Internship Report on Retail trades of bangladesh in trade business unit of ShopUp.

Submitted to:

Islamic University of Technology

Submitted by:

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I'd like to express my gratitude to Farjana Nasrin, Lecturer at the Islamic University of Technology, for her counsel, knowledge, encouragement, and assistance during my internship at ShopUp.

I'm also grateful to Rajnarayan Biswas Prodip, Operations Manager, ShopUp, Mokam Large Retail Business Unit, for accepting me as an intern throughout my internship under his supervision. His guidance and teachings helped me in finishing my internship properly. He showed me through many aspects of my internship. And I learned so much about the company.

I'd like to express my sincere gratitude to ShopUp, MOKAM Large Retail Business unit for this unique internship opportunity.

Finally, I'd like to express my gratitude towards the Islamic University of Technology and the Department of Business and Technology Management for providing theoretical knowledge.

Executive Summary

This internship report is a part of my internship course as a requirement of the internship program in ShopUp under the department of Business and Technology Management, Islamic University of Technology (IUT).

The purpose of this internship report is to analyse, visualise, describe ShopUp's general business process and condition. This report is built using both primary and secondary data.

The Retailer Trading Industry is continuously growing in Bangladesh. This sector in Bangladesh is void of tech based companies. This country is not technologically advanced, but there is a vast possibility of improvement, which is a massive opportunity for growing this trade industry.

ShopUp has been active in this country in the healthcare sector since 2016. ShopUp is a company that provides financial (BAKI), logistics (RedX), Trading (MOKAM) support from large to small retailers. Its current status, barriers and opportunities are discussed in this report. Few analysis methods are used to visualise, analyse, and sort all these factors about ShopUp.

It was a fantastic opportunity to work as an intern in a Tech Startup working to reshape traditional business. Every task I performed there has given me new skills and knowledge during my internship tenure. It was also an excellent opportunity to work with industry-leading professionals, which will significantly impact my career.

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1st Chapter

Introduction

Introduction

My internship at ShopUp, was focused on learning how things work in the real world. Things I have learned in the 3.5 years of my bachelor studies to reflect upon the real world mechanisms of corporate business.

I joined ShopUp with the goal to achieve real world experiences in my theoretical studies. ShopUp is a Bangladeshi start up company that is based on B2B platform. There are three divisions of Shop-Up, Mokam, Baki & RedX. Baki is based on a financing platform that supports the small businesses of bangladesh. RedX works on the logistics parts of the business, currently carrying operations in all districts of bangladesh. And for MOKAM, we conduct business with 500,000 retailers as our customers with over 10,000 products from various manufacturers.

I was under the supervision of Rajnarayan Biswas Prodip, Operations Manager, Mokam Wholesale Department. He taught me the whole process of conducting business from an operational perspective through these 3 months.

My primary focus was to learn the process of developing and coping with new operational models and improving old operational models with the existing ecosystem of traditional ways of doing things. As Mokam Wholesale was part of a start up working with traditional businesses of bangladesh, the place was just right.

2nd Chapter

Company Overview

2.1 ShopUp at a glance

ShopUp was founded in dec,2017

Shopfront Ltd started its journey back in 2015 with an angel investment of $120000. Later it changed to ShopUp and the company began its journey officially in 2017. The company gained $20.5 million from Sequoia Capital India and Flourish Ventures, with additional participation through VEON Ventures, Speedinvest, and Lonsdale Capital (Singapore). Later, the company gained $75 million in investment from Valar Ventures. Summing up, the company raised $103.4 million in investments until now. ShopUp has noticed a large number of retailers operating in Bangladesh, the company found a market gap. ShopUp aims to lift up small businesses through digital lending, providing last-mile logistics, uncomplicated B2B sourcing as well as business management and inventory solutions. The focus is to provide full-stack business solutions for small enterprises.

Right now, ShopUp is functioning in the whole of Bangladesh, divided into 54 zones and Dhaka as well as it is in the process of expanding in India with a regional office situated in Bengaluru.

ShopUp is the highest and fastest-growing company in Bangladesh. To put it in perspective, If ShopUp was a country it would be the 189th largest country in terms of economic size. Ahead of countries like Micronesia, Kiribati, Tonga, and 10 other countries. ShopUp has reached the status of a Unicorn Startup, which means the company is valued at over $1 billion.

2.2 Background of ShopUp

ShopUp started as a tool to conduct trades on Facebook. For businesses conducting trade through facebook pages, it's a one-stop shop. It had features like inventory management for owners, product delivery, cash on delivery. It helped small businesses to expand sales & reach a higher number of customers.

2.3 Evolution of the company

ShopUp started its journey in 2017, with a B2B platform to connect small retailers all over bangladesh. This start up business has contributed significantly to the e-commerce market of Bangladesh by offering a common platform to conduct trade efficiently and to a broad market without the constraints of maintaining a large supply chain.

3.4 Vision

ShopUp is growing rapidly and expanding to each corner of Bangladesh to all business sectors through its sister concerns. By connecting small businesses all over the country to each other and creating a platform to buy and sell from large manufacturers, ShopUp's hope to mitigate the long supply chain and decrease cost of product procurement for small businesses.

Mokam to use for procurement of all kinds of products through one app, RedX to use for logistics support for all over Bangladesh, Baki to procure financing in need of small businesses.

2.5 Organogram

ShopUp's Business units uses a short but efficiently developed organisational structure.which is as depicted below.
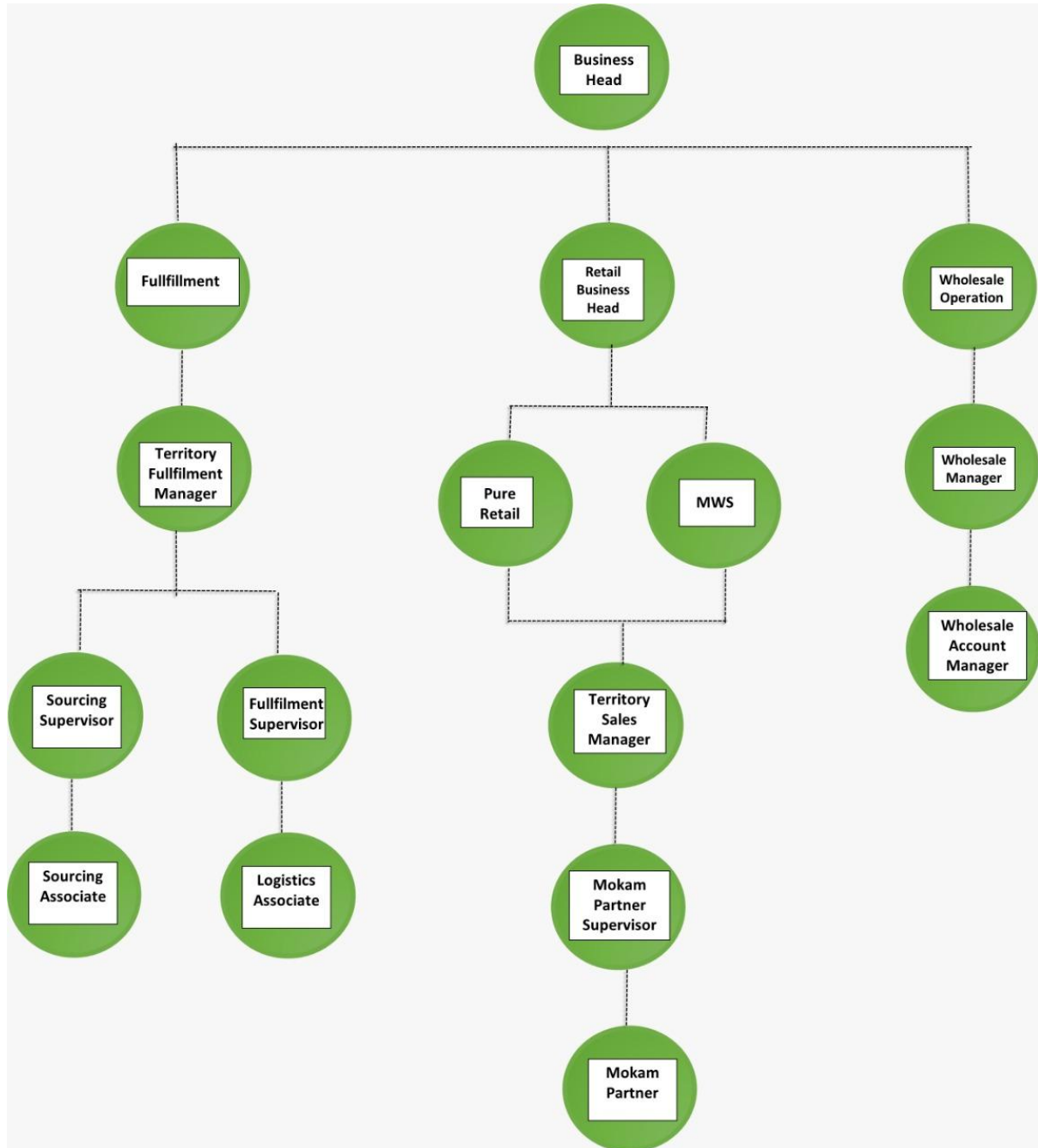
Figure 2.5.1: Organization chart

2.6 Products & Services

Mokam App:

Retailers can register to the mokam app as a retailer or wholesaler. Once they are registered and verified they can see various products available with real time prices and can order products they need.

Sourcing associates works on the procurement part. Sourcing associates are deployed to all the big bazaars of bangladesh. They procure needed products as demand arises and sometimes products are procured before demand arises, which is served as advanced stock. These advanced stocks are relatively low quantities and by products of management.

RedX App:

Customers can request delivery services all around bangladesh. Redex uses a fleet of over 200

Baki App:

Customers can request for financing and repayments.

2.7 SWOT Analysis

Strength	Weakness
● Received highest funding in bangladesh. ● 1st Start up in the B2B platform. ● Fastest growing company in bangladesh.	● Working with the traditional business platform. ● Existing businesses do not want to change their way of trade.
Opportunities	**Threats**
● Lack of B2B businesses in bangladesh. ● Huge growing potential.	● There are new B2B businesses hoping onto this growing market too. ● Start ups needs to grow fastest to rip benefits.

Figure 2.7.1: SWOT analysis

2.8 PESTEL Analysis

Political Factors

As the wholesale market is not directly regulated by the government of Bangladesh, it is heavily misused by the powerful ones present in this market. And sometimes trade restrictions in response to price hikes creates sudden spikes and drops in day to day business which is hard to maintain.

Economic Factors

Economic factors like living cost, inflation and interest rates, will impact trade organisations. If the living cost rises, companies that manufacture or are involved in transportation will find it difficult to pay fair wages to their employees. Bangladesh has much higher fluctuations in living cost. It will also affect the trading industry.

Social Factors

Implementing changes in a positive way is critical for any start-up in a traditional business market. Specific communities in Bangladesh share fears, beliefs, and cultural norms. It can be problematic if trade organisations are unaware of these conditions while conducting businesses. In the end, not all traditional businessmen will be onboard for the change, and we have to plan accordingly.

Technological Factors

As a result of technology advancements, the trading business is witnessing favourable transformations in conducting business. Improvements in business tools and technologies help businesses obtain better results. Bangladesh is not a wealthy country, but new technologies are being introduced.

Environmental Factors

Because of the tremendous climate changes induced by global warming, there is a growing urge to protect the environment. Thus, many industries are shifting their products and processes to be more environmentally friendly. ShopUp is the first Bangladeshi B2B startup and ShopUp is implementing various new eco-friendly ways to conduct businesses. ShopUp

is confronted with meeting growing consumer demands in a cost-effective, sustainable, and environmentally friendly manner. Yes, environmental factors impact the way businesses operate in the country. In the eyes of the regulatory authorities, environmental considerations are not particularly important. As a result, ecologically friendly things do not receive special consideration.

Legal Factors

Modifications to the laws can have an impact on both the costs of a company (for example, if ShopUp is required to establish new processes and procedures) and the demand for that firm (for example, if the law has an impact on consumers' livelihoods when they purchase the items or use the service). Around the world, different countries have distinct legal systems when it comes to human rights and property rights. When it comes to many situations, dishonesty is rampant. Intellectual property rights are still in the early stages of development and implementation. As a result, the rule of law is not enforced as rigorously as possible. Aside from that, the tax levied on technological devices is astronomically expensive.

2.9 Porter's 5 Principle Analysis

Barrier to entry

Economic Barrier

The economic condition of Bangladesh is not much high, and per capita income is meager. Reaching many prospective customers in this country can be a real challenge for MOKAM Ltd. Due to these poor economic conditions and Bangladesh governments non participation policies in free market means that ShopUp can't rely on government help with favourable policies. ShopUp faces these barriers and continues its business as a market leader.

Social barriers

The wholesale business in the Indian subcontinent is as old as fairy tales. Trying to reshape such an old and traditional way of conducting business is a tough nut to crack. Some of the businessmen present in this trading platform learned these traditional ways from their ancestors which makes their standard operating procedures as sentimental as ancestral belongings.

Political and legal barriers

Politics is the combined output or reaction of governmental, local and powerful elites combined actions towards their own goals. As it is a non regulatory free market in bangladesh power to change outside effects plays a huge part in it. And also having no regulations by the government is a barrier in itself for new entries in the business platform.

Power of Suppliers

Suppliers have some authority, which is detailed below.

1. Because the Bangladeshi wholesale market is so old and non regulated a few families have taken over the whole market.

2. Because the industry is controlled by few people, suppliers set the price regardless of consumer demand.

3. Suppliers have contracts with their customers, so it is difficult for customers to switch suppliers.

4. Buyers must purchase the products that suppliers supply. Suppliers are chaining customers to a long and inefficient supply chain.

Power of Buyers

ShopUp primarily sells to two levels of customers. One is the retailers, the end of the supply chain for products. And another is the large retailers,wholesalers that are the end level traders or stocker

The following are some of the powers that buyers have:

1. Buyers have funds paid upfront to suppliers for a certain period of time to get the product quickly.

2. When a supplier's reputation is down buyers usually Don't feel comfortable keeping credits to him.

3. If there is a valid flaw in the deal, buyers have the option to reject it.

4. Buyers have bargaining power.

5. They have the option to change suppliers if their needs are not met.

Substitute Products

ShopUp have only one competitor that provides similar products and services in Bangladesh, Sindabad. Although they have recently introduced themselves they are growing rapidly which is a concern. As a start up it is a race to reach the top first, because the 1st one to reach the top will rip the benefits.

3rd Chapter

Industry Analysis

3.1 Industry Size

From the research carried out by Facts and Factors, the size of the market for Business-to-Business (B2B) that was done electronically was estimated to be around 7 trillion dollars by the end of 2021.

According to the research done by ecommerce DB.com the global B2B eCommerce market has been valued as 14.9 trillion dollars in 2020. This figure is prominent as it is above 5 times the value of business to customer e-commerce.

Amazon and Alibaba are two of the most prominent players and the asia pacific region is currently leading the world with a market share of more than 80%..

3.2 Growth Trends

From the research carried out by Facts and Factors revenue generated will cross 26,65 trillion dollars in 2028. The compound annual growth rate will be around 18.7 percent and the industry will grow more than 10 fold within the upcoming 10 years.

Another significant data is the amount of money spent on health within 2020-2021 will nearly double and the growth is expected to accelerate much faster than in any other sector.

Maturity of the Industry
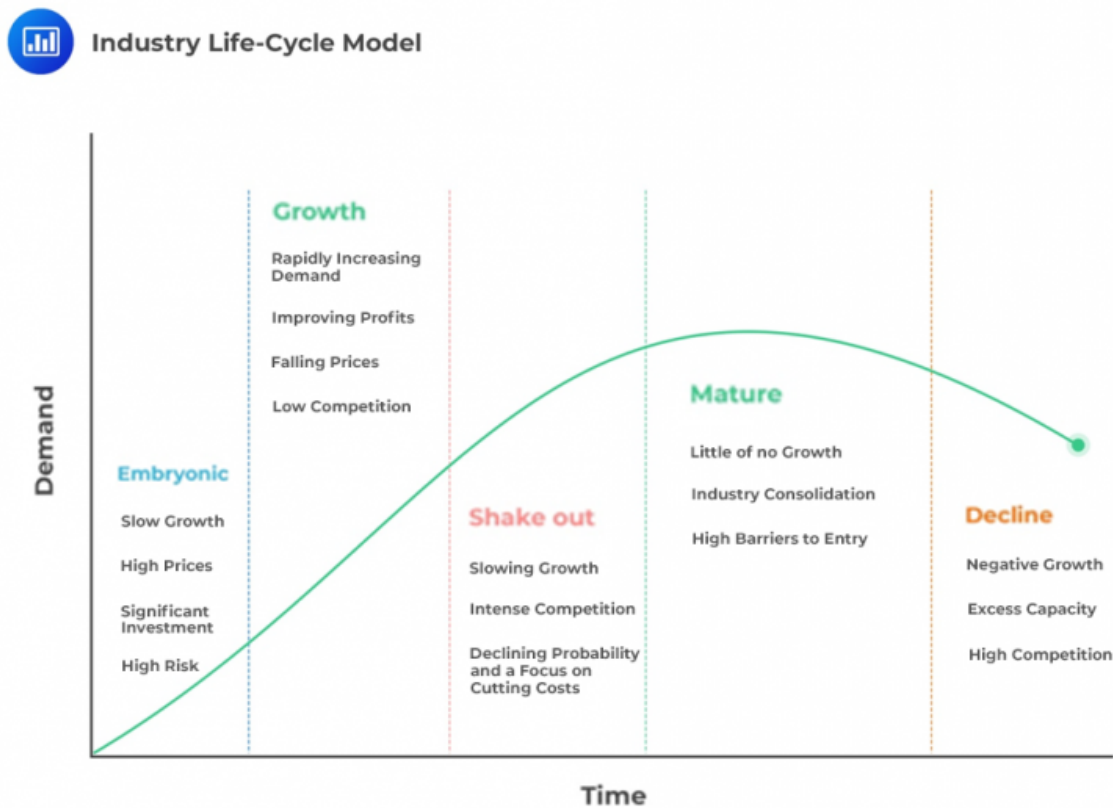
Figure 3.2.1: Industry lifecycle model

The ecommerce industry has crossed the growth stage in most developed countries and is entering the shakeout phase while in developing countries the ecommerce industry is in the growth stage and we are seeing rapid growth.

The B2b industry on the other hand is in the growth stage in developed countries with a CAGR of over 15% and with consumer preferences changing more adoption is likely to follow. While the B2b industry in developing countries such as Bangladesh is at an embryonic stage characterised by slow growth, high prices and significant investment needed to operate business and high level of uncertainty.

3.3 External Economic Factors and their Effect on the Industry

Seasonality

Different sectors within the industry have different seasonality. For example the agricultural sector will have a higher demand for tractors in the time of harvesting whereas the paper industry will see a higher level of sales during the exam period.

Technological Factors

Since B2B e-commerce sites rely heavily on the use of technology, the faster the adoption by people of technology, the greater the growth rate for this sector. This is illustrated by the fact that due to coronavirus people had no choice but to order through online and as a result the B2b industry flourished.

As technology is getting better and new technologies such as 5G is getting developed this will make people more reliant on technology and this is expected to increase the sales of B2B industry.

Regulatory, Political, and Legal concerns

In a lot of countries the regulatory framework for B2b is still not as stringent as other industries, however this is expected to change in the future which might result in increasing the cost of doing business.

As tensions between countries are rising more and more economic boundaries through sanctions or taxes are being placed this will result in more hurdles to the growth of the industry.As this will result in the cost of doing business higher and hence lower economic activity.

Others

There is a recent trend in cyberhacking. Russian hackers are targeting large US corporations and this has cost billions of dollars in loss. This type of cyber crimes are expected to rise in the future. Analysts suggest more and more companies will need to hire cyber security specialists to ensure proper defence of the system otherwise the problem will not stop. This will likely hinder the growth of the industry.

4th Chapter

Description Of Primary Duties

4.1 Recurring Tasks:

Data visualisation:

In the work structure of ShopUp. all the orders are submitted through google form. Which are compiled on google worksheet. These data are then sorted by zones and customers to have a better look at daily sales and performance of each wholesale account manager. I also had to visualise each customer and WAM's total order value as there is a limit on both zonal distribution of funds and customer wise agreement limit(agreements were overseen by another intern working alongside me, he provided me the limit for each customer and zone daily). Based on these parameters wholesale orders are then revised in acknowledgement of respective WAM. Occasionally some parameters were breached if approved by our operations manager. After filtering out all the datas I would then put these wholesale orders in the system.

System Inputs:

After all the sorted and revised orders are approved by our operations manager I place the shop-up admin panel. Here I have the requester access(I can request orders on behalf of respective WAM) . Before placing the orders some additional inputs needed to be done.

- Additional Input 1:
- Firstly I needed to check if there is any new stock keeping unit (SKU). If there were any new SKU I would have to add it to the system. To add an SKU in the system there are some key questionnaires that need to be answered. Like Manufacturer name, Brand name, Product name, packet size, Product Category. Sometimes I just google them to find the answers. But there is a system in place, where wholesale account managers fill up a google form for new products themselves. After getting all the information an email is sent to the product team to add the SKU's which can then be used to place orders. If there's no new ones then this process is skipped for that day.
- Additional Input 2:
- Secondly I need to check if the supplier is verified. Our products are sourced from various suppliers. Wholesale Account Managers of different zones communicate with our Sourcing Associates in supervision of our Category team via whatsapp groups and buy products at the cheapest rate. Category managers supervise this sourcing part. I

just need to ensure that the supplier who is supplying for a particular order is verified by ShopUp, if not then a request is sent to verify the supplier. It usually takes two days to verify the supplier. No product is sourced from unverified sources. As I do not work directly on the verification part, the parameters are unknown to me.

- Additional Input 3:
- Aligning Sourcing Associates with Wholesale Account Managers. Our Wholesale team is a fairly new addition to ShopUp's Various business units, a lot of the employees need to be overviewed for cooperation recurrently.

4.2 Typical working day:

1. Usually the working day starts at 11:00AM, Officially my working hour starts at 10:00AM but due to the need of flexation in our business needs it is acceptable to be present before 11:00 AM.

2. At the start of the day my intern colleague has a meeting with all the active Wholesale Account Managers (WAM), Which I do not join regularly. But if there is any message that needs to be conveyed to all the wams this usually is the time I do that in this virtual meeting.

3. After which I focus on any uncompleted tasks from the previous day or focus on learning what other members of my team are working on. Occasionally I help out other members on their tasks as it helps me learn too.

4. I finish all the non-recurring or non-native tasks before lunch, as I have to focus on my recurring tasks after that.

5. Lunch break is from 1:00PM-2:00PM. Our previous office had a dining corner where all the employees were served lunch from catering services. At the start of February we shifted to our new office. Although this office is nicer than the previous one it doesn't have a dining place.

6. I conducted a meeting with Wholesale Account Managers who haven't had any orders in the last 1 week. I listen to their problems as for why they failed at reaching the customers. Some have become common and I have learned how to solve them by watching my superiors. Other problems that I can't solve myself escalate to Territory Sales Manager, Fulfilment Manager or Operations Managers respective to the problem's nature. This meeting is conducted online through google meet at 2:00 PM

daily. Since I am usually the host of this meeting I am given the permission to change the meeting time according to my flexibility with prior notification.

7. Amongst my recurring tasks there is one crucial one. That is sorting the payment status. That is, When the payment is done a digital copy of the payment slip is sent to me as confirmation by the treasury team. I keep note of successful payments, Bounced payments, Cancelled payments. This information is then automatically shared with the respective WAM's and Back Office employees. This usually takes me half an hour to one hour which starts at 3:00PM.

8. For the last 3 hours (4:00PM-7:00PM) I focus on my recurring tasks. As these need to be finished otherwise other people can't work with these data the next day. So I need to finish those tasks before concluding my day's work. If I finish early I leave the office early that day and if it takes too much time that day I leave the office late. But it never yet took longer than 8:00PM to finish the recurring tasks.

4.3 Unusual working days

1. MOKAM Day: On the anniversary of MOKAM's founding day treasure hunt was arranged. Little clues were hidden throughout the ShopUp headquarter hourly. And for each hour a hunt for the hidden treasure was conducted. There were in total 7 winners.

2. Evitta Positive: During my internship at ShopUp, our wholesale team has reached an Evitta positive state. Which was a big success for our team. That day we celebrated by cutting a cake and having pizza.

4.4 Learnings:

☐ Due to the big size of our field team and my supervisor's decision to let me lead them and be their point of contact in the back office, I have learned to manage and lead a huge team that works across the whole bangladesh. I had to solve many issues which would never arise working with similar groups of people in one place. There is a lot to learn in how to handle certain situations sitting hundreds of kilometres away through phone calls and emails.

☐ Communication is another skill I developed. Although I believe everyone develops their communications skills when they leave their cocoon. But there is something to learn when 45 people rely on your communication skill, and you have to

communicate with another 20 to get the right information on a regular basis. It was chaotic but it was on a whole nother level.

4.5 Communication Services:

➢ Cellular(Grameen Phone): ShopUp provides a GP sim for every permanent employee. And the cost is also borne by the company.

➢ Whatsapp: It was our basic tool used across all levels of employees to reach each other anytime.

➢ Google Meet: Google meet is the company standard for virtual meetings. And after conducting a virtual meeting on this platform for 5 months, he is my best friend.

4.6 Working Tools:

❖ Google Sheets: It was by far the most used tool in ShopUp. Almost all the business units rely heavily on google sheets. It is the go to platform to process, record and share data.

❖ Google Forms: It used to collect information throughout all the business units.

❖ Gmail: All the internal communication is done via Google mail services.

❖ ShopUp CRT Panel: CRT panel is used for processing funds. How it works is a requester requests payments to be done with account information and amount details, then concerned participants provide approval for each requisition after which the payments are processed by the treasury department.

Chapter 5

Analysis of the internship

5.1 Customer Relation:

Surveys:

ShopUp regularly conducts surveys on how to improve customer relations and what new things could be included in the portfolio.These surveys usually collects datas like-

- Required Items
- Monthly sales
- Customers customer base
- Regional market dominance
- Lucrative offers
- Other method adoption suggestions
- New products demands
- Specific supplier relations
- Asset volume
- Growth structure
- Past growth
- Nominal approximate profits
- Customers reach to suppliers
- Availability of competitive alternatives in specific regions

MeetUps:

ShopUp occasionally conducts customer meetups to boost motivations.

5.2 Supplier Relation:

Purchase Order:

Purchase orders are made for the suppliers according to each order of the customers. In relation to supplier satisfaction and good relation these purchase order's are needed to ensure trust. These purchase orders work as an anchor point for all parties involved in transactions and repayments.

Pull system inventory:

As though we are the wholesale business unit, we do not stock products in large quantities in our inventory. Inventory is managed based on demands.

5.3 Future Prospects:

Working in a tech based startup focusing on entering a traditionally enriched business market comes with its unique sets of barriers. Which I have learned fairly to navigate. Although this unique experience might not be able to copy paste on other jobs, the ability to solve unique problems will surely help in future.

I have also learned perspective lessons on how to lead a new business with new concept and the art of making SOP.

Chapter 6

Recomendations

6.1 Using varieties of cloud-based office suites:

Using google sheets has its perks but consistently relying on one server for all operations is like putting all the eggs in one basket. If the google server fails the whole operation is down.

6.2 Ownership of technologies:

Most of the files and documents in ShopUp. is owned by individuals in google drive and worksheets. When an employee leaves the company for some reason his/her email is down the files and documents are then temporarily lost. Which then needs to be recovered through a lengthy process. I think a dedicated company server under google would be a better idea.

6.3 Automation of operations:

Some tasks are repetitive in ShopUps' everyday process. These tasks in the business units involve manually copying and pasting various ID's, Order details and other data like Purchase orders, Invoices etc. Some of these digital documents also need to be manually prepared. This process often causes a human error that can delay an operation/order.

All these tasks can be automated by the help of softwares to generate those documents leading to fewer human errors and solidifying the process.

6.4 ShopUps' Internship Programs:

ShopUps' internship program helps an intern grow more professionally. By assigning him/her on informative tasks rather than logistic tasks to the interns during the internship period. This way they can take leads and learn from others.

6.5 Conclusions:

In this report, I have discussed the various levels of analysis of the wholesale Industry and ShopUp in Bangladesh. ShopUp. is the first start up business to start business in this traditional market. Almost every wholesaler is used to the traditional way but here they see an opportunity for trying a different method, an opportunity to break the restraining cycle.

Despite having some limitations. ShopUp is growing financially unrivalled year by year. If the company can hold up to this success, it will do better in the future.

Chapter 7

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