authenticity of such payments, and once they are satisfied with it, they sign the payment voucher and the cheques and pass it to the internees for filing purpose. Similarly there are certain payments that are more than Rs. 10 million.

Only GM is responsible for making those payments. Senior Manager and Vice President check the authenticity of the payment, through general entries made and once cheques are collected by the vendor, payments vouchers are passed to the internees for filing purpose.

The Accounts department on the other hand is closely linked with the Accounts Payable department. This department deals with the Depreciation of Assets, Balances at months end, Bank reconciliation and Monthly Accruals. When payment is made by the Accounts Payable department, all General Ledgers are closed, so then reconciliation starts. It is the job of staff working in this section to match all the end transactions with the Bank Statement.

Ufone is dealing with almost all the banks and has 46 bank accounts, so it receives Bank Statements from almost all the banks.

The accounts department mainly constituted of 4 people, i. e. 1 internee, 2 Financial Executives and 1 Finance Manager. The Internee was responsible for " Reconciliation", 2 Financial Executives were responsible for clearing the rental issues and the Finance Manager was responsible for finding the monthly closing balance.

Specific / Leading Contributions Made Week 1 In the first week at Ufone blue area I was taught that what is Ufone and what is he doing in Pakistan and providing what kind of services.

I was given a computer and was told to study the Ufone's internal browser that what ufone is and what is it providing to its customers. In the first week I was also told how to useMicrosoftexcel, basics of Microsoft excel, and was also introduced to different people in the department and was told to sit with them and see what task they are performing and how they are performing. I was also given some invoices, vouchers to study that how expenses are generated and what is the process to make these expenses. Week2 In the

second week a task was given to me which was to Collect Invoices and distribute them to their related person.

The administration department sent the invoices in bulk; I had to arrange them by separating the invoices for Office Rent, Tax, Marketing, Asset Payment, Transportation, Salaries of Security Guard etc. I was also responsible for entering the basic information related to those invoices in the Excel Sheet, i. e. the name of the vendor, date at which invoice was received, invoice number and the amount (in the particular currency). During my Internship, the Ufone Regional Office had just shifted from F-7 Sector of Islamabad to Blue Area.

However the higher management like " General Managers" still use to sit in the F-7 Office.

So therefore once the payment was made by the MTO's and signed by the manager, I had to take that payment voucher to the GM who signed on the cheques. Once the cheques were signed by all the authorities, I had to separate the payment cheques from the payment voucher. The Payment voucher was marked, and then filed by me. The vendors for whom cheques were made visited the Ufone office and collected their cheques. In case if any mistake was made by the MTO's in making the payment, I was responsible for finding that payment voucher from the files and submitting it to the assistant manager or to other officials for correction.

Payments for different sections had different voucher numbers e. g. Marketing vouchers were numbered as 26-(number), Office vouchers were

numbered as 34-(number) and same was the case for other vouchers. I was also assigned the task of verifying the payment voucher, i. e.

I had to check whether Field Service Report (FSR), Work Order and GRN were attached to those payment vouchers or not. If they weren't attached then I had to separate those vouchers from the others. WEEK3 In the 3rd week I was told how to work on the software SAP. How to make payments on the software, where and how to make general entries. How to deduct Tax?

On which items I have to deduct tax and on which items I don't have to deduct tax. In some cases the Vendors give an Affidavit that the tax should not be deducted.

And was also performing the work of week 2. Week4 In week 4 I went under the head of accounts Department where I learned about rentals, how ufone pays his rental payments. Ufone pays their rent in advance that is yearly, half yearly or Quarterly as prepaid rent. Then when the benefit has been taken of a particular period i. e month it is finished or closed by an accounting entry which is simply done by the software SAP after giving instructions.

Week 5 In the account section I was given the task of making the Bank Reconciliation Statements.

I was given the payment document and I prepared the Bank Reconciliation Statement by doing the following additions and subtractions: Closing Balance as per Bank Statement — – Unpresented Cheques (—) + Amount debited by Bank not recorded in GL — + Deposits not shown in Bank Statement — –

Amount credited not recorded in GL (—) Balance as per GL —_ Balance as per GL — – Actual Balance as per GL (—) Difference 0_ Week6

In Week six the task which was given to me was to maintain the data of the vouchers or the cases which were made before. I had to assign them a number and maintain them according to them. In the sixth week another job which was given to me was to be with the internal auditors of ufone and provide them any kind of data what they want and to have a check that the provided data should come back so it could be placed back for further assistance. Identification of a Main Problem The main problem for the Ufone Finance department was the difficulty its employees were facing in adapting to a new financial software " SAP".

Prior to this the department used " SUN" software.

Now with a new software the existing employees were exposed to a totally new method of making payments and they were not given any special training which could assist them in their daily tasks. Hence on many occasions complaints were received from the vendors that there are mistakes in the payment made by the employees. Then because of that they had to find the payment voucher to correct those mistakes and because Ufone had recently shifted its regional office to another area therefore the store section which had all the files of voucher was in another branch.

So internees had to rush to that branch to find the payment voucher and then to correct the mistake and all this was a very time consuming process. Other than this, with a new software, the employees had to make some

changes in the General Entry which they previously passed, too many changes were making things confusing for them.

For the implementation of this new SAP system Ufone hired a separate SAP reconciliation team, often that team faced problems in making the software run smartly and efficiently, rather there were occasions when the system got stuck and employees had to wait until the system started to work again.

Findings (SWOT Analysis) Strengths • Ufone has efficient employees with different qualifications. The Finance section where I worked had MBA's, Accountants, CA's and other computer specialist taking care of the SAP department. So Ufone has bunch of all types of professional. • The work is properly divided amongst all the employees at Ufone.

In the Finance section, jobs and roles are clearly defined, like who has to make the payments for marketing, who has to make the payment for security guard, who has to make the payment of less than Rs 1 Million, who has to report to whom etc.

So the communication process is quite good and no single employee is overburdened by work. • The Supervision at Ufone is one of its strength. Each employee knows he is responsible to whom and there is a good communication between the supervisor and the employee and a proper track is kept as to whether the targets are achieved by the employees or not. Weaknesses • With the introduction of the SAP system, workers are presently finding it difficult to adjust to this new software as they are use to making payments on the Sun software.

So in the long run this problem will be cured but in the short run i.

e. for now it is a weakness. • The existing employees of Ufone are not given proper formal training on how to use the new financial software (SAP) and the Finance section does not comprise of a training team which could give training to the employees newly recruited by Ufone. So this is one of its weaknesses. • At present with the introduction of SAP system, the paper work has become a little complex because the system has been partially implemented and the employees are at its learning phase.

In the long run, the computer will keep all the records but at present they have to maintain the hardcopy of payment vouchers in files. So often the vouchers are mixed up with the vouchers of Sun system so this is one of the weaknesses which will be cured in the long run. • One major weakness that exists in Ufone Finance department is that although work is properly distributed, yet they have more internees than actually required. So some of them have to sit without any work and this is one area which needs improvement. • Time and working hours is another issue at Ufone.

Workers sometimes get free before 5pm in the evening whereas sometimes on a particular day they are told that they would have to sit back till 9 pm. Also sometimes they are called on Saturdays which is an off day as per the Ufone policy but employees of finance section are made to work. Opportunities • With the introduction of SAP system, Ufone intends to become an organization where all records will be kept by the computer and that there will be no need to keep a hardcopy of payment vouchers in the files. So not only this will save cost of the company but also it will save time which is served on filing or finding vouchers from the files.

Though at present this benefit is not attained because the system is not fully implemented, but in the long run as employees will become more experienced this advantage will be attained.

• The new SAP system will allow employees to make payment quickly than before and will therefore speed up the work. Threats • In the long run when SAP system will be fully implemented, then all the records will be kept by the computer. So then if the computer fails, then there is a risk of Finance department loosing all the necessary data. Conclusion and Recommendation

So it can be concluded that Ufone is one of the important players in the cellular industry. It constitutes to a good amount of Market Share and as far as its departments are concerned, now it intends to draft its plans for long run where efficiency of each department can be improved. For this reason it has opted for a new efficient software " SAP".

Still there are some problems particularly for Finance department and therefore recommendations for those problems are as follows: • The Ufone Finance section should have a separate training team to train its newly recruited employees.

Presently any employee who is hired is asked to shadow his supervisor and then learn. Efficiency of employees and work can be improved by having a separate training team in the department. • At present Ufone has more internees and less amount of computer system through which they can engage them into work. So some of the extra internees have to sit idol or they have to do clerical tasks.

Therefore it is recommended that they should have more computer systems on the floor or they should lay off those extra internees to save their cost. One factor due to which applicants hesitate in applying to Ufone Finance section is that, the hierarchy of the finance sections starts from the internee, not from the post of MTO. Whereas a fresh graduate is willing to atleast get a job of MTO. So this is one area where Ufone should improve. There are internees in Ufone finance section which are working there for more than a year at a pay of Rs 3000 per month and yet they are not promoted as MTO.

So this area should be improved or in the long run people will hesitate in working in Ufone. • The Working hours should be improved and should be made more certain.

Often the employees get a call that they would have to come on Saturday for work which is usually a holiday. Also the working hours are uncertain. Sometimes they are bombarded so much by work that they have to sit back till 9 pm, sometimes they even get free at 5 pm.

So more certainty should be encouraged in the working hours. • Monetary rewards especially at the MTO level should be improved. Most of the MTO's get a salary of Rs 10, 000 to Rs 12, 000 without any transportation facility or allowance. So to facilitate employees and to make the work place more attractive for them monetary rewards should be improved.

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ptcl. com. pk • www. pta. gov. pk Appendix ——————– ZONG Executive Senior Executive Assistant Manager Senior Manager GM CMO U Rock IR Marketing Budget VAS Operations Branding Marketing HR Operations Outsource Operation Training & Development HR Department HR & Admin Business Unit Khi/Lhr/Fsd Quality Assurance Engineering Customer Care Information System Finance Marketing & Sales Project Director CEO Board of Directors