



SINCE 1969



INTERNSHIP REPORT ON

BENGAL GROUP OF INDUSTRIES

PREPARED BY

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Internship Report
On
Procurement Practices of Bengal Group of Industry
Limited

Submitted To:

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UNITED INTERNATIONAL UNIVERSITY

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Letter of Transmittal

December 18, 2024

Dr. Saad Hasan

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Subject: **Application for accepting the internship report.**

Respected Sir,

With due respect, I, Azmain Mahtab Al Sakib from United International University, would like to inform you that, by the grace of the Almighty Allah and your kind facilitation, I have accomplished the report as per your instruction to fulfill my requirement for the internship.

I want to express my appreciation for the chance you gave me to learn about Import Operations at Bengal Group of Industry Limited and to understand formal business reports. I have put a lot of effort into ensuring that it is both understandable and useful. Despite all my efforts, there may be errors in certain sections of our report due to my lack of experience in this field. I earnestly ask that you kindly review the errors with a compassionate perspective given my situation. The report served as my guide throughout the work and we gained knowledge on importing activities for procurement, procurement processes, and policies, and most importantly, I learned how to create a comprehensive supply chain report. In addition to my academic expertise, I gained an understanding of the significance of thinking creatively, logical thinking, and more. I am grateful to you for this type of education.

I, therefore, hope that you would be kind enough to accept my report and oblige thereby.

Yours sincerely,

Azmain Mahtab Al Sakib

ID: 111 192 065

School of Business & Economics (SoBE).

United International University

Acknowledgment

I would like to take this opportunity to express my heartfelt gratitude to Allah, who blessed me with the power and potential to complete the internship at BGI. Without the mercy of Allah, the whole process of landing an internship, finishing it, and timely submission of the report would not have been possible.

It means a lot for me to get this opportunity for an internship at BGI and such an opportunity that brought new experiences, which I may prove later. The support and cooperation during my internship program underlined huge and shall be appreciated in timeless consideration. I am highly indebted from the core of my heart to Mr. (**Moazzem Hossain Bhuiyan**), who assisted me with clear instructions as to how I should perform my daily tasks. Though very busy, he was polite with me teaching me about the procedure, and gave me the essential data for my report. I picked up knowledge and skills from this internship that will be an asset for my next placement.

Further, I am equally grateful to **Dr. Saad Hasan** sir, Assistant Professor, School of Business and Economics, United International University for every piece of wise advice and words of motivation received throughout my academic career. Indeed, without his amazing advice, instructions shared, and hence pushing help received, I would not be able to finish my paper and meet the deadline that was extended to me. It is respect and exclusive rights to have had the opportunity to learn directly from him and finish my internship under his leadership.

In conclusion, I owe my deep gratitude to every single employee of BGI primarily those in the supply chain department, for their being of help during my course of completing my internship, as a walk in the park. I am super grateful to every one of them for this unwavering support, patience, and inspiration.

Executive Summary

This internship report summarizes author's experience and first-hand knowledge gained regarding supply chain and procurement processes during the internship period. The internship and this report is part of part fulfillment of Bachelors of Business Administration (BBA) Degree at United International University (UIU). The internship was undertaken at Bengal Group of Industries (BGI), one of the leading conglomerate in Bangladesh, operating across multiple sectors. Its diverse portfolio includes businesses in Plastics, Melamine, Adhesives, Cement, LPG, Media & Entertainment, Power & Energy, Hospitality, Food and Beverage, as well as financial services.

This report is segmented into 4 major parts namely: business profile of BGI, industry analysis, procurement practices at BGI and the author's personal experience.

The purpose of this study is to examine various aspects of supply chain management (SCM) within the Bengal Group of Industries from the viewpoints of vendors and suppliers. It also seeks to identify areas that require improvement to ensure continued goodwill between the parties and to offer suggestions for supply chain optimization. In addition, to evaluate their methods and possible areas for improvement, as well as to identify the factors that affect the degree of collaboration between Bengal Group of Industries and its vendors and suppliers. The main objective is to aid in the development of strategies that can increase the Bengal Group of Industries' supply chain management methods' effectiveness. The major findings include that BGI has a strong distribution network as a result of supply and distribution channels built over the years which gives the group an advantage in reaching different consumer segments for its products in Bangladesh. In addition, the group focuses on local and international sourcing to mitigate risks. Furthermore, procurement is undertaken centrally and considered a key area of competitiveness. However, the group faces external risks such as inflation, currency devaluation, and political instability in Bangladesh.

Table of Contents

Letter of Transmittal.....	iii
Acknowledgment.....	iv
Executive Summary	v
Chapter 1: Introduction.....	1
1.1 Introduction.....	2
1.2 Objective of the report.....	2
1.3 Limitations of the Report	2
Chapter 2: Company and Industry Analysis	3
2.1 Company Profile	4
2.2 Timeline.....	4
2.3 Plant and Factories	7
2.4 Vision.....	9
2.5 Mission	9
2.6 Goal.....	9
2.7 Objective.....	9
2.8 Business Portfolio of Bengal Group of Industries.....	9
2.9 Product Portfolio of Bengal Group of Industries	11
Chapter 3: Industry Analysis.....	13
3.1 Overview of the industry.....	14
3.2 Key Market Trends and Dynamics.....	14
3.3 SWOT Analysis	16
Chapter 4: Procurement Process of BGI	19
4.1 Introduction.....	20
4.2 Procurement decision of BGI.....	20
4.3 Procurement Decision Strategies at BGI	23
4.4 Procurement Department at BGI.....	23
Chapter 5: Internship Experience & Conclusion	27
5.1 Learning & responsibilities	29
5.2 Conclusion	30
References	31

Chapter 1: Introduction

1.1 Introduction

Entering a three-month internship program at BGI has been a turning point in my career. Here, I have been able to acquire theoretical knowledge in a real-world scenario as well as learn some important skills for my future career. In this report, I will outline my experiences, main accomplishments, the challenges that I have faced, and the personal insights I have gained during my internship at BGI.

It is a rule that every student must report to a respective faculty member. Therefore, my report is made under the guidance of Dr, Saad Hasan, a respective faculty member of UIU. Sir has given me all the topics for my report and I have genuinely tried to follow all the things he asked me to do.

In my report, I have tried to mention all the basic information from BGI and I have also used research materials for writing and approving it. Completing the report also means that I am still learning now. However, the report has given me all the basics of BGI.

1.2 Objective of the report

This report is intended to provide a summary of my overall experience and everything learned during the internship period with BGI. I began my internship with certain aims, skills, and comprehension of the internal work process of this industry. My aims and learnings about the various services offered by my organization, BGI, aimed to satisfy the criteria for the fulfillment of my Bachelor's degree.

1.3 Limitations of the Report

While undertaking the internship program, I found a few challenges and limitations which I am going to identify as follows -

- It allows limited exploration to all the departments of BGI;
- Accessibility of confidential information;
- Some resources unavailability;
- Interaction with the various stakeholders was minimal;
- Lack of Contextual Information; and
- Time Limitation.

Chapter 2: Company and Industry Analysis

2.1 Company Profile

Bengal Group of Industries stands as a leading conglomerate in Bangladesh, operating across multiple sectors. Its diverse portfolio includes businesses in Plastics, Melamine, Adhesives, Cement, LPG, Media & Entertainment, Power & Energy, Hospitality, Food and Beverage, as well as Financial services. Since its establishment in 1969, the group has expanded significantly, becoming one of the nation's foremost industrial powerhouses.

Since its inception in 1969, The Bengal Group has emerged as the leading plastic processing company in Bangladesh. Over the years, the company has achieved significant milestones, expanding its operations into the global export market.

Nowadays, the Bengal Group of Industries is one of the largest plastic processing companies in Southeast Asia, to ensure their products meet the highest standards, their Quality Control (QC) laboratory rigorously tests raw materials and components. In response to the evolving preferences of international clients, the company has established a state-of-the-art tool room equipped with advanced technology and highly skilled technicians, ensuring consistent quality throughout the production process.

Currently, the company produces 1.5 million plastic apparel hangers, over 500,000 polybags, 200,000 meters of strapping bands, 100,000 packaging tapes, and 150000 woven sacks every day.

2.2 Timeline

Year	Event
1969	Mr. Morshed Alam started the Bengal Group of Industries with a single hand-operated plastic injection molding machine at a rented facility in old Dhaka.
1971	Following Bangladesh's independence in 1971, the company shifted to full-scale production of jute and textile spare parts, which had previously been imported from India and Europe.
1980	Bengal Adhesive and Chemical Items specializes in manufacturing adhesives for a variety of industries, including hardwood furniture, footwear, and leather, among others.

1981	Bengal Plastic Industries Ltd. is a limited liability company registered with Joint Stock Company, Dhaka, Bangladesh.
1991	The introduction of plastic apparel hangers in Bangladesh was aimed specifically at garment companies focused on exporting to the United States and the European Union.
1994	Batts Inc. of Michigan, USA was the first official licensed manufacturer until it was eventually acquired by A&E Products Group LP, part of TYCO International Limited. Today A&E Products Group operates more than 50 distribution centers in 28 countries and is the world's largest apparel hanger producer.
1995	Bengal Overseas Corporation Ltd. is engaged in the import and export of a wide variety of goods to and from Bangladesh. The company currently represents several renowned global industrial brands, including Rinnai Japan, Cornelious UK, Crown Cork & Seal USA, Videojet USA, and Linnex USA.
1998	The company also became a licensee of Schoeller Wavin System, Germany, the world's leading manufacturer and designer of bottle cartons for major soft drinks such as Coca-Cola and Pepsi-Cola. Schoeller Wavin has a global network of licensees and production partners in more than 50 countries.
1999	Within a decade, Bengal Group emerged as Bangladesh's biggest plastic processing company with 72 injection molding machines with capacities ranging from 250 to 1,600 tons. The group uses more than 250 tons of raw material every day. To spread its operation, Bengal undertook a US\$5 million development project to establish the world's largest production facility in Zerabo, Savar, Dhaka.
2000	Bengal Build-up BD Ltd has strategically acquired Build-up Plastics BD Ltd, a Chinese plastic plant located in the Dhaka Export Processing Zone, for \$2 million. The plant currently operates with 12 injection molding machines.

2001	Power Utility Bangladesh Ltd., a subsidiary of Bengal Group, was established to address the country's rapidly growing electricity demands by developing power plants in key locations across Bangladesh. Bengal's journey into the garment and fabric industry began in 2001, and over time, the company has grown into a key player both domestically and in international markets.
2004	Besides, the company bought "Rahmania Biscuits & Bread Industries Ltd.", a factory in Noakhali, Bangladesh, which can produce 500 kgs of soft biscuits in an hour. The company renamed the facility "Romania Food & Beverage Ltd."
2006	Bengal Group expanded its operations by acquiring Polycord Ltd., a flexible packaging facility in Savar, Dhaka, now operating as Bengal Flexi Pack Ltd. The facility manufactures a wide range of packaging materials for various sectors, including food and beverage, pharmaceuticals, cleaning products, and more.
2007	National Television Ltd. (RTV), a prominent Bengali satellite TV channel, was acquired. Broadcasting around the clock with a diverse lineup of news and entertainment content, RTV reaches audiences across Asia, the Middle East, Australia, and New Zealand. Additionally, viewers in the United States can access the channel via Dish Network on channel 805. This acquisition strengthens its global presence, connecting the Bengali-speaking diaspora worldwide.
2008	Bengal Polymer Wares Ltd. has been certified to ISO 9001:2008 for quality management and ISO 14001:2004 for environment management practices of the company. These confirm that the company is committed to the quality of its products and also is taking care of the environment.
2010	Romania Food & Beverage proudly achieved ISO 22000 certification, a testament to its unwavering dedication to top-tier food safety management. This accreditation underscores the company's adherence to global standards, ensuring the highest levels of safety and quality in its food production processes.

2012	In April 2011, Bengal Plastic Pipes Ltd. commenced full-scale commercial production, offering various sizes of UPVC and HDPE pipes. The company also expanded its product line to include UPVC doors and door profiles, marking a significant step in its growth and innovation within the industry.
2013	The company quickly changed its name after being purchased by Bengal Renewable Energy Limited from Xenergeia International Limited. Through this calculated acquisition, the business will be better positioned to grow its market share and sharpen its emphasis on renewable energy solutions.
2014	Designer Jeans Ltd. has earned experience in manufacturing and marketing high-value-added designer pants. For a move towards expansion, BGI has initiated large-scale operations. Additionally, Bengal Cement Limited has been established, further diversifying BGI's portfolio and strengthening its presence in the construction materials sector.
2015	Bengal Melamine Ltd., Hamilton Mold & Engineering Ltd., Bengal Retails Ltd, and Under the expansion venture Linnex Electronics Bangladesh Ltd. was formed. It was during this time that Bengal Plastics Limited was also able to successfully issue commercial papers for short-term financing and repay them efficiently on time to show its financial stability and effectiveness in operations.

2.3 Plant and Factories

Bengal Group of Industries operates a diverse range of factories and plants across various sectors in Bangladesh. Here is a look at their facilities in detail:

1. Plastics and Packaging:

- Bengal Group is known for being one of the largest plastic manufacturers in Bangladesh, operating multiple factories focused on producing a variety of plastic goods. These include household items, industrial products, and packaging solutions.

2. Textiles and Apparel:

- The group has several textile factories, including spinning and weaving mills, as well as garment manufacturing plants. These facilities produce synthetic, and blended fabrics, along with ready-made garments for both domestic and export markets.

3. Food and Beverage Processing:

- Bengal Group has established plants for food processing, including production units for snacks, and dairy products. These facilities uphold high-quality standardization to ensure the maximum level of food safety.

4. Chemical and Petrochemical:

- They operate chemical plants that manufacture various industrial chemicals, contributing to the raw material supply for their other manufacturing operations.

5. Electronics and Appliances:

- The group runs factories that produce consumer electronics and home appliances, including refrigerators, air conditioners, and other electrical goods.

6. Construction and Real Estate:

- Bengal Group is also involved in real estate development, with construction projects that require extensive operational facilities for building residential and commercial properties.

Estimated Total Number of Factories:

Bengal Group is estimated to operate **over 25 factories** across its various sectors. This number includes specialized plants for plastics, textiles, food processing, and more.

Notable Locations:

The factories are spread across key industrial areas, including:

- Dhaka
- Gazipur
- Narayanganj

These locations have been strategically chosen to facilitate access to raw materials, skilled labor, and logistics for distribution.

2.4 Vision

The goal is to thrive in the global marketplace amidst increasing competition.

2.5 Mission

“Our mission is to consistently go above and beyond our customers' expectations, striving for unparalleled excellence by delivering greater value than our competitors.”

2.6 Goal

“Our objective is to become the leading company in our industry, committed to providing exceptional quality goods and services to every customer. We achieve this by implementing a comprehensive quality policy across the entire organization.”

2.7 Objective

The purpose of this study is to examine various aspects of supply chain management (SCM) within the Bengal Group of Industries from the viewpoints of vendors and suppliers. It also seeks to identify areas that require improvement to ensure continued goodwill between the parties and to offer suggestions for supply chain optimization. In addition, to evaluate their methods and possible areas for improvement, as well as to identify the factors that affect the degree of collaboration between Bengal Group of Industries and its vendors and suppliers. The main objective is to aid in the development of strategies that can increase the Bengal Group of Industries' supply chain management methods' effectiveness.

2.8 Business Portfolio of Bengal Group of Industries

The Bengal Group of Industries is a diversified conglomerate with a wide range of business operations across multiple sectors. Broadly, their nature of business includes:

1. Plastics and Packaging: The Bengal Group is one of the largest plastic products manufacturers in the country, Bangladesh. They produce a variety of plastic goods, including packaging materials, household items, and industrial products. Their plastic and packaging solutions target both the domestic and the international markets.

2. Textiles and Apparel: The group has a significant presence in the textiles and apparel industry, producing fabrics, garments, and other textile products. They cater to both the demands of domestic and global markets by contributing to Bangladesh's textile exports.

3. Real Estate and Construction: Bengal Group is involved in real estate development, focusing on residential and commercial properties. They also engage in construction projects and have investments in infrastructure development.

4. Chemicals and Petrochemicals: The group is active in the chemicals and petrochemicals sector, producing and distributing chemical products for various industries. This covers products like paints, coatings, and industrial chemicals.

5. Agriculture: The group has investments in agricultural ventures, including agro-processing and agricultural products. This includes the cultivation, processing, and distribution of food products.

6. Electronics and Consumer Goods: Bengal Group manufactures and distributes a range of consumer goods, including electronics and household products. They provide various household appliances and consumer electronics in the local market.

7. Financial Services: The group has interests in the financial sector, including banking, insurance, and other financial services. They play a role in the financial infrastructure of the country by offering services that support trade, commerce, and industry.

8. IT & Telecommunication: The group has ventured into the IT and telecommunications sectors, offering technology solutions and telecommunication services.

Through its diverse operations, the Bengal Group of Industries contributes significantly to Bangladesh's economy, providing employment, supporting industrial growth, and serving both local and global markets.

2.9 Product Portfolio of Bengal Group of Industries

The Bengal Group of Industries has a wide-ranging product portfolio, which reflects its diversified operations across several sectors. Below is a broad overview of their product categories:

1. Plastics & Packaging:

- Household Plastic Products: Chairs, tables, storage containers, kitchenware, and home organization items.
- Industrial Plastic Products: Crates, pallets, containers, and various plastic solutions for industrial use.
- Packaging Materials: Plastic films, bottles, containers, and other packaging solutions for food, beverages, and consumer goods industries.

2. Textiles & Apparel:

- Yarn & Fabrics: Cotton, synthetic, and blended yarns; woven and knitted fabrics.
- Ready-made garments (RMG): T-shirts, shirts, trousers, outerwear, and fashion garments for men, women, and children.

3. Chemicals & Petrochemicals:

- Industrial Chemicals: Resins, adhesives, solvents, and other raw materials for industries like plastics, textiles, and construction.
- Specialty Chemicals: Products used in coating, paints, and varnishes industries.

4. Real Estate & Construction:

- Residential Properties: Apartments, housing complexes, and residential plots.
- Commercial Properties: Office buildings, shopping complexes, and industrial estates.
- Construction Materials: Cement, concrete products, and construction services.

5. Food & Beverage:

- Processed Foods: Snacks, ready-to-eat products, and canned food items.

6. Electronics & Appliances:

- Consumer Electronics: Televisions, refrigerators, air conditioners, and washing machines.

- Home Appliances: Rice cookers, microwave ovens, blenders, and other kitchen appliances.
- Lighting Solutions: LED bulbs, tube lights, and other energy-efficient lighting products.

7. IT & Telecommunications:

- Technology Solutions: Software, digital solutions, and telecommunications equipment.
- Internet & Telecom Services: Internet service provision, communication tools, and infrastructure for telecommunication.

7. Agriculture & Agro-Based Products:

- Agro Products: Fresh meat items.
- Agro-Based Processing: Fertilizers, pesticides, and other inputs for the agricultural sector.

8. Furniture:

- Plastic & Metal Furniture: Tables, chairs, cabinets, and other indoor/outdoor furniture for home and office use.

9. Construction & Infrastructure Development:

- Construction Services: Infrastructure development, project management, and turnkey solutions for large-scale construction projects.

Bengal Group's diverse product portfolio serves a variety of markets, ranging from consumer goods to industrial materials, both locally in Bangladesh and internationally.

Chapter 3: Industry Analysis

3.1 Overview of the industry

The business operations of BGI are spread across several sectors, with core operations in plastics, textiles, food and beverages, electronics, packaging, and many more industries. Most of the major industry sectors in which Bengal Group operates are regarded as core sectors for Bangladesh's economy and part of significant global supply chains. In recent years, Bangladesh's industrial scenario has witnessed rapid growth in textiles, plastic industries, and other such manufacturing units driven by domestic and international demand. However, these also face various pressures, from environmental impacts to increasing labor costs and global competition.

3.2 Key Market Trends and Dynamics



Plastic Industry

Overview: The plastics industry of Bangladesh is considered to be one of the ever-booming industries in the country due to the high rise in consumer demand, urbanization, and increased application of plastic in almost all sectors, starting from packaging to households and automobiles.

Trends: Environmental awareness leads to the development of sustainable practices, especially innovation in biodegradable and recyclable plastics.

Challenges: Key challenges include regulatory pressures, environmental impacts, and competition from both local and international players. Concerns also exist over the rising costs of raw materials.

Textiles and Apparel

Overview: The Textiles and Apparel industry is an important sector for the economy of Bangladesh since the country is one of the largest garment exporters in the global market. BGI has an unusually high exposure to this industry.

Trends: Gradually, sustainable fashion, eco-friendly practices, and ethical production are being adopted. Greater automation in manufacturing processes is also the case in this industry.

Challenges: Bangladesh is under aggressive competition with other low-cost countries such as Vietnam and India. The demands for better labor conditions and environmental protection, supply chain transparency also continue to increase.

Real Estate and Construction

Overview: The real estate market of Bangladesh has been growing, with further increases in interest, especially in urban areas, when the population and economy are improving.

Trends: Mixed-use projects are the fast-setting trends, high-rise buildings, and smart city infrastructures. Affordable housing and sustainable construction practices are a matter of great importance.

Challenges: High prices of property, expansion without any regulation, and lack of planning in urban areas remain big issues. Economic fluctuation and availability of financing also impact growth.

Chemicals and Consumer Products

Overview: Chemical demand in Bangladesh is directly related to the textile industry, agriculture, and consumer products.

Trends: Growth trends are very high in specialty chemicals, eco-friendly products, and innovation in formulations. A major shift in focus can be seen toward environment-friendly products and solutions.

Challenges: The main challenges are adherence to international standards, environmental regulations, and alterations in manufacturing technologies.

Information Technology

Overview: BGI has diversified into IT solutions in the emerging technology sector in Bangladesh, where demands for digital services are fast growing in support of digital transformation programs and initiatives.

Trends: Demand related to e-commerce, fintech, and other digital solutions is surging in Bangladesh due to increased internet penetration and favorable government policies.

Challenge: Infrastructure, cybersecurity, and shortage of manpower are some of the key challenges for the IT industry. Retaining tech talent poses another challenge amidst global competition.

3.3 SWOT Analysis



Strengths

- **Diverse Portfolio:** BGI has a wide range of businesses, which offers the dispersion of risks and opens up avenues to capture diversified streams of revenues.
- **Strong Brand:** Over time, BGI has established a strong brand reputation and has been enjoying consumer trust for a long period in Bangladesh.
- **Strong Distribution Network:** Supply and distribution channels built over the years by BGI have created an advantage in reaching different consumer segments for its products in Bangladesh.
- **Scale and Operational Efficiency:** Being one of the largest industrial conglomerates, BGI enjoys economies of scale and an efficient production process.

Weaknesses

- **Dependency on Bangladesh Market:** The core operations of BGI are centered in Bangladesh, making it highly vulnerable to economic fluctuations in the local market.
- **Limited Innovation in Sustainability:** While big, the contribution of BGI in terms of sustainable practice is still not focused as compared to other global players.
- **Complex Operational Structure:** A highly diversified portfolio of businesses can eventually lead to managerial inefficiencies and diluted management focus across sectors.

Opportunities

- **International Market Expansion:** Opportunities to expand internationally, especially in those developing markets where demand currently exists for BGI's product offerings.
- **Investing in Sustainability Practices:** Greater consumer and regulatory emphasis on environmental responsibility provides an opportunity for BGI to invest in green technologies and other forms of sustainability.
- **Digital Transformation:** The increased adoption of digital solutions across the world can be pursued further to enhance the IT segment of BGI in areas such as e-commerce, data-driven services, and automation in manufacturing.
- **Growing Middle-Class Population:** The fast-growing middle class in Bangladesh creates an ever-increasing market for consumer goods, property, and durable commodities, opening bright vistas for BGI's portfolio of offerings.

Threats

- **Higher Competition:** Domestic and foreign participants are continuously increasing their capacities in the industries where BGI operates, thus creating an impact on the market share and profitability of the company.
- **Economic Volatility:** These risks may be high based on inflation, currency devaluation, and political instability in Bangladesh.
- **Regulatory and Environmental Challenges:** The operations of BGI are liable to be impacted by strict regulations, more so on environmental standards, which may thus result in higher costs.
- **Supply Chain Interruptions:** Global supply chains, especially in the post-COVID-19 era, may disrupt the regular flow of raw materials, therefore influencing production schedules and costs.

Chapter 4: Procurement Process of BGI

4.1 Introduction

Procurement is defined as the process of buying or acquiring goods or services. These are more often than not required for business purposes. The procurement process is nevertheless allied more with businesses as they find themselves in the position to either secure services or purchase goods, more often than not, in large amounts. Procurement covers the whole cycle of the buying process, which is very relevant to enterprises before the final decision to purchase. Business enterprises may be a part of the procurement process from both sides, that is, buying customers and selling customers. Or providers. However, in this context, we center our discussion only from the company perspective looking to procure goods or services.

4.2 Procurement decision of BGI

The Procurement decision refers to various strategic choices that BGI makes while buying goods, services, and raw materials for various business units of the company to maintain smooth operation, competitive pricing, and quality standards. The procurement decision process at BGI generally covers the following aspects:

- **Identification of requirements:**

Definition: The procurement decision process is initiated whenever various departments in BGI perceive their requirements for goods or services that may range from raw materials to finished goods to transportation or IT services.

Strategy: Needs assessment from the bottom up to specify, quantify, and time requirements to avoid over/under supply situations.

- **Selection Criteria for Supplier:**

Definition: BGI assesses potential suppliers against a set of key evaluation criteria:

Price Competitiveness: Supplier competition at prices without compromising on quality.

Quality Assurance: The quality standards must be met with the requirement of the company and the raw material/finished goods of the best quality.

Reliability and Delivery Timeliness: Suppliers' capability to deliver goods on time is the central role of every manufacturing industry to maintain production schedules and customer demands.

Compliance and Ethical Standards: Suppliers must follow environmental regulations, labor laws, and other ethical standards for sourcing.

Capacity and Flexibility: The production capacity of a supplier should be such that it can handle big or fluctuating orders. And the supplier should be flexible enough to adapt to changes in the customers' requirements.

- **Cost vs. Value Analysis:**

Definition: BGI considers not just the cost of procurement but takes a holistic view of the value a supplier brings into the company, including a long-term relationship perspective, service quality, and the ability of the supplier to cater to its future needs.

Term: Total Cost of Ownership (TCO)– BGI looks beyond the initial purchase price and evaluates other factors, such as transportation costs, handling, and after-sales support, which also contribute to determining the overall cost of buying and sustaining goods or services.

- **Negotiation:**

Definition: Having found the possible suppliers, BGI proceeds to negotiate terms covering pricing, conditions of payment, delivery schedules, and warranties.

Strategy: BGI negotiates the best possible mutual agreement, compromising on cost and quality.

Term: Contract Conditions- These are conditions agreed between BGI and a contractor, on pricing, payment plan, delivery conditions, and fines in case of breach of conditions.

- **Risk Assessment and Management**

Definition: A part of a procurement decision involves the assessment of risks, which pertain to the reliability of suppliers, problems of fluctuating markets, geopolitical factors, and disruption of supply chains.

Strategy: The eventual strategy that BGI can adopt will be either multiple sourcing or maintaining buffer stocks to reduce the risks associated with volatility in price or delays in supplies.

Risk Abatement: BGI can also negotiate risk-sharing agreements or establish alternate sourcing channels against the failure of supply chains.

- **Supplier Relationship Management**

Definition: After selecting the suppliers, BGI strongly focuses on long-term, collaborative relationships with its suppliers.

Strategy: By gaining trust with key suppliers, services will be improved and it may even result in preferential treatment for the benefit of BGI, besides possibly reducing costs in the long term.

Term: Strategic Partnerships – BGI will frequently attempt to establish a continuing relationship with suppliers by making the establishment of a partnership for their common growth and improvement continuous.

- **Sustainability and Corporate Social Responsibility (CSR)**

Definition: Nowadays, there is an increasing trend of procurement decisions taking into consideration the sustainability practices of the suppliers, besides the assurance that the product is sourced ethically as well as the fact that the supplier applies environmental and social standards.

Approach: BGI's strategy involves sourcing sustainably, and finding suppliers who would match environmental standards and socially responsible performance.

Term: Green Procurement - Sourcing of goods and services that are environmentally friendly and socially responsible.

- **Procurement Planning and Scheduling**

Definition: For an effective procurement decision, planning is the most important aspect for avoiding any bottlenecks in the supply chain. This would include planning in terms of lead time, stock level, etc., and seasonal demand fluctuations that are likely to happen.

Term: Just-in-Time (JIT) – A procurement strategy where goods are ordered and delivered just in time to meet production schedules, reducing inventory costs.

- **Technology and Data Utilization**

Definition: BGI increasingly uses procurement software and data analytics to support decision-making. Technology helps in forecasting demand, tracking supplier performance, and managing inventory.

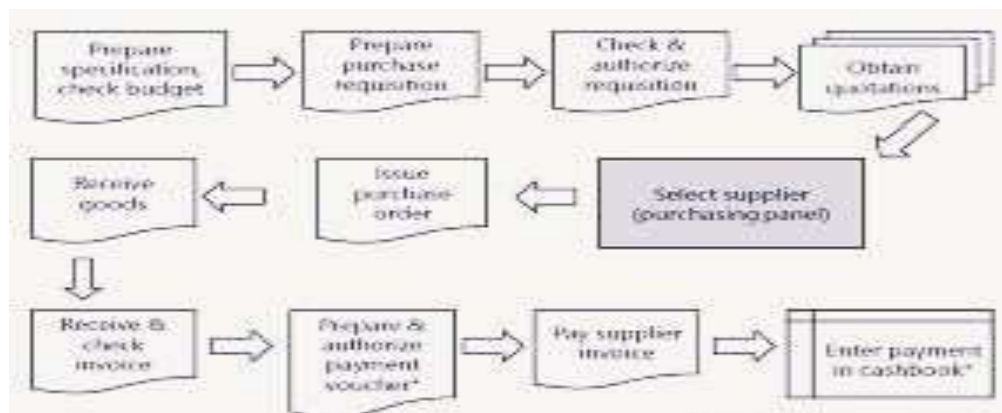
Term: Procurement Software – Tools to make the procurement process, from finding a supplier to inventory management, efficient.

4.3 Procurement Decision Strategies at BGI

- **Centralized Procurement:** BGI's capability to purchase certain categories of goods centrally; preferable deals can secure economies of scale in purchase volume.
- **Diversified Sourcing:** A strategic measure to mitigate risk will find BGI sourcing from different suppliers or regions to build a robust supply chain.
- **Long-term contracts:** BGI generally establishes long-term contracts with suppliers at fixed prices, which guarantees the stability of quality and supply.

4.4 Procurement Department at BGI

The Bengal Group of Industries is one of the largest and most diversified conglomerates in Bangladesh, with interests in businesses related to textiles, packaging, plastics, and chemicals. The company maintains a reputation for quality products and services, which it provides both to the local and the international market. The company depends on **two major** procurement sections: **Local Procurement** and **Foreign Procurement**. These two parts are different in purposes but both are crucially necessary for the good and flourishing conduct of the company's activities.



Local Procurement

There are 13 employees at local procurement in BGI. All input and data recording activities are done through the ERP system provided by BGI. Local procurement pertains to the acquisition of goods and services from suppliers situated in the vicinity of a company's operations. This responsible business approach is relevant across all countries and industries, as it fundamentally aims to forge stronger connections between companies and the surrounding communities, while also fostering local economic advancement. Giving priority to local sourcing enables multinational corporations to bolster their enduring rapport with these communities, amplifying the socio-economic impact of their endeavors in the areas where they operate. Consequently, local procurement not only generates value for international enterprises but also cultivates value within the local communities. However, for local procurement to engender mutual benefits, it must be strategically implemented. It should harmonize with a company's business strategy for that specific geographic area, leading to operational enhancements, and it should align with the development objectives of the local communities. Through diligent long-term planning and proactive initiatives, an array of advantages can be reaped by both businesses and communities alike through heightened local procurement efforts.

Standard Operating Procedures of Local Procurement:

- Obtain a product requisition from the relevant department.
- Assess product availability in the warehouse, considering Safety Stock, Physical Stock, and Pipeline Stock (Orders in Process).
- Plan product procurement based on demand projections and budget calculations.

- Source vendors collect price quotations, create a Cost-Supplier (CS) chart for vendor selection, and finalize vendors with approval from the concerned department.
- Generate Purchase Orders and Work Orders.
- Ensure sufficient funds for cash purchases and coordinate with the accounts department for credit purchases.
- Verify the availability of vehicles and drivers at the time of purchase.
- Procure products from local markets.
- Record product entries in the warehouse and update the inventory records in the ERP software.

Foreign Procurement

There are 5 employees at foreign procurement in BGI. All input and data recording activities are done through the ERP system provided by BGI. Procuring goods or services from suppliers situated in a different country is called foreign procurement. This encompasses a sequence of tasks, including identifying potential suppliers, negotiating contracts, and overseeing the supply chain to guarantee the punctual and cost-efficient delivery of goods. Foreign procurement is a means available through which companies operate their businesses in the manufacturing, retail, and technology sectors. This involves an action whereby companies could grasp a wider base of suppliers with low labor and production costs from various countries.

Standard Operating Procedures of Foreign Procurement

- Obtain a purchase product requisition from the relevant department.
- Assess product availability in the warehouse, considering Safety Stock, Physical Stock, and Pipeline Stock (Orders in Process).
- Plan product procurement based on demand forecasting and purchase budget calculation.
- Source vendors collect price quotations, create a Cost-Supplier (CS) chart for vendor selection, and finalize vendors with approval from the concerned department.
- Create a sales contract based on agreements between exporters and importers.
- Generate Purchase Orders and collect Proforma Invoices from the exporter.
- Initiate product insurance and process L/C forms for L/C opening.

- Submit the documents required for L/C opening to the bank. (Including LC Opening Forwarding letter, Proforma, LC Application, LCA Form, IMP Form, and Insurance copy)
- Collect the draft copy of the L/C from the bank and proceed with transmission if no errors are found.
- Once the exporter ships the goods, submit all shipping documents to the importer's issuing bank. (Shipping Documents: Bill of Exchange, Packing List, Bill of Lading, Certificate of Origin, Commercial Invoice)
- When the products arrive at the port of Bangladesh, submit the documents to the issuing bank for customs clearance. The importer processes the bill of entry from customs.
- Submit the necessary documents to customs through the CNF to release the goods. Required documents include Bill of Lading, Packing List, Commercial Invoice, Certificate of Origin, Bill of Entry, Insurance, Proforma, LC Copy, LCA application, Amendment Copy (if any), Quality Certificate, and other relevant certificates.
- Receive the goods in the warehouse, crosschecking with the Commercial Invoice, Packing List, and Proforma Invoice. In case of any damage, promptly inform the procurement manager with a photo of the damaged product for potential reclaim from the exporter.
- Generate Goods Received Note (GRN) or Material Receipt Report (MRR) for the received goods through ERP software update.
- Obtain the CNF Bill from CNF, crosscheck it with supporting documents, and submit it to the accounts department for bill processing and adjustment. Then, calculate and verify the Landed Cost and Importable Product Cost to establish Product Pricing and Costing.

Chapter 5: Internship Experience & Conclusion

I got the opportunity to work in the Supply Chain Department, BGI, located at 75 Gulshan Avenue, Gulshan 1, Dhaka-1212, Bangladesh. This department is one of the vital departments in the company, and as such, I had the opportunity to observe many daily activities of this department.

Upon joining, I was introduced to the Supply Chain Assistant General Manager, **Mirza Nazmul Haque**, who received me very well and assured me of his cooperation if I needed anything. He assigned me to work under Assistant Manager, **Moazzem Hossain Bhuiyan**. My supervisor, though very busy and pressed by high demand on his time, was very kind and considerate, always finding time to answer my queries and give me clear elucidation.

The Supply Chain Department is organized into several key functions, each led by capable managers, senior executives, and junior executives who ensure the seamless operation of the entire supply process. Each team member focuses on specific areas, such as procurement, inventory management, logistics, and distribution.

Working as an intern, I had to collaborate with almost every member of this department. At the very beginning, each task seemed new to me and slightly challenging. However, with the help of my supervisor and the other members, I quickly adapted to their structured and efficient workflow. The encouragement I got did a lot for boosting my confidence and motivation.

The highlight of my experience had to do with the friendly atmosphere in the department. My supervisor and colleagues always welcomed me with a smile, and they never made me feel out of place, not even when I asked some very basic and perhaps selfish questions. To them, my views were listened to and constructively criticized, and as such, I felt part of the team. They knew that I was still learning and treated me not as a junior intern but as a colleague with valuable contributions to the success of BGI.

Working in the Supply Chain Department gave me invaluable insights into the intricacies of corporate logistics and taught me the significance of teamwork, communication, and efficient process management in a successful organization. The support and encouragement from the BGI team made my experience both fulfilling and inspiring."

5.1 Learning & responsibilities

Intern Responsibilities in Foreign Procurement

- Assist in preparing the LCAF form;
- Assist in preparing Forwarding letter;
- Taking Marine Cove notes from the Insurance Company;
- Sorting out the proposal and making the file number;
- Prepare release and acceptance letter and send to the Bank;
- Sending documents to C&F;
- Making Insurance bill.
- Work with the commercial department on Bond & VAT issues.

Learnings

- Know Indent, RFQ, and CS.
- Check the terms and conditions of PI.
- Fill LC Application form as per Bangladesh Bank.
- Prepare forwarding letter for LC opening.
- Arrange LC documents to be submitted to the bank.
- Verification of non-negotiable shipping documents.
- C&F and Insurance Bill preparation.
- Prepare release and acceptance letter and send it to the Bank.

Training

BGI arranged some training programs for its interns. Those were fully practical-oriented and informative as well. The training programs were also participative which assured proper learning.

Training programs were:

- Office Etiquette and Personal Grooming
- Time Management
- MS Office: Basic of Intermediate Level
- CV Writing Skills and How to Face Interview

Overall Learning

The major learning from BGI is to view practically a working sector. It taught me how to cope with dealing with different individuals in a team. The right use of emotional intelligence has to be practiced there. It also taught us to work under pressure and let us go through proper discipline.

5.2 Conclusion

This internship at BGI has indeed been a great enriching and learning experience. The amount of exposure I got from hands-on learning and practical training during the internship was great, and it helped me to realize how the corporate environment works and what kind of professional skills are required to sustain in this sector. Also, being concerned with fostering a supportive and inclusive workplace culture, BGI made it very rewarding and created a spirit of teamwork and innovation.

Full facilitation at BGI involved even transport arrangements, meal provisions, and organized training sessions sign of concern for the professional development and welfare of the interns. This in turn facilitated not only an easy transition into the corporate world but also a realization of how much companies invested in the future workforce. Besides, BGI's emphasis on discipline and adherence to the best practices gave me a clear feeling in terms of professionalism and work ethics, no doubt serving as the foundation for my future career.

On the whole, it was a formative period of my life spent at BGI, which enhanced my technical knowledge and even built up my confidence to better prepare for entry into the job market. The experience, skills, and lessons learned through the course of this internship will be quite vital in my professional life, for which I will be thankful to be part of such a dynamic and respected organization. I look forward to bringing those insights into work in the future and contributing, just as BGI did in its leadership example of quality and excellence, to the industry.

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