**Internship Report**

**On**

**Value Chain Management of Consumer Knitex Ltd.**

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Value Chain Management of Consumer Knitex Ltd.

**Submitted to**

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**Acknowledgement**

At first, I would like to express my gratitude to Mr. Muhammad Hasan Al-Mamun for giving me a chance to prepare this report. I have taken helps from employees of Consumer Knitex Ltd. I have taken helps from some books and journals and websites; I acknowledge those authors and writers also and those authors and writers are duly referred in the reference section of the report. I tried my level best to include most of the relevant information what I have collected regarding the topic and sources.

**Letter of Transmittal**

November 10, 2019

Muhammad Hasan Al-Mamun

Assistant Professor

School of Business and Economics

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Subject: Submission of Internship Report on, “Value Chain Management of Consumer Knitex Ltd.”

Sir,

With due respect and humble submission, I am the student of BBA program submitting my Internship Report on “Value Chain Management of Consumer Knitex Ltd.”. It gives me immense pleasure to inform you that I have completed my Report under your kind hearted direct supervision.

In preparing this report, I tried my level best and worked with most sincerity and make it as well structured as possible. I hope that this will help me to upgrade my knowledge of how the Value chain management really works in a company.

Thank You

Sincerely Yours

Anan Islam

BBA Program

School of Business and Economics

United International University

**Executive Summary**

Consumer Knitex Limited is an Export oriented garment manufacturing company. It has factories in Bhaluka and Trishal. Its main head office is in Mauritius. Its main products are jersey, men wear, women wear etc. It also has an office in Dhaka. My main objectives are to evaluate the historical evolution of Consumer Knitex as an organization, their competitors and how they manage their supply chain management and distribution channel management. But the main objective of the study will be concentrated on the value chain management of the organization. In finding part of the study, I firstly discussed about their accessories, buying and selling process, and the name of their suppliers and buyers or clients. The accessories are cartoon, elastics, polly, handtag, stickers etc. There are so many suppliers like Epyllion, Bengal, News print, Paxar, SML, Merchant, E-pac etc. There are also so many clients like Topman, Topshop, River island, OKAIDI, Zara, BURTON, Kariban, JULES, CELIO, BONOBO, PROMOD, BREAL, EVAN, CACHE-CACHE. And secondly I describe about the whole process of readymade garments exporting. First they manage the order of the cloths. To manage the order, they have to arrange buying houses, to estimate the cost and then they got the orders. Secondly, to fulfill the order they have to acquire the raw materials. Thirdly, they produce the product. They use the raw materials to produce the garments. Fourthly, they have to deliver the cloths to the clients and then finally, they get the payment for the order.

Key Word: Value Chain Management

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**Chapter-1**

Introduction

* 1. Topic in Hand ( Value Chain Management )
  2. Context of the study (Consumer Knitex Ltd )
  3. **Topic in hand**

My topic is Value Chain Management. It is the process of activities that creates value by producing goods or providing services from basic raw materials to final goods for purchasing by a consumer. The basic objectives of value chain management are:

* Increasing communication,
* Declining delivery time,
* Decreasing inventories,
* Increasing consumer satisfaction and
* Progressing product quality.

Value chain management is mainly the combination of supply chain management and distribution channel management. It was focused on the communication of supplier, company and customer. The process between supplier and company is called supply chain management and the process between the company and customer is called distribution channel management. It plays an important role and is the most complex function in the firm. It plays a critical role in dealing with the ever-enlarging complexity in supply chains globally. It develops the relationship better on which the company earn profit. It also helps to improve overall efficiency of business.

There are two types of value chain management.

1. Supply chain management
2. Distribution management

Supply chain management is the management of the flow of goods and services and includes all processes that transform raw materials into final products. It includes the active streamlining of a business's supply-side activities to increase customer value and obtain a competitive advantage in the marketplace.

Distribution management is the process of supervising the movement of goods from supplier or manufacturer to point of sale. It is an extensive term that refers to numerous activities and processes such as packaging, inventory, warehousing, supply chain, and logistics.

**1.2 Context of the study**

My context of the study is about consumer knitex ltd.

Consumer Knitex Limited is an Export oriented garment manufacturing company. It operates some knitting factorys. It has office in Dhaka, Bangladesh. It does not have any Key Executives recorded. It has stuff of obove 1000 peoples. It is capable of doing all types of knitting products for both EU & USA markets for last 6 years. It is a prideful moment for them to be one of the key player in Bangladesh garments industry. It is not only producing on-time quality cloths, but also producing in very low cost.

Payment mode: By Irrevocable & Transferable Letter of credit.

Terms of payment: L/C at sight.

Freight terms: FCA, FOB, CFR, CIF

Factory Product: Men's, Ladies, Boys & Girls Garments

Production Capacity: 150,000 PCS per Meth

Production Lead Time: 60 Days.

**Vision:**

It has the vision to main a sustainable Knitting Company in Bangladesh by producing quality cloths and maintaining highest social, economic and environmental standards. Our motive is to produce high quality cloths and delivering them to our clients. Our aim is to give wonderful experience by wearing our high quality and comfortable cloths. Our vision is three overlap:

* Lead the Knitting business in Bangladesh.
* Observe most noteworthy social, monetary and natural benchmarks.
* Maintain a submitted and fulfilled demographic.

**Mission:**

Their mission is to produce the cloth and accessories and deliver the cloths to client through intermediate or directly. As their aim is to be one of the most sustainable knitting company so they plan to train their employee to produce good quality and comfortable cloth.

**Objective:**

* To try hard to gain maximum profit through performing the business activities under the law and Social system without doing any unethical stuff, cruelness and inequity to anyone.
* To develop efficiency and effectiveness of employee.
* To make greater employments with less risk.

* To be more constant in producing high quality cloths.
* To be more attentive in delivering product on time.
* To be well known as company in the industry.
* To reduce the salary gap between the workers of same unit.
* To encourage corporate social duties (CSR) amongst the employee and worker.

**Specialty of Consumer Knitex ltd.:**

Their specialty is their procedure to make garments and from where they collect the raw materials. Their cotton is required from agriculturist's generic public and the cotton is gone through different techniques to transform into yarn. They are confirmed for GOTS, Fair Trades and EU Flower Standards. Their workers had staff quarter that give top management the highest advantage to get the most working timing and efficiency from the workers. Their working hour and payment system is also so flexible for all workers so workers do their job so joyfully.

**Organization:**

* Consumer Knitex Limited has a well-organized administration to work in.
* Our focus is on Total Quality Management and it reflects in our administration additionally.
* All the work force is trained efficiently so that they can effectively use the administration structure to work in.
* Organizational duty is planned on the foundation of this administration framework.

**Chapter-2**

Company Background and Industry Perspective

* 1. Company Background
  2. Industry Perspectives

**2.1 Company Background**

Compagnie Mauricienne de Textile Ltd (CMT), a worldwide jersey wear apparel industry leader, is headquartered in Mauritius with marketing offices in UK, France and quickly opening in New York. CMT has the largest vertically-integrated manufacturing plants in the Sub-Saharan region and is acknowledged for its marked funding in world-class facilities and trendy operations. Consumer Knitex Limited owns and operates a knitting factory. The company is based in Dhaka, Bangladesh. It is under CMT group.

**Departments of Consumer Knitex Ltd.:**

Every one of the elements of Consumer Knitex Limited is worked under seven noteworthy divisions:

**Merchandising Department:** This branch of Consumer Knitex Limited is in charge of the accompanying exercises. Their first task is to search purchasers who want to import cloths from our country. After getting the request of cloth they issue an acquainting letter for each purchaser which give the purchasers the information about the company’s encounters, parameter of complete exercises, productivity, adequacy and association with existing purchasers. After issuing the letter they estimate the cost to making the cloth. They also find out the raw material which is needed to make the cloth. After making the cost they arrange a price that the purchasers consent to pay. Then they select provider to provide the cloth to purchasers.

**Sampling Department:** This department work with sample from purchaser. They examine the sample and compare the sample with the capacity of the company whether they can make the cloth according to sample. This sample is observed by two peoples. One is examining man and another is example ace of Consumer Knitex ltd.

**Commercial Department:** This department work for L/C on the name of chosen provider. They keep up every administrative movement. For example, keeping up the records of day by day exchange, looking after finance, keeping the records of day by day uses and so forth.

**Accessory Supply Department:** This department work for accessories supply. They arrange supplier to provide accessories for factory and office to make the workplace more flexible. They provide soap, hand wash, kitchen utensil and electronic accessories from supplier.

**Production Department:** This department work for two matters. One is Quality screen and control and another is final inspection. They evaluate the procedure to keep up the quality of cloths. They also investigate the production which is the duty of quality examiner of the company.

**Distribution Department:** This department work for the distribution of cloths from production to provider. It also works for bill of trade, bill of filling, business receipt, authentication of starting point, pressing rundown and so on.

**Accounts Department:** This Department keep all the bookkeeping related exercises and keep up all the imperative archives as needs be.

**Social Welfare Activities of Consumer Knitex Limited:**

Consumer Knitex Limited has played an important role in a lot of terms of unemployment, including women in the working sector, increasing export earnings etc. they work for Women empowerment. They give employment to women both in office and factory. They reduce Child Labor. They work on gender equality by giving equal opportunity to both male and female in work field. They also work for improved health & nutrition, reduced child marriage and infant mortality. They contribute very effectively in textile industry

They contribute in the growth and development of the industry. As they export the product in Europe and USA so they contribute in earning foreign currency in our country. They employ many men and women in their factory and office so the income is increasing and unemployment is reducing day by day. They provide crucial impetus to the spinning, fabric, and dyeing industry.

**2.2 Industry Perspective**

The readymade garments play an important role in earning foreign currency in national income. It includes small, medium and big size Textile Company. It can be registered or unregistered organization. This business was started in late 1970s, then increased significantly in 1980s and blasted within 1990s. As the labor cost is low so that foreign country want to import garments as they get it at low cost than any other country. There are a lot of garments in our country which decrease our unemployment significantly. Men and women both work in those sectors which increase our per capital income. It also increase our GDP and it develop our lifestyle. This industry is a big factor in all perspective in our country. Government also keep eyes in this sector which is very beneficial for us.

**Weakness & strong position in Companies:**

The Textile industry of Bangladesh has developed significantly in the period of last 3 decades. This industry improved the economy of our country diversely since mid 1980 and replaced the jute industry. In this industry there are two type of organization. Some are very strong by position and some are very poor in position. There are more than 4,000 RMG firms in Bangladesh. As there are so many firms so it is really hard to tell all the name of the strong firm. Some firms are small in size but the investment and profit is high and in the other hand some firms are big in size but the investment and profit is low. So it is hard to say the position of the position of the companies. . In Bangladesh there are some solid RMG organizations are Aster Fashion wear, First world form private constrained, Expo dress advertising, Winner universal, Active source, HBM tex house restricted and some more. . There are bunches of powerless organizations also. In this industry it is easy to be in the industry but it is hard to sustain with profit. At present the textile firm are generally constructed in three primary urban area- the capital city Dhaka, the port city Chittagong and the modern city Narayangonj. There are a lot of advantages of RMG:

* Export sector:
* Export posts 10.55% growth.
* RMG sector contributed 84.21% or $34.13 billion to the total export receipt.
* RMG being 85% contributor
* Foreign currency: Foreign currency is earned by exporting and in our country RMG export garments by which we earn foreign currency the most. It increases our GDP significantly. Readymade article of clothing (RMG) alone earned about 78% of the yearly outside trade gaining of the nation.
* Employment creation: As RMG sectors need a lot of workforce for their production so a lot of people both male and female work in those factory. So it reduces the unemployment problem in our country. It also increase the per capital income. It is in charge of in excess of 70 percent of GDP. It utilizes about 5 million individuals to work in the garments.
* Poverty lightening: Both weak organizations and strong organizations help to reduce the poverty line of Bangladesh. Be that as it may, solid organizations entirely add to reduce dire poverty of the population as they make chance of heaps of strengthening. Urban ladies are essentially getting the benefit from RMG organizations to lighten their poor lifestyle. Recently the government has settled the lowest pay permitted by law act of the pieces of clothing specialists. This will reduce poverty line than the past time.

**Current Strategies of Competitors:**

As we know now a days there are many garment in our country. As a result there are many competitors. In garments sector the products are almost same. No one can give any different product by look or new highlight. So now competitors are more aware of the quality. They get the market by their quality garments. They try to make their customer that their cloths are rich in quality. They do not take any excuse in the quality by their employee. They make sure to give the most comfortable and quality cloth as much they can. They also focus on price. They also try to give the garments in reasonable price. The price and quality are the main key for the competitors to sustain in the market with benefit.

**Future Actions of Competitors:**

For past few years garments sector was improved very significantly. Till now it is improving. For future it need to be flourished more. As it is the most effective earning source in our country. There need to be more workshop for garments work. Individual should be trained to be more effective and efficient in this sector. The other matter which should be concern is worker safety. The organizations should be more careful for worker safety. The work place should be secured with more safety elements. There should be fire alarm, emergency exit gate, air ventilation system, working uniform etc. For past few years there was happened many accident in garment which affect our textile business. The foreign investment is coming less. Foreign company is boycotting to import garments from our country for those incidents. The organization also should check their structure and activities to get benefit in long run. If this factors is not administrated properly then the accident will be occurred frequently.

**Chapter-3**

Objectives and Methodology

**3.1** Objectives of the study

**3.2** Methodology of the study

**3.1 Objectives of the study**

The objective of the study is to develop the concept about the various aspects of the success & value chain management of the garments industry. This study will help me to analyze the value chain management of marketing, standardized export policies of the production process which will enhance my experience for my future career.

* To review the overall company “ Consumer Knitex Ltd’’
* To review the textile industry and company related competitors.
* To evaluate the supply chain management of Consumer Knitex Ltd.
* To evaluate the distribution channel management of the company.
* To attain the knowledge about Textile Marketing activities of Consumer Knitex Limited.
* To find out the major problems relating in value chain management of Consumer Knitex Limited.
* To acquire in depth knowledge about the value chain management of Consumer Knitex Limited.
* To find out the problem and recommend the suggestion to solve the problem.

**3.2 Methodology of the study**

Methodology refers to the method section of a report that details about how the research was conducted, the research methods which are used and the reasons for choosing those methods. It should outline: the participants and research methods used such as surveys, questionnaire, interviews that refers to other relevant studies.

The data can be collected in two way. One is primary data and the second one is secondary data.

**Primary data:** Primary data which is collected from the first hand sources by a researcher through survey, interviews or experiments. I collected the data mostly by observation and interviews.

* As I worked in the company on which I am preparing the report so it was easy for me to collect some data through observation. I got to know about their suppliers and clients as I worked their data.
* I also got many information through interviewing the executive officers of our department. I had to prepare questions according to my report to get the relevant information.

**Secondary data:** Secondary data which is collected from someone other than users. I collected the data through official document.

* As they don’t have any website so I had to use official documents to get information also. I had to know the policies by those documents.
* I also take help from in-house training material, company manual, internal meeting minute, text book and information etc.

**Chapter-4**

Findings of the study

**Finding of the study**

My report is on value chain management of consumer knitex ltd. As we know there are two parts, one is Supply chain and another is Distribution channel management.

**The Accessories:**

My department mainly buy the accessories from the supplier and sell those accessories to the client. They buy the accessories of the final garments.

The accessories are,

* Cartoon
* Polly
* Hand tag and sticker
* Label
* Button
* Elastic

**The Supplier of Accessories:**

They have a lot of supplier who give them the accessories in a very reasonable price. From one supplier they take different type of accessories. In the following I mention the name of the supplier according their accessories:

1. Cartoon :

* Epyllion
* M & U

1. Polly :

* Bengal
* Epyllion

1. Handtag and sticker :

* Epyllion
* News print
* SML
* Paxar
* Laser mail
* Epyllion
* Rajdhani
* E-pac

1. Labels :

* Epyllion
* Merchant
* Laser mail
* Maheen label ltd
* Yunusco
* SML

1. Button :

* M & U
* Uniglory
* AST

1. Elastic :

* Epyllion
* Al – muslim
* Energy

**The Client of Accessories:**

Then they sell the accessories from supplier to client. I mention the name of the clients in the following:

* Topman
* Topshop
* River island
* OKAIDI
* Zara
* BURTON
* Kariban
* JULES
* CELIO
* BONOBO
* PROMOD
* BREAL
* EVANS
* CACHE-CACHE

**Steps of Ready Made Garments Exporting:**

Readymade articles of clothing sending out are associated with five stages. Showcasing administrators of the pieces of clothing is firmly included with these stages. The periods of pieces of clothing promoting are the accompanying:

**1. Getting orders:** In readymade garments exporting the first thing they have to do is getting order from the purchaser. They can get purchaser by advertising. Advertising administration get the purchaser from outside or purchasing house. They contact with the purchaser and purchasing house or by telephone/fax/email and so forth. At first they get the request of the clothing. Then they evaluate the cost of the production of the clothing. Then they demonstrate the cost statement to the purchaser or the purchasing house. If it is affirmed then the request will be processed.

Buying House: Buying house is the intermediator between the purchaser and the RMG. It is not easy to get purchaser outside generally so they have to go through the buying house. Buying house give the company purchasers through some procedures. As they have direct relation with the purchasers so they know the prerequisite of them. They can give purchaser according to the company’s capability. At first purchaser want some test to evaluate the quality of cloth with all other document which can help them to take the decision of giving request. Then they estimate a cost of the clothing to the purchasers.

Costing: They consider some factors for making the cost. The factors are Fabric utilization cost, Accessories cost, Fabric GSM, Color, Washing, printing, weaving cost, CM (cutting and making) charge, Commercial and extra costs, Buying house or specialist commission and Freight cost.

Order: After the costing if the purchaser is satisfied by the cloth sample and the cost then the order is given to the organization.

**2. Acquiring raw material:** To complete the order they have to arrange important and most essential raw materials to start the production. First they estimate that how much materials and what types of materials they need. Then they take some unrefined raw materials from the provider to evaluate those. The samples go through many test so that they can use those in production. They also check suppliers delivery time so that the production is not gotten hampered by late delivery of raw materials. After all the evaluation they give the provider all information of how much materials is needed to deliver them. They perform receipt, L/C. Then the materials is provided to the factory for production.

**3. Production of Garments:** After getting the raw materials the production process is started. Factory place should be kept prepared for beginning pieces of clothing. Production should be completed before the shipment of least 3 days. Before doing the production they check the machines whether it works or not. Merchandiser make documents related with fundamental papers and data of the process of production. Investigation will be performed in two line. First line is done by production division and 2nd line is done by purchaser agent.

**4. Consignment of Garments:** After the production of garments then it’s time to deliver the articles of cloths appropriately. Following topic are considered for the shipment of pieces of clothing. First the procedure of shipment- air/ocean should be decided. The transportation should be fixed whether it is named by purchaser or the decision of manufacturing factory. Whether the product is posted based on FOB/ CNF or not, it is known from L/C. Data should be sent out against exportable item.

**5. Receiving of Payment for Garments:** After sending the item appropriately they set up each single important paper and send the duplicate to the bank. A duplicate of bank report must be sent to the address of purchaser. If there is no complain then the fundamental guidance is sent to Bangladesh Bank by purchaser’s bank for the matter of installment. Then the payment is done.

**Chapter-5**

Limitations of the study

**Limitation of the study**

From the intention to make the report appropriate, I gave my best effort. However, many problems appeared during conducting the study. The study considers following limitations:

* There is a huge problem to get recent and well organized information as they don’t permit to disclose various data related to my study.
* This report only emphasize on value chain management of Consumer Knitex Limited But it does not give any information about other activities like production, organizational structure, financial etc.
* As their employees are so busy so it is really hard to take some time from them to get some information about my topic.
* As they do not have any website so I have to take all my information within my internship period beside my regular official work.
* As there are a lots of information which are highly confidential for the outsider so that I cannot use those core data for my report.

**Chapter-6**

Recommendations and Conclusion

**Recommendations**

Consumer Knitex Limited should be more careful and attentive in monitoring the production. The major recommended of overall study is discussed below:

* For a better quality garments they should train the worker on how to produce good and comfortable quality garments.
* They can publish their own magazine to be well known in local market.
* They should try more to increase the satisfaction level of customers by focusing on the convenience, fabrics, quality, price and service.
* Though they produces huge range of garments, it should increase the product line for different age and gender of people. They should increase their product range.
* They should do more social welfare activities to be well-known in the market.
* They should arrange training session to their official employee more efficient to handle the supplier and client.
* They should introduce marketing department in office to make themselves well-known in market and textile industry.
* They should have efficient labor and high quality machineries to increase the production.

**Conclusion**

Consumer knitex ltd is a garments manufacturing organization in Bangladesh. It maintain a very good environment to work in for both employees and workers. It have many departments who works properly to achieve the goal but they need more development. It also has factories in which employees are given all facilities to work properly. It also has head office in Mauritius.

Textile businesses play a major role in earning foreign currency in our country. It contributes the most in our economy. It also generates a lot employment in our country. It helps to develop life style of general and poor people. But now our textile industries are in risk. Many firms was closed as they were in loss. There are many obstacles in our country like natural disasters, strike, and political instability etc. As a result they cannot operate their production as the requirement. They cannot complete their order. There is also an obstacle of working security. As most of the firms do not give proper working environment as a result the recent accidents was happened. It effects in the textile industry. Foreign companies and peoples stopped to import any garments from our country. Foreign people boycotted our garments due to those incidents which effects our textile industry so badly. But Consumer knitex ltd follows those security cautions seriously for which they create a good image in front of their foreign buyers. Those points should be taken in consideration to do well in textile industries.

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