United International **University**

Internship Report on

"Service Supply Chain Management of Al-Arafah Islami Bank Limited"

Submitted To

Mimnun Sultana
Assistant Professor
School of Business & Economics
United International **University**

Submitted by

Name	ID
Ar Rafi Sadeq Aurpo	111 191 056

Date: 28 November, 2024

Letter of Transmittal

28 November, 2024

Mimnun Sultana

Assistant Professor,

School of Business and Economics

United International University

Subject: **Submission report on “Service Supply Chain Management of Al-Arafah Islami Bank Limited**

Dear Mam,

I am pleased to submit the attached to my internship report on “Service Supply Chain Management”. According to the requirement of BBA program, I completed my Internship. This paper is very important.

I took an active part in the day-to-day activities of the Al-Arafah Islami Bank Ltd. Tongi Branch during my three months of apprenticeship. I sincerely appreciate all of your guidance and unwavering support, which have helped our project tremendously.

I would like to express my gratitude for this opportunity to grow as a person and learn new things. I'm interested in speaking with you and finding out more about your opinions regarding the analysis in the report.

Sincerely Yours

Ar Rafi Sadeq Aurpo

Ar Rafi Sadeq Aurpo

ID- 111 191 056

School of Business and Economics

United International University

Student Declaration

By signing below I, the undersigned, certify that the project report outlined above has been created independently by me to fulfill the requirements of the course, in collaboration with Assistant Professor Mimnun Sultana. I attest the all claims made and information provided herein is the result of my own independent research.

I further affirm that this report is entirely my original work, developed in consultation with my academic adviser throughout the conceptualization and drafting process. I also declare that I have not submitted this report to any other institution for the purpose of obtaining any degree, diploma or certificate.

All academic requirements were followed while I wrote this paper.

Ar Rafi Sadeq Aurpo

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Ar Rafi Sadeq Aurpo

ID- 111 191 056

School of Business and Economics

United International University

Acknowledgement

I want to sincerely thank Almighty for providing me with the resilience and confidence I needed to do the task in the time allowed. Internships are an essential part of the BBA program because Al-Arafah Islami Bank allowed me to observe and participate in a company's everyday activities, which allowed me to get practical experience. The company Al-Arafah Islami Bank Tongi Branch, was a great place to intern.

I would like to use this opportunity to express my gratitude to Mimnun Sultana, an assistant professor at the School of Business and Economics (SOBE) at United International University, who oversaw my internship with great excellence. Her vital advice formed the basis of this work, without which it would not have been possible to succeed.

Also deserving of praise is Shajada Kamal, GB In-Charge to guide me. His guidance helped me to receive great organization experience.

I would want to thank all of the officers and colleague at Al-Arafah Islami Bank for their unwavering support throughout this difficult time. Their faith in my abilities was crucial to my success.

Lastly, I would want to express my gratitude for providing me with such a beautiful workplace. Because of this, I enjoyed overseeing and managing operations during my internship.

Executive Summary

The objective of the study aims to provide a concise overview of Al-Arafah Islami Bank Limited's Service Supply Chain Management. It has mostly focused on the business tactics and different Islamic banking systems that were observed during the introduction, history, and goal, report data sources, scope, and limitations of AIBL discussion in chapter one. The company overview, products, and services of AIBL were covered. The focus of this report is the Service Supply Chain Management in Banking Sector. The entire report was divided into six chapters as a result.

The study’s main component is a project that looks into how AIBL providing their service and how they are developing. This study primarily examines to how they giving their customer value, customer satisfaction, how they handle to customer problem, money management, inventory and other things.

In the banking sector, day by day service supply chain management has grown in importance in the world where technology is developing and updating quickly and customer expectations are changing. In order that, banks to maintain a competitive advantage, they must manage their service delivery processes well in order to maximize operational effectiveness, maintain regulatory compliance, and improve customer satisfaction. Stakeholder management, support services, service design, and delivery are all included in the holistic approach that is service supply chain management. Al-Arafah Islami Bank Ltd. can increase client loyalty and enhance service quality by optimizing these procedures.

Abbreviation

AIBL – Al-Arafah Islami Bank

GB- General Banking

ATM- Automated Teller Machine

AGM- Annual General Meeting

TP- Transaction Profile

KYC- Know Your Customer

EGM- Extraordinary General Meeting

IAS- International Accounting Standard

IBCA- Inter Branch Credit Advice

SME- Small and Medium Enterprise

Contents

Chapter 1

1.1 Introduction

In modern world, Supply Chain Management is essential in a global context that prioritises sustainability and ethical business world. In Service Supply Chain Management, delivering the services to the customer Al-Arafah Islami Bank is widely known by its Islami bank which is reputed bank in Bangladesh. They are providing effective customer service; they are also contributing to the cost-efficiency and customer effective.

Bank is said to be the holder and carrier of economy. Banks are the trust of millions of saving people. Banking sector of Bangladesh is one of the most important sectors of financial sector. The scope of this sector is gradually increasing. At the same time, the overall service quality of the banking sector is increasing. Banking system is modernization. People are getting faster banking services. Banking sector is the major driver of economic growth of any country.

The banking sector plays the biggest role in various activities including saving money, transacting money, providing various types of loan services, ensuring long-term investment, development of SMEs.

In modern world, within the banking industry service supply chain management refers to the systematic coordination of procedures and assets that facilitate the timely and efficient provision of financial services to customers. Banks are providing the customer satisfaction and operational efficiency by optimizing their service delivery methods in response to evolving customer expectations and increased competition.

The purpose of the report is to analyze and understand service supply chain in banks. It aims to highlight the importance to highly efficient in banking industry to the service supply chain management and provide insights into the how banks can improve their service delivery to enhance satisfaction of the customer and operate by efficiency.

1.2 Objectives of the study

In this study, I am decided two categories of this objectives, these are

- Primary Objectives
- Secondary Objectives

Primary Objectives

In this research the main objectives to find out the finish the internship program. In this research we know in BBA student all of us to require to work for three months in any organizations to practical knowledge in a real situation. In Al-Arafah Islami Bank, Tongi branch has provided me with practical knowledge and also real experience.

- To give a summary of Al Arafah Islami Bank Ltd.'s Islamic banking system.
- To show the idea of Shariah (Islamic) Bases Investment.
- To determine AIBL's investment performance.
- To complete the remaining prerequisites of the BBA program.
- To make some recommendations that might help solve the issues.
- To give some valuable experience.

Secondary Objectives:

- In banking activities understanding the all function.
- In banking system identify the competitive disadvantages and advantages.
- Learn about the how to deal with the clients.
- Learn about the benefits of the both customer and employee.
- Establish the link with the academic learning and work environment.

- Learn about the types of account and schemes to how to open and what kind of bank required the customer.

1.3 Methodology

In this study will be required a several of information about the recent banking system policies, different procedures and methodology. In finished my study, I applied the both primary and secondary data.

1.3.1 Primary Data

- Working in the banking sector
- Discuss about the Al-Arafah Islami Bank Limited's officers and all colleague member
- Realistic work Experience
- Face to Face conversation all my colleague

1.3.2 Secondary Data

- Al-Arafah Islami Bank Official Websites
- Account opening, closing and cheque-book given various document.
- Daily activities to the employee and see their behavior to other employee and customer.
- AIBL's, Tongi branch's document and Files.
- AIBL's different report and Google search.
- Internet
- Relevant file study

1.4 Study Scope

The report originates using the experience that was gained throughout the internship. The overview of Al-Arafah Islami Bank Ltd., and its Islamic banking will be the primary topics of this research. However, the report will make an effort to provide a summary of the goals, roles, administration, business policy and other activities of Al- Arafah Islami Bank. This study also discusses several operating system issues and their modifications.

1.5 Limitation

The most challenging aspect of the writing this study was shortage of accessible and reliable data. Here is some limitation:

- In my internship, that was a very short time that's why I have less and limited for collect the data.
- When they are meeting in internally, they are not inviting in that meeting.
- As an intern position, my biggest limitation was I was not allowed the access of their official websites. But sometimes they are teaching me some in websites.

1.6 Internship Experience

In three months of my internship in Al-Arafah Islami Bank, my experience was so good. I deal the different customer. How to talk the customer, when I reach the customer, and they feedback their opinion, then I feel very energetic. In my colleague they are so nice, their behavior was so good.

Position, Duties and Responsibilities

In my position was general banking intern position and my duties was customer problem solving whey they any difficulties and my responsibility.

Given some of my responsibilities:

- **Account Opening:**

  Along with handling regular tasks like account opening FDR and schemes for clients, my responsibilities included opening other kinds of accounts. The office had a friendly and inviting vibe. I was made to feel like a member of the staff by all of them. When clients used to visit the account opening section to open new accounts, I would make an effort to ascertain why the account was necessary for them. I didn't proceed unless the client was positive about the type of account; if not, I suggested the best account type and photocopies of the paperwork they would need to provide to the bank (e.g., a passport-sized photo, the account holders and nominee's National ID card, a TIN certificate, a trade license, and an introducer). After submitting, I examined all pertinent papers and data again. In the past, I would obtain the applicant's signature on the designated account opening form, complete it, and forward it to the manager of the relationship. I then input the information into the online system of the Bank. After receiving an account number, the client had to fund the account with a minimum amount. In this way, various accounts were formed. I also occasionally rectified incomplete work that was found by internal audit. For instance, several forms were being filed without account numbers, title names, or the organization's kind. Among other things, some forms were kept up to date with false TINs, addresses, and National ID card numbers. It was my job to use the provided copies or pertinent certifications to fill in the spaces. In addition, I call to get the necessary pictures, copies of business licenses, national identification, or to ask any other questions. I call people in order to collect.

- **Distribution of the necessary checkbook:**

  Another duty was obtaining documents from the courier, verifying their name and number, and calling those who haven't picked up their checkbook after two or three months. In addition, among other things, I had to write checks, deposit slips, pay orders, and debit/credit vouchers. Among other things, some forms were kept up to date with false TINs, addresses, and National ID card numbers. It was my job to use the provided copies or pertinent certifications to fill in the spaces. In addition, I call to pick up the necessary pictures, copies of business licenses, national identification, or any other questions. I call people in order to collect. Distribution of the required checkbook: obtaining them from the courier, verifying their name and number, and calling those who did not pick up their checkbook after two or three months. In addition, among other things, I had to write checks, deposit slips, pay orders, and debit/credit vouchers. All in all, I had an amazing internship with Al Arafah Islami Bank Ltd.

- Putting the customer signature and seal.
- Taking care of customers as requested by them and officials.
- Providing through answer to question on various deposit plans and accounts.
- Filling the used, closed and pending forms
- Providing instruction on how to complete an account opening form or deposit scheme.
- Advising clients about transaction and account balances

- Delivering the ATM Cards.

1.7 Professional Development

Professional development involves the learning process and growth practically. In my professional growth, I have opportunity to participate in one workshop, in training session, and in a mentorship program. In this experience it helps to grow myself and gave me banking operations, product of finance and also regulatory compliance.

- ✓ Learn everything there is to know about the bank and the banking sector.
- ✓ Specify the goals
- ✓ Learn from the team and the whole banking culture.
- ✓ Take in active role the any situation.
- ✓ Becoming the more proficient with the technology
- ✓ Enhance the different skills like communication skill and presentation skills.
- ✓ Making the connections and networking.

1.8 Working Experience

I was interning at Al-Arafah Islami Bank, and I find it challenging to perform a comprehensive appraisal of the organization due to my limited experience. Still, there are a few outstanding aspects of the company that have stood out to me especially throughout my time there. \Al-Arafah Islami Bank uses heavy security procedures to safeguard customer data, providing a high priority on data security and privacy.

In Al-Arafah Islami Bank there each employee uses a personal server which had an IP addresses that the company provides. They ensure a high degree of data protection. My In-charge and other colleague have played a crucial role in shaping my internship experience by using a kind and encouraging pedagogical approach similar to mentorship. They gave me some very helpful information that made things easier for me to understand and improved my overall enjoyable educational experience.

Additionally, by using this mentorship technique, I have been able to gather and evaluate information from a variety of sources more effectively, which has considerably enhanced my communication skills. I also appreciate Al-Arafah Islami Bank intentional coordination, which guarantees that the tasks I complete for my internship have a purpose and are relevant to the banking and finance industry. I can work on things that are relevant and have a big impact since my supervisor makes sure that everything I'm tasked with follows the organization's professional standards.

Due to my limited expertise and experience, my assessment may not be comprehensive, but I have found many noteworthy qualities in Al-Arafah Islami Bank Ltd. Some of the most important things they offer are their heavy security measures, managerial approach that emphasizes mentoring, focus on enhancing communication skills, and alignment of intern activities with industry standards. All of these qualities help to make Al-Arafah Islami Bank stand out as a reputable company in the banking industry.

1.9 Skill Enhancement through Internship

This skill enhancement is emphasizing the both technical and soft skills. In my intern I learn about the banking systems, transaction processing and CRM (customer relationship management). In that additionally, I develop my essential skill which is most important communication skills and also develop the teamwork and problem solving skills.

Excel Proficiency

I had no clue how vital Excel was to the corporate world before this internship, but I had to use it every day for even the most basic duties, like book-keeping and I have become proficient in it.

Proficiency in Data analysis

Based on the client’s information’s, the know your customer(KYC) form helps analyze each client’s risk level like, a customer with a score of less than 15 is deemed less risky for the bank and a score of more than 15 indicates a high level of risk. Relevant factors include employment, homes, bank account balances, account types and other details.

Chapter 2

2.1 Organizational Overview

Al- Arafah Islami Bank, they are started journey to keeping in 18th June, 1995 and they are officially started which is opening ceremony was held on 27th September, 1995. We already know their bank name is Al- Arafah Islami Bank and AIBL is their short form name, Al-Arafah Islami Bank head office which is situated Dhaka, Bangladesh the capital of city. Their director panel of this bank, that we see the group of director panel be composed of committed, created and devoted human being who catered to the architecture of this bank.

Here, the Al-Arafah Islami Bank, the founder of this bank who is Mr. A Z M Shamsul Alam, he was an excellent person and also ex-bureaucrats of government of Bangladesh as well.

Day by day this bank to achieve their success, they give high quality of service to the customer. And also they are using modern and high technology according to this generation which is so effective. As if we can see the pillar of this bank, we also see that their consistency is different from other bank sort of the service and product which is so customized, they fulfill the customer needs. They are also great impact the national economy and also serving. Al-Arafah Islami Bank is providing many opportunities to their clients.

Al-Arafah Islami Bank, they suggesting schemes for deposit, SME banking, investment, micro financing, remittance etc. Now, we look at the first schemes for deposit, there are different type of deposit such as Al Wadiah current deposit, Mudaraba Savings Deposit, Mudaraba term deposit, Mudaraba short notice deposit etc. Next we see the investment sector, here are also different sector like hire purchase sector, Small investments, Mosques and Madarsas and sector of transportation etc.

Next we can see the SME banking sector or services, that we can look that Al-Arafah Islami Bank providing Agro Industries, Small business, entrepreneurs, woman etc. Then we see the micro financing sector, Al-Arafah Islami Bank they helping to poor people and work to helping the rural entrepreneur so that poor people and rural people day by day developed an unemployment people, they scope can created for them. There activities are many, Al-Arafah Islami Bank giving many more things to consumer such as I-Banking, SMS banking, remittance and lots of things.

Al-Arafah Islami Bank has 211 branches and total employee are 4247. Total of the bank shareholders are 22142. Al-Arafah Islami Bank authorized capital taka 15,000 million taka of this bank. They paid up capital is about 10,649.01 million takas till December 2020.

We know, Al-Arafah Islami Bank is serving their clients according their proper needs, all latest banking systems is using for serve them. For the reason behind, Al-Arafah Islami Bank become one of the leading position and modern banks of Bangladesh of the Almighty Allah.

They organized their economic and financial system as we already know the rules of laws of Islamic Shariah of this country. So here is this Bangladesh Islamic Banks are total in seven in the financial market. The banks are below:

- Al-Arafah Islami Bank Ltd
- Islamic Bank Bangladesh LTD
- The oriental Bank Ltd (Al Baraka Bank Bangladesh Ltd)
- Social Islami Bank Ltd
- Shahajalal Islami Bank Ltd
- Exim Bank Ltd
- ICB Islamic Bank Ltd

2.2 Organogram of Al-Arafah Islami Bank Ltd.(Branch)

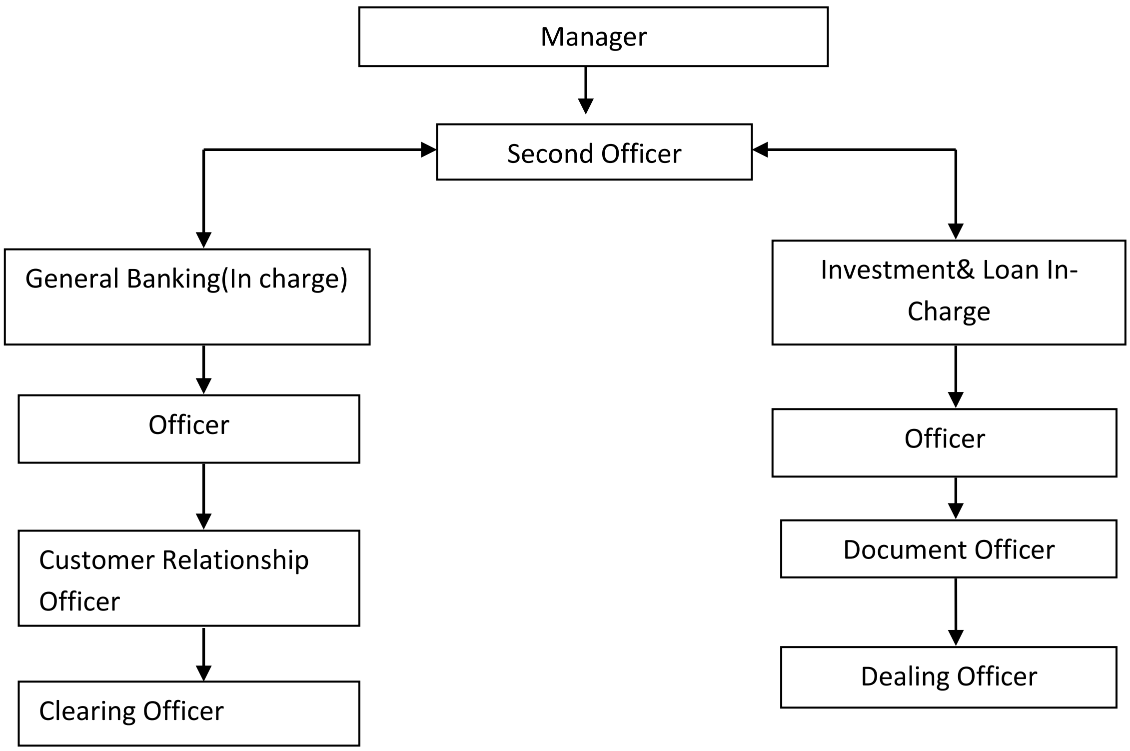

Fig 2.1: Organogram of AIBL

2.3 AIBL Board of Directors

Chairman- Alhajj Abdus Samad

Vice Chairman – Alhajj Mohammad Abdus Salam

Member-

Hafez Alhajj Md. Enayet Ullah

Alhajj Ahamedul Hoque

Alhajj ENGR. Kh. Mesba Uddin Ahmed

Alhajj Liakat Ali Chowdhury

Alhajj Md Anowar Hossain

AIBL Audit Committee

Chairman – Alhajj Mahbudul Alam

Member

Alhajj Nazmul Ahsan Khaled

Alhajj Mohahmmad Emadur Rahman

Alhajj Md. Harun-Ar-Rashid Khan

Alhajj M. Kamaluddin Chaowdhury

Risk Management Committee(RMC)

Chairman – Jb. Badur Rahman

Member

Alhajj Abdul Malek Mollah

Alhajj Mohammad Haroon

Alhajj Md Rafiqul Islam

Alhajj Md Amir Uddin PPM

Shariah Supervisory Committee

Chairman- Mufti Sayeed Ahmed Muzaddedi

Member

Mufti Muinul Islam

Mufti Shahed Rahmani

Mohammad Abdul Hossain Al-Azhari

Mawlana Mohammad Abduk Hai Nadvi

Al-Hajj A.Z.M. Shamsul Alam

Alhajj Salim Rahman

2.4 Vision, Mission, Goals, Commitments

Vision

In Islami Banking in Bangladesh is to be a pioneer and contributing significantly to growth of the national economy.

Mission

Al-Arafah Islami Bank, they achieve the satisfaction of Almighty Allah both here and hereafter. They spread of Shariah Based banking practices. They also provide the financial service or product with the newest technology. They give the customer service fast and efficient. Their business ethics are high standard which they are maintained. They are also balancing the growth, shareholder equity return on the steady and competitive.

Their innovative banking system is provided with the competitive price. Their human resource quality is attractable. They are involving more with financial activities which is Micro and SME financing system. Al-Arafah Islami Bank extends the competitive compensation packaging to the employee. The growth of national economy, they are commitment.

Goals

- AIBL, they becoming the most successful bank in the Bangladesh and whole world.
- Their customer treated with highly respect.
- Increasing their value of the shareholders, and highly generate the return.

Commitments

- ✓ AIBL, their customer, they focused on modern Islamic banking sound and steady highly growth in the deposit and creating the high quality investment to keep the best position as a leading position of islami bank in Bangladesh.
- ✓ To delivering their activities of financial service with the touch of our heart to retail, SME scale.
- ✓ To changing the trade and industrial needs of the customer, AIBL business initiatives are designed to match.

2.5 Core strength of AIBL

- Harmonic- Encouraging the teamwork and thinking and creating the positive atmosphere.
- Spirit & insight- Inspiring the work and promoting positivity under difficult circumstances.
- Justice- Providing the equal opportunity for all workers and other involved stakeholders.
- Ethics- Promoting open communication and honesty with the bank and all bank employee.
- Work related environment- Bank employee and workers are so friendly and cooperative.

2.6 Sector and Product

- ➢ Agriculture sector
- ➢ Industrial Sector
- ➢ Business sector
- ➢ Construction sector
- ➢ Housing Sector
- ➢ Foreign Trade
- ➢ Transportation Sector
- ➢ Masque and Madrasa
- ➢ Small enterprise Investment

Sector Code of product in AIBL

Service holder – 911000

Housewife- 915001

Student- 915002

Retired- 915004

Business (Industrial) – 903009

Business (Retail)- 903050

Deposit code

MSD- 130

CD- 100

ITD- 181

MTDR- 171(03), 172(06),173(12)

Deposit product or Service

- (SND) Mudaraba Short Notice Deposit
- (MSD) Mudaraba Saving Deposit
- (MTDR) Mudaraba Term Deposit
- (PTDR) Monthly profit-based term deposit
- (ITD) Installment based term deposit
- (MHD) Monthly hajji deposit
- (THD) Termed hajji deposit
- (FCD) Foreign currency deposit
- (CWD) Cash Waqf Deposit scheme
- (ASB) Al Arafah savings bond
- (MIS) Monthly installment based marriage savings investment scheme
- (PSD) Pension deposit scheme

2.6.1 Services of AIBL

- ATM Card service

- Cheque Book service
- I-Banking
- Agent banking
- Locker service
- Booth Service
- La Riba Platinum Card
- Islamic Wallet

Nature of this bank

- Cash Section
- Accounts Opening Section(KYC)
  - ➔ Two copy passport size photo of customer
  - ➔ One copy nominee's photo
  - ➔ Sign of introducer is verified
  - ➔ For business account, must sure copy of Trade License.
- Cheque clearing section
- MTDR section
- Local remittance section
- Pay order, RTGS section
- Accounts section
- Establishment section

2.7 Vision for the Future

Al-Arafah Islami Bank is a moderate Islamic bank with a customer-focused approach that aims to maintain its position as one of Bangladesh's top Islamic banks by achieving solid and consistent growth in deposit mobilization and quality investment making. To provide retail, small and medium-sized businesses, and corporate clients with financial services delivered with a human touch through their national network of branches.

Their business plans are made to adapt to their clients' shifting industrial and commercial demands. Future Prospects Are Presented Below:

- To conduct business in accordance with Islamic precepts while maintaining economic justice and equity.
- To lead Bangladesh's Islamic banking industry and make a substantial contribution
- To the expansion of the country's economy.
- To strengthen the bond between Banker and its clients by enhancing customer service
- To create cutting-edge products and services by fusing technology, principles, and policy.

2.8 Objective of AIBL

Here are the many objectives of AIBL, but the key objectives of AIBL is to creating the new outlook for the innovating baking system where they creating an automated service and AIBL will be preparing itself so that AIBL can be align to the good challenges of the whole globally which is rapidly increasing or growing in 21st century.

Their aim will be good and AIBL providing higher products and services to serving the needs of the customer and corporate clients. AIBL provides the huge range of customer service through the financial service to the national and international customer. AIBL is working on their process to give great service to the customer. In recent past year, they launch the I-wallet and I-banking (2021).

- Trustworthy financial decisions Acquire the necessary capital sufficiency
- Make certain that the workers are content.
- Make sure that all gains are regained in full.
- Focus on revenue generated by fees.

- ❖ Use appropriate management technology.

AIBL adheres to the following guidelines while working with its employees.

- Discriminate based on race, gender, or religion at any moment. They have a stringent hiring procedure that forbids any bias or favoritism, and they only hire the best candidates based on merit.
- Offer a competitive compensation package with career advancement to individuals who demonstrate true deservingness.
- Show care and respect to your employees. Each employee's duties and obligations are spelled out in detail. Nobody ever becomes a hero.
- A zero tolerance policy will apply to any dishonest behavior.
- Establish a welcoming environment for work.
- Encourage employees to share their thoughts on matters that are both qualitative and quantitative.
- The enhancement of the bank
- AIBL is constantly worried about their well-being and security.

2.9 Customer mix and Operations

A broad range of clients, including individuals, businesses, trusts and non-profit can be established as customers by banks. The banker is expected to do extensive research on all applicable laws and regulations, as well as common customs and practices, prior to opening any accounts.

Operations

- The bank is dedicated to creating a financial system that places a high priority on employment possibilities, low income people's economic advancement, and social welfare
- The bank engages in a variety of operations to build infrastructure, carry out the numerous development goals of the government and generate new employment opportunities.
- The bank disburses funds to a variety of Halal business, taking into considerations the requirements and ambitions of society and the nations.
- The bank's operations are governed by Islamic Sharia regulations, which allow profit to serve as a legitimate substitute for interest.
- The numerous requirements of Islamic Shariah which are derived from the Quran and Sunnah are met by the banks investment strategy.

2. 10 SWOT Analysis

SWOT analysis means the Strengths, Weakness, opportunities, and threats for an organization. AIBL SWOT Analysis is discussed below:

STRENGTHS	WEAKNESS
1) Providing the great service to their clients. 2) Customer oriented 3) Creating the positive impact on the client's minds 4) Employee getting the good working environment, where they can get motivation. 5) They are showing the positive behavior to the customer.	1) AIBL, their interest rate is lower to the other bank. 2) Lack of marketing policy 3) An IT infrastructure of inadequate 4) Limited of ATM booth
OPPORTUNITY	**THREATS**
1) If they can manage the relationship to other like a professional, they can easily increase the opportunities. 2) If they hire a good or more knowledgeable employee or officers, then they can get a positive result for them. 3) They can be marketing their bank to the customer through the social media they can get a good result. 4) If they can develop the relationship with the other bank and also foreign bank, they can cater to the improving the organization.	1) In banking sector in our county have also different Islamic banking system where they can be following the same policy, aibl hamper in this situation 2) In different policy in Bangladesh bank, sometimes they did not follow the proper way. 3) AIBL their taxation rate higher. 4) Their employee number are so less to the other branches.

Fig 2.1: SWOT Analysis of AIBL

Chapter 3

3.1 Supply Chain Management in Service Sector

With intangible goods and no physical inventory, the supply chain in the service industry is very different from that in manufacturing sector. Service quality of service supply chain and the difficulties the present, like a workforce management, real time service delivery, and demand that is unpredictable. However, for supply chain to be efficiency optimized and managed, that is a very vital to comprehend its distinct features.

The ability of service supply chains to facilitate corporate activity coordination is one of its prim ary benefits. As previously stated, service supply chain is used frequently on the multiple industries and geographical areas. Businesses can increase the effectiveness of their services delivery by systematizing their operation.

Service Supply chain is now more important than ever for any company's performance and customer satisfaction. It has become an intrinsic aspect of business. A company financial condition, operational cost and customer service can all be improved with supply chain management.

3.1.1 Definition of Service Supply Chain

Supply chain is the most significant part in any organization. In Supply Chain management are broadly discussion, one of them are Service Supply Chain which is the helps to the companies to collaborate their daily activities in order to providing the service efficiency. Service has different types

I. B2B- Business to Business
II. B2C- Business to Consumer
III. Internal Service
IV. G2C- Government to Consumer
V. Not for profit service

In different service type have different challenges. In B2B challenges, it is providing the high quality services to business customers who frequently have high purchasing power. In B2C they have also challenges, providing consistent service to a wide variety of customer. In also same to Internal services challenges, it is demonstrating value for money for potentially external alternatives. In G2C, balancing various political pressure and providing acceptable public service. In non-profit, dealing with differences between volunteers, donors and beneficiaries, dealing with emotional and sometimes overwhelming needs.

Services are activities that provide some combination of time, location, form or psychological value. In service supply chain referring to the whole lifecycle of service, when a product or service starting the design and creating or development through the delivery and to the support. Service is the real time, cannot be stored. Agendas are

- ✓ New Service Development
- ✓ Front office
- ✓ Analyzing process
- ✓ Quality of Service
- ✓ Inventory management
- ✓ Managing service experience

Service is acting basically performance and also time perishable. Service is intangible, it just an experience. Service is not manufacturing, not inventory and also not patentable. Service management which is the actions, choices and responsibilities of operations managers in service businesses are collectively referred.

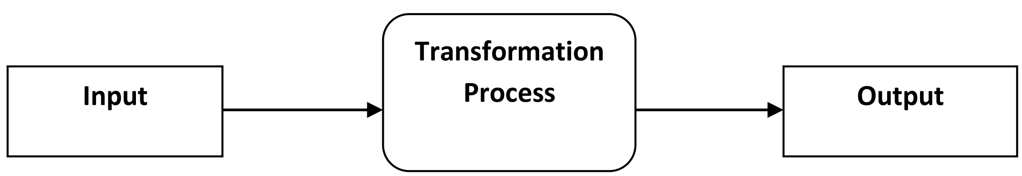

Fig 3.1: Service Process

3.1.2 Components of Service Supply Chain

I. Service design and development- including organizing and designing the service offering to satisfy customer demand. Focusing on the creating service plan, identifying service levels and using customer expectation.

II. Service Delivery- the procedure for performing the planned services involving the assigning resources managing process and the guaranteeing prompt and effective service delivery.

III. Service Support- Focuses on the evaluating the service supply chain efficacy and efficiency. Customer Satisfaction, service qualities are the most important.

IV. Service Management- Emphasizing the collaboration, communication delivering the services.

3.2 Importance of Service Supply Chain

Service Supply chain is essential because that ensure the services are provided efficiently and effectively, which raise the customer satisfaction and loyalty. Through process simplification and resource optimization, firms can lower expenses and boost operational effectiveness. This uniformity in service quality lowers errors and aids in maintaining standards.

In the banking industry, a service supply chain is the network of procedures, personnel, tools, and materials used in the development, provision, and upkeep of banking services. Service supply networks are defined by intangibility, client interaction, perishability, and variability, in contrast to standard product supply chains. For banks to meet client expectations, adhere to regulatory obligations, and stay competitive, they must manage the service supply chain efficiently.

Furthermore, a well-managed service supply chain can quickly adjust to shifts in the market or in demand, guaranteeing uninterrupted service availability and reducing interruptions. Resilience is increased in the supply chain through effective risk management, and innovation and continuous improvement are encouraged by continual monitoring and feedback. Delivering top-notch services and attaining sustained profitability ultimately depend on a strong service supply chain.

3.2.1 Key Characteristics of Service Supply Chain Management

- Intangibility: The services provided by banks are not material and cannot be kept in stock.
- Customer Involvement: Clients play an active role in the provision of financial services.
- Perishability: Banking services are consumed as they are rendered; they cannot be kept for subsequent use.

- ❖ Variability: Depending on who offers the services and when, there may be differences in the caliber and manner of delivery of banking services.

3.2.2 Difference between Service and Goods

Comprehending the distinction between products and services is essential to the domains of supply chain management, marketing, and economics. Services and goods have various functions in economies, require different delivery and production methods, and call for different management and marketing approaches. The definitions, traits, manufacturing procedures, marketing tactics, and economic roles of these distinctions are all covered in-depth in this article.

Definition

Goods are observable, touchable, and storable tangible objects. They consist of tangible goods including apparel, gadgets, food, and equipment. In addition to being manufactured, kept, and transported, goods can also have their ownership changed. Services: Intangible actions or advantages that one party provides to another are referred to as services. They are devoured at the moment of delivery and are not able to be seen, touched, or stored. Banking, healthcare, education, and transportation are a few examples of services. Services frequently require a great deal of personalization and engagement with the client.

Characteristics

Tangibility:

Goods are physical, observable objects that can be handled, stored, and inventoried.

Services: Immaterial; neither contact nor storage is possible. They don't really exist outside of the performance.

Perishability

Goods: They may be stored for later use and are not perishable in the short term. Food in cans, for instance, keeps for years.

Services: They are ephemeral and cannot be kept for later use. A service cannot be used again once it has been completed. An airline seat, for example, that is not sold for a specific flight cannot be offered at a later time.

Inseparability

Goods: Production and consumption are not mutually exclusive. A vehicle can be produced in one location, sold, and utilized in another.

Services: Production and consumption go hand in hand and frequently happen at the same time.

Variability

Goods: Standardized and uniform; a factory-produced product is usually the same as one of its kind.

Services: Extremely flexible and subject to change; a service's quality may differ based on who offers it, when, and in what manner. For instance, different chefs and wait-staff can make a restaurant's eating experience different.

Ownership

Goods: The buyer acquires ownership from the vendor. The buyer owns the products after purchase and is free to utilize them anyway they see fit.

Services: The client pays for access to or usage of the service; there is no ownership transfer. For example, purchasing a gym membership gives you access to the facilities, but it does not give you ownership of the equipment.

Production and Delivery Processes

Goods

Production: In a factory, raw materials and equipment are used to make goods. Steps in the production process, including assembly, inspection, and packing, can be automated.

Inventory control: Products can be kept in storage facilities until they are required. Monitoring stock levels and making sure that there are enough products to fulfill consumer demand are two aspects of inventory management.

Distribution: Products are shipped straight to consumers or via retailers after being manufactured. To guarantee prompt delivery, supply chain management and logistics are involved.

Services

Service Design: Services are planned, standards are created, and personnel are trained. They are developed with the needs of the customer in mind.

Service Delivery: Services are provided directly to clients, frequently necessitating the client's and service provider's presence. Real-time problem-solving, customization, and human involvement are all part of the delivery process.

Quality Management: Because human performance varies so much, it might be difficult to guarantee constant service quality. To guarantee client pleasure, service quality management entails establishing standards, providing training, and keeping an eye on performance.

Marketing Strategies

Goods

Product Focus: The qualities, features, and advantages of the tangible product are highlighted in marketing strategies for products. This covers branding, packaging, and product design.

Pricing: Production costs, rival prices, and perceived worth are all taken into account when setting a product's price. Bundling, discounts, and promotions are typical strategies.

Distribution: Getting items to customers requires effective distribution methods. This entails picking reliable distributors, merchants, and logistical partners.

Promotion: To raise awareness and increase sales, marketing efforts for products frequently make use of public relations, sales promotions, and advertising.

Services

Customer Focus: Service marketing tactics place a strong emphasis on the interaction and experience of the customer. Establishing credibility and providing excellent service are important goals.

Pricing: Strategies for setting service prices take into account variables including personalization, experience level, and time. Common strategies include tiered pricing, subscriptions, and dynamic pricing.

Distribution: There are two types of channels for delivering services: digital platforms like telemedicine and online banking, as well as physical sites like offices and branches.

Promotion: Highlighting the advantages, enhancing brand recognition, and utilizing word-of-mouth recommendations are all part of service promotion. Case studies and client endorsements are frequently used to establish credibility.

Challenges and Opportunities

Goods

Challenges: Production expenses, interruptions in the supply chain, inventory control, and competition from international markets are some of the difficulties faced by manufacturers. Opportunities: Cost savings, increased productivity, and creative product development are made possible by technological advancements, automation, and sustainable manufacturing techniques.

Services

Challenges: Service providers need to deal with issues pertaining to personnel training, customer expectations, technology integration, and service quality.

Potential: There are a lot of potential for service innovation and growth due to the development of the digital economy, rising demand for individualized services, and developments in automation and artificial intelligence.

3.3 Competitive Advantages

Organizations can gain substantial competitive benefits by implementing service supply chain management (SSCM), especially in sectors where efficiency and quality of service are critical, such as banking. By increasing customer satisfaction, streamlining operations, and enhancing service delivery, effective SSCM helps businesses stand out in an increasingly competitive marketplace.

- Enhance Customer Satisfaction
- Operational of efficiency
- Improve of the quality
- Flexibility
- Innovation a Technology Integration
- Risk Management
- Strategic Relationship and collaboration

3.4 Customer Satisfaction of effective Service Supply Chain

The primary focus of the service sector is on directly providing intangible services to customers, as opposed to manufacturing, which is largely concerned with producing tangible commodities. Therefore, the performance of the supply chain in the service industry depends critically on fulfilling and exceeding consumer expectations.

As a result, the supply chain for the service industry should be customer-centric, making sure that satisfying customer expectations and providing an exceptional experience is at the center of every step of the process—from service design to delivery. Businesses in the service sector can establish a strong brand, encourage client loyalty, and experience long-term growth by putting the needs of their customers first.

3.5 Leveraging the enhancing service supply chain

An increasingly important component of supply chain optimization is data specialist. Discovering the how service companies use data-driven insights to plan ahead, allocate resources more efficiency, and improve decision making to better service.

- Demand Forecasting: Businesses can manage inventory levels and prepare for seasonal variations or fluctuations in demand by using analytics to estimate client demand.
- Inventory Management: Businesses may effectively manage inventory, lowering carrying costs and stock outs, by analyzing historical data and real-time information. Process Optimization: By analyzing data from the supply chain, it is possible to find process bottlenecks and inefficiencies, which improves the distribution of resources and overall performance.
- Customer Satisfaction: Businesses can improve service levels and satisfy customer expectations by using analytics to obtain insights into customer preferences, behavior, and feedback.
- Supplier Performance: By assessing suppliers' data, stronger collaborations and better supplier selection are made possible.
- Cost Reduction: Analytics helps find ways to cut costs, like maximizing transit routes and cutting waste.
- Risk management: Supply chain data analysis aids in the identification of possible hazards and the creation of backup plans to lessen interruptions.
- Continuous Improvement: Data-driven insights help drive initiatives for continuous improvement, which eventually improves service quality and efficiency.

Chapter 4

4.1 Service Supply Chain in Banking Sector

In Service supply chain in banking which is the people network of the processing, technology and involving the resource in the creation, delivering and providing and also supporting service of the banking system. In the banking sector, a service supply chain is the network of procedures, personnel, tools, and materials used in the development provision and maintenance of banking services. Service supply network are defined by intangibility, customer interaction, perishability, variability, in contrast to standard product supply chain. For banks to meet client's expectations, adhere to regulatory obligations, and stay competitive, manage the service supply chain efficiently.

Majority of the extant definition of supply chain services are concerned about the movement of services and gathering to the information from first stage to last stage which is supplier to customer. Service supply chain is used in industrial sector, which is the small number of service industries. In last few decades, service industry growing day by day and also important as a good driving force globally arrange in the economy. In banking sector services are great which they are services to the customer, they are focusing on customer satisfaction.

Nowadays Banking sector grow day by day. They provided their services to the customer by saving money, loan and other things. Specially their services are taking the money for savings and deposit the money to the customer and also providing the money for loan. Bank is giving the money to the customer by loan and investment. When a customer started a business sometimes they have insufficient money, then customer apply for the loan to the bank and bank analyze the customer background, this customer document all right, then bank give the loan or investment to the customer. In this process, they are providing the service to the customer by loan or investment.

In Bangladesh Bank, this is a government bank. In Bangladesh bank creating the money and Bangladesh bank give the money to the bank on head office of the bank. And head office giving the money all branches in a specific amount of money. Then the bank takes the money and providing the money by loan or investment to the customer need. In this processing unit bank is the middle where they providing service to the customer.

Service supply chain in banking is a financial arrangement that located the cash services, it also solve the problem to the customer. Organizations and governments have to expressed the desire outcome for the bank to facilitated to more great innovation in supply chain through the services.

Below the whole scenario of banking Sector of SCM:

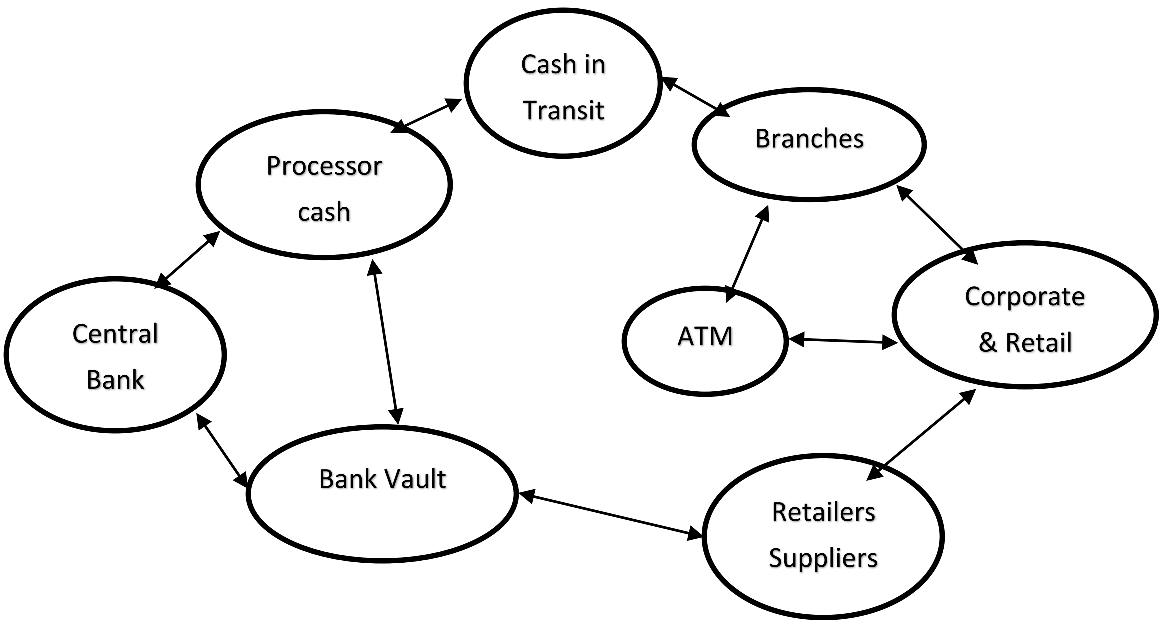

Fig 4.1 SCM in Banking

4.2 Resilience of supply chain in bank

The ability of banks and other financial institutions to adjust to and recover from interruptions in their operational processes—which can range from IT system failures to geopolitical events—is referred to as supply chain resilience in the banking industry. The following are crucial elements in obtaining and preserving this resilience:

Risk management is the process of identifying possible supply chain risks and creating mitigation plans for them, such as vendor dependence, regulatory changes, or cyberattacks.

Diversification: Spreading out suppliers and partners can help mitigate the effects of localized disruptions by reducing reliance on specific vendors or geographic areas.

Automation and Technology: Using cutting-edge technology, such as artificial intelligence and machine learning, for risk assessment and real-time monitoring in order to proactively handle possible problems. Creating and maintaining strong backup plans and crisis management procedures on a regular basis to guarantee prompt recovery in the case of an interruption is known as incident response planning.

Regulatory compliance: This is the process of making sure rules and guidelines are followed, which may involve putting measures in place for operational resilience and company continuity.

Cooperation and communication: Improving coordination to enable more seamless responses to disruptions with stakeholders, such as outside vendors and regulatory agencies. By concentrating on these areas, banks will be better equipped to withstand disruptions and bounce back quickly, preserving stability and public confidence in the financial system.

4.3 Customer Relationship Management in bank

In banking sector, Customer Relationship Management or CRM helps to develop good structure for arranging or managing the link between the customers. In the CRM, main customer will identify and recognize with the needs from the business and developing the product and services. Customer service management refers to the services offered to customers.

In banking sector, they are committed to the serving their clients' requirements and wants. Giving the better services to the customers, policies have been developed and connected through various channels, when the customer want, bank are responding the appropriately to customer concerns, and lastly when communication is more effective that means enhanced products and services giving well.

Bank they are interaction to the customer through the branches, mobile call, mobile apps and online portals. Bank are using the CRM systems; their services are so strong with the customer relationship. Banks are giving the highest security, they ensuring the customer data and also protecting the any difficulties such as cyber threats. In banking operation system, bank is handing the any difficulties with the efficient way in daily banking operation.

Banks are implementing the best practices to enhancing the operational efficiency. Banks managing the relationship with the other external vendors for the good services such as debit & credit card and also IT support. In the bank they are managing the branches with flexible location where the customer need and the ATM networking to maximize to the customer convenience. In bank they always ensuring the ATMs are stocked with cash.

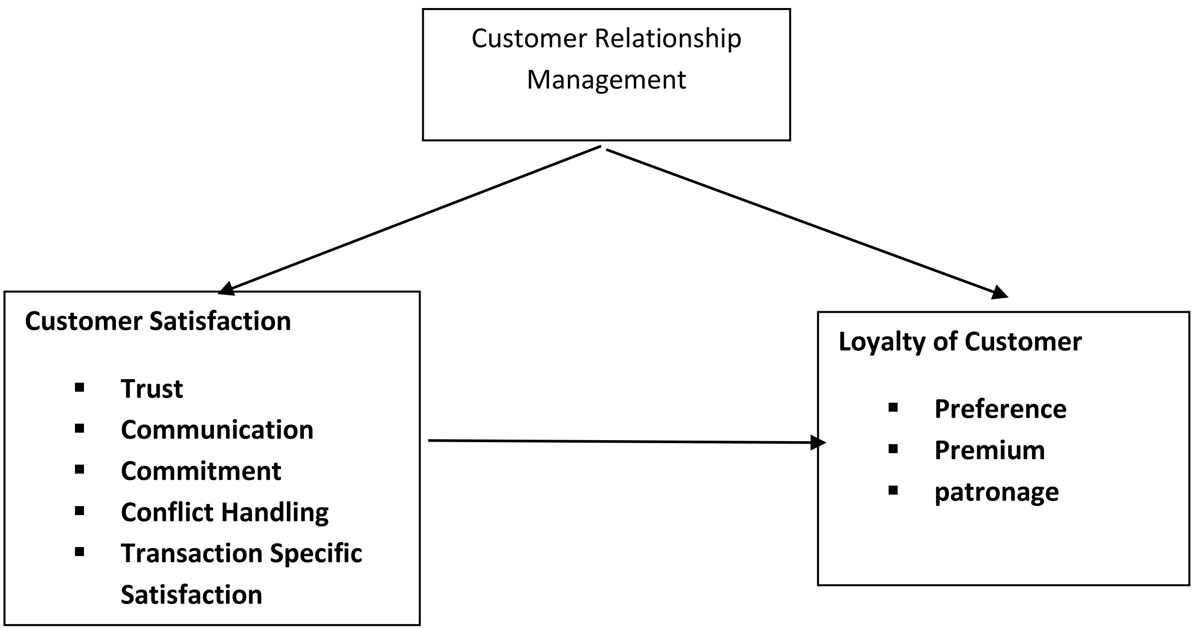

Fig 4.2 CRM Process

In whole SCM process, quality is the key term of the any product or services, when a product or services during the manufacture or started of the delivery of the services to the final customer or consumer. It is a most important responsibility of the relevant of any department to the express that the basic material which is the going to use has its best quality for the any of the consideration. Quality is the crucial throughout the supply chain, from the bottom of the supplier inspection to product delivery and customer satisfaction.

One of the important part focuses on the quality is the inspection of things that arrive at the most convenient time from the supplier. In banking sector, they have also given services, when they are given the services to the customer, then when customer was satisfaction, then its call for good quality. When controlling the quality, then an organization is good for every customer.

4.4 Banking CRM Basic Steps

- In Banking, to attracting the present situation and new customer.
- In Banking, Added to the new customer by a good service.
- In Banking, promoting a whole scenario of the loan and investment and creating a new business opportunity.
- In Banking, Communication is a key element of any service and building a communication to the customer.
- In Banking, Promoting the banking benefit and hold the all clients.

Chapter 5

5.1 Findings, Recommendation & Conclusion

5.1.1 Findings

- Al-Arafah Islami Bank, is an Islamic Bank, they don't collect form not any source of fund from call money market.
- Al-Arafah Islami Bank, they are not investing all the sector that is economic sector. Which are prohibited the law of Islam.
- There is little chance for woman professionals and entrepreneurs to invest, including female interpreters.
- The Al-Arafah Islami Bank has sufficient funding. They do not therefore need to take out a loan from Bangladesh bank or any other financial institution.
- Compared to the other bank, they are able to offer their customers more investment options due to their sufficient financial capacity.
- The Growth rate of savings, deposit and investment of Al-Arafah Islami Bank is significantly growing day by day.

5.2.2 Recommendation

In my recommendation, I research revealed to where needed to the modification which is service quality that means customer service and other service. Their customer service is good but they are improving to that point, sometimes they are delay to the customer. Customers are satisfied with AIBL's service and their personnel behavior. They also have a number of issues that occasionally make the miserable. I have learned from the study's finding that the customers want to better services. In the Al-Arafah Islami Bank should be therefore making every effort to satisfy those customers in a product and reliable manner.

- ✓ **Research on the marketing on a regular basis:** To monitor customer satisfaction levels, the management of Al-Arafah Islami Bank Limited can perform marketing research activities every three months utilizing a personal interview or a standardized questionnaire. Regular research can also be used to ascertain what customers want from different service components. In summary, it is possible to conduct regular research at sufficient intervals because client expectations and satisfaction are always changing.

- ✓ **ATM booth should be built more:** The survey indicates that consumers are not happy with Al-Arafah Islami Bank Limited's ATM availability. The nation is home to a relatively small number of ATM booths. Consequently, it may be possible to meet client demand by setting up an adequate number of ATM booths in different locations, thereby expanding the clientele. Recently, Al-Arafah Islami Bank consented to use all of the Bank ATM booth but it charge almost 10%. While it might help them satisfy customers in the short term, the Bank should think about investing in this area over the long run to handle the increasing number of customers in the future

- ✓ **Improvement of the customer service**: It is impossible to embellish the significance of enhancing customer service. To compete with other banks, customer service should be improved. Examples of this include online and internet services, as well as round-the-clock customer support.
- ✓ In terms of customer needs, management ought to be effective. Utilizing modern technologies is necessary for services to be effective. In addition to providing competitive pay that is comparable to that of other banks, administration should keep an eye on the development and performance of its staff.

- ✓ **Effectively handle complaints:** AIBL might give managing client complaints and promoting feedback on the services more priority. As a result, management will be able to gather and record complaints and utilize that information to pinpoint unhappy customers**.**

- ✓ **Employing more people:** Banks should expand their workforce. Staff members can find it difficult to give their clients the attention they require due to increased work pressure. To better serve its clients, the bank may decide to divide up its workforce and hire more personnel.

- ✓ **Department of Foreign Exchange:** The branch ought to set up a Foreign Exchange department in order to draw in more potential clients.

5.2 Conclusion

The banking industry is already well-established as a crucial tool for business. There's no denying that, as a developing nation, we must strengthen our financial sector. Almost exactly the same thing, but done differently, is now being done by banks. They all aim to work toward the nation's best interests, nevertheless. This also applies to Al-Arafah Islami Bank. I learned during my internship that AIBL is a very promising bank. This bank provides both the public and commercial sectors with a broad range of necessary banking and non-banking services. Enhancing the nation's socio-economic status is the primary goal of AIBL. While some banks invest more, AIBL primarily directs its capital into projects that are vital to the nation's economic growth.

I listened carefully to them and recognized that there was great potential in this bank. I gained a rudimentary awareness of the current financial landscape in Bangladesh. As we all know, three months is not much time to learn about a whole sector. Conversely, this experience made it easier to understand the any banking organization. I gave it my utmost to achieve the program's objectives because I was aware that taking part in this internship would help me develop personally.

Chapter 6

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Al-Arafah Islami Bank PLC

Human Resources Division

+88 02-44850005
info@aibl.com.bd
www.aibl.com.bd
Al-Arafah Tower, 63 Purana Paltan, Dhaka-1000

Ref: AIBPLC/HO/HRD/2024/629

February 13, 2024

The Senior Assistant Vice President
Al-Arafah Islami Bank PLC
Tongi Branch
Gazipur.

Internship

Muhtaram,
Assalamu Alaikum.

With reference to your letter No. AIBPLC/Tongi/2024/142 dated 08.02.2024 on the captioned subject, we are pleased to inform you that the Management has agreed to accommodate **Janab Ar Rafi Sadeq Aurpo** as an Intern in AIBPLC at its **Tongi Branch, Gazipur** under the following terms & conditions:

1. He will get no financial benefit/allowance from the Bank for the internship.
2. He will maintain all secrecy about the affairs of the Bank.
3. The Intern is to obtain prior permission from the competent authority in connection with any report to be submitted by him in regards to his internship with a copy to the branch authority & the undersigned.

Ma-Assalam.

Yours faithfully,

Md. Mazharul Islam
Senior Executive Vice President

aibl
আল-আরাফাহ্ ইসলামী ব্যাংক লিমিটেড
Al-Arafah Islami Bank Limited
সর্বত্র শরীয়াহ্

Tongi Branch,
Shahjahan Mansion ,
8, Cherag Ali Market, Tongi, Gazipur,
Phone: 02-224410798, 02-224410799

+88 02-44850005
info@aibl.com.bd
www.aibl.com.bd
ALARBDDH
FATCA: GIIN: S2WRLR.99999.SL.050

Ref: AIBL/TONGI/GB/2024/475 **Date: May 13, 2024**

TO WHOM IT MAY CONCERN

This is to certify that **Ar Rafi Sadeq Aurpo**, ID:111191056 of BBA student (Major in Supply Chain Management) under United International University successfully Completed his internship program on- "Service supply chain of Al-Arafah Islami Bank Ltd – Tongi Branch". The term paper provided the chance to gain knowledge about the Al-Arafah Islami Bank Ltd. in Tongi Branch, Gazipur for three months, from 14.02.2024 to 13.05.2024.

Ar Rafi Sadeq Aurpo was assigned to our branch under our Head Office letter No. AIBL/HO/HRD/2024/629 dated: 13.02.2024.

We wish him every success.

(Motahar Uddin Ahmed)
VP & Manager

Motahar Uddin Ahmed
VP & Manager (AS-388)
Al-Arafah Islami Bank PLC.
Tongi Branch, Gazipur.
Tel: 224410798, 224410799