**Internship Report**

**Identifying Marketing Challenges of Consumer Knitex**

**Identifying Marketing Challenges**

**Of Consumer Knitex**

**Prepared For**

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**Letter of Transmittal**

17th September, 2018

Dr. Khandoker Mahmudur Rahman

Associate Professor

School of Business and Economics

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Subject: **Submission of the Internship Report**

Dear Sir:

I would like to submit my internship report titled “Identifying Marketing Challenges of Consumer Knitex”**,** which has been prepared as a requirement for the completion of the BBA Program of United International University.

Compagnie Mauricienne de Textile Ltée (CMT) formed in 1986 and Consumer Knitex Limited is a sister concern of Compagnie Mauricienne de Textile Ltée (CMT).

While working on the report, I have tried to follow each and every guideline that you have advised. It has been a very enlightening experience to work in this new venture and I have thoroughly enjoyed my internship period at Consumer Knitex Limited. The authority of Consumer Knitex Limited has also extended their cooperation whenever required.

Sincerely,

Md. Muzahidul Haque

ID No: 111 142 004

**ACKNOWLEDGEMENT**

I would like to thank the internship Supervisor, Dr. Khandoker Mahmudur Rahman who has helped me in every step of my internship. I am very much grateful to Md. Zaber Tauhid Abir Md. Sadiqur Rahman for giving me the opportunity to complete my internship at Consumer Knitex Limited. I am sure that their dynamic managerial activities will give inspiration to anybody to build one’s career properly.

I also want to thank Mr. Francois Gilles Tam Fat Woo (Managing Director) and Mr. Amber Hurry (Executive Director) and all individual of the Consumer Knitex Limited, for their support that I have been provided for preparing my report. I practically work with them, try to share their perception, feelings and on the basis of my realization, I prepared report from my own point of view. Then at last I shall be grateful to those people who read this report and who shall get benefit from this report at present and in future.

**DECLARATION**

I am Md. Muzahidul Haque, student of School of Business and Economic (Major in Marketing) of United International University, Bangladesh, do hereby declare that the internship Repot on “Identifying Marketing Challenges of Consumer Knitex Limited” is an original work and has not been previously submitted for any degree, diploma, title, or recognition.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Md. Muzahidul Haque

ID No: 111 142 004

School of Business and Economics

United International University

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**Executive Summary**

Compagnie Mauricienne de Textile Ltée (CMT) established in 1986 in Mauritius. Consumer Knitex is a sister concern of CMT. The mission Statement of the company is “From where we come… to where we’re going”. We strive to be the number one world-class manufacturer of top quality garments and jersey wear, by investing in technology promoting training and development for our people. Consumer Knitex have three factories in Bangladesh. One is located in Trishal, another is in Bhaluka and last one is in Shreepur.

It is specialized in the design and production of fast-fashion jersey wear products for the finest clothing brands and fast-fashion retailers on the high streets. It begins with raw cotton of the finest quality. From the first stage of spinning; through the knitting, dyeing, finishing, cutting, sewing and through to the final step of careful embellishment; every phase in our vertically integrated process is carefully detailed and precision crafted, which serves to accentuate our highly impressive turnaround time.

As a one-stop shop in jersey wear, CMT offers a full range of cut and sewn garments for ladies, men and children. Products range from basic t/shirts and polo/ rugby shirts to more intricately sewed fancy garments with embellishment. It has also some threats but also has opportunities, opportunities is stronger than threats**.** Consumer Knitexsets its price its follow penetration pricing policy and maintains three strategies to fix the price in market to deliver the world class jersey wear follow direct channel and indirect channel. To capture the market, they use different technique like as provide world class clothing and also use promotional tools that create awareness.

# BACKGROUND OF THE PROBLEM

# 1.1 Introduction

The readymade garments sector in Bangladesh is very good. The readymade garments industry acts as a catalyst for the development of Bangladesh. The "Made in Bangladesh" tag has also brought glory for the country, making it a prestigious brand across the globe. Bangladesh, which was once termed by cynics a "bottomless basket" has now become a "basket full of wonders." The country with its limited resources has been maintaining 6% annual average GDP growth rate and has brought about remarkable social and human development. The industry has been making a very big contribution to rebuilding the country and its economy is the readymade garment industry which is the biggest earner from export for Bangladesh. This RMG sector contributes 81% of export earnings of the country. When our only major export earner "the jute industry" started losing its golden days, it is the RMG sector that replaced it, and then, to overtake it. The Garments industry of Bangladesh is started its journey in 1980s and has come to the today’s position. The garments industry of Bangladesh has been the key export division and a main source of foreign exchange for last 25 years. At present, the country generates near about $5 billion worth of products each year by exporting garments products.

## 1.2 History of Garments of Bangladesh

Since the late 1970s, the RMG industry started developing in Bangladesh primarily as an export-oriented industry although; the domestic market for RMG has been increasing fast due to increase in personal disposable income and change in life style. Most importantly, the growth of RMG sector produced a group of entrepreneurs who have created a strong private sector. Of these entrepreneurs, a sizeable number is female. A woman entrepreneur established one of the oldest export-oriented garment factories, the Baishakhi Garment in 1977. Many women hold top executive positions in RMG industry. The hundred percent export-oriented RMG industry experienced phenomenal growth during the last 15 or so years. In 1978, there were only 9 export-oriented garment manufacturing units, which generated export earnings of hardly one million dollar. Some of these units were very small and produced garments for both domestic and export markets. Four such small and old units were Reaz Garments, Paris Garments, Jewel Garments and Baishakhi Garments. Reaz Garments, the pioneer, was established in 1960 as a small tailoring outfit, named Reaz Store in DHAKA. It served only domestic markets for about 15 years. In 1973 it changed its name to M/s Reaz Garments Ltd. and expanded its operations into export market by selling 10,000 pieces of men's shirts worth French Franc 13 million to a Paris-based firm in 1978. It was the first direct exporter of garments from Bangladesh. Readymade garment is a success story for Bangladesh. The industry started in the late 1970s, expanded heavily in the 1980s and boomed in the 1990s. The quick expansion of the industry was possible because of the following unique nature of the industry.

* The technology is less complicated (easy to transfer),
* Machineries are cheap and easy to operate (sewing machines),
* A large female labor force that is easy to train is readily available.

Desh Garments Ltd, the first non-equity joint-venture in the garment industry was established in 1979. Desh had technical and marketing collaboration with Daewoo Corporation of South Korea. It was also the first hundred percent export-oriented company. It had about 120 operators including 3 women trained in South Korea, and with these trained workers it started its production in early 1980. Another South Korean Firm, Youngness Corporation formed the first equity joint-venture garment factory with a Bangladeshi firm, Trexim Ltd. in 1980. Bangladeshi partners contributed 51% of the equity of the new firm, named Youngness Bangladesh. It exported its first consignment of padded and non-padded jackets to Sweden in December 1980.Till the end of 1982, there were only 47 garment manufacturing units. The breakthrough occurred in 1984-85, when the number of garment factories increased to 587. The number of RMG factories shot up to around 2,900 in 1999. Bangladesh is now one of the 12 largest apparel exporters of the world, the sixth largest supplier in the US market and the fifth largest supplier of T-shirts in the EU market. The industry has grown during the 1990s roughly at the rate of 22%.

# Like other garments Consumer Knitex contributes to earn foreign currency for our country. Consumer knitex is a sister concern of Compagnie Mauricienne de Textile Ltée (CMT). Consumer knitex contributes in our foreign earning. Though the garments sector in our country is very good and developed, it has some challenges. Like other garments Consumer knitex has some challenges. The marketing challenges of Consumer Knitex are discussed and provide some steps how to overcome the challenges.

# 

# 1.3 Topic of the report

A topic has to be selected for the report. A well-defined topic reveals what is going to be discussed throughout the report. The topic has been assigned “Identifying Marketing Challenges of Consumer Knitex”.

# 

# 1.4 Origin of the report

In today’s world academic education is not enough to enable student compete with confidence and reach his/her goal without having experience of the outside world. This report which has been given the opportunity to learn about how a particular company identifies it’s marketing challenges and tentative solution of that company.

# 1.5 Background of the Report

The internship program which is an essential part of the BBA (Bachelor of Business Administration) program to complete the degree and exercise a significant importance as it enables a student to familiar with the practical business activities. The student work closely with the people of an organization and learn about the functions of that organization. This program enables a student to develop his analytical skill and scholastic attitude. For the completion of this internship program, I have been placed in the “Consumer Knitex Limited” Panthopoth as an internee for 3 months. This report would be base on “Marketing Challenges of Consumer Knitex.”

# 1.6 Objectives

Internship program is a realistic and practical subject to understand the situation nearly. It is a career development activity help a student to build their career. It helps a student to understand how a business runs and also know about the activities of a business. In an internship program a student directly can see many activities of a business. The internship program provides me the following things:

## 

## 1.6.1 General objective

The general objective of this study is to complete the report. Obviously, the report would lead us towards what information we want from the market. Therefore, it is very important for us to have objectives of our own to carry out the report in order to have a proper guideline throughout the report.

* Visit factory and try understand about the process of sewing of cloth, knitting of cloth, dying of cloth.
* To find the relationship between academic education and the real practical field.
* To know how to work in practical market field, neck to neck competing with the leaders.
* To develop my knowledge about marketing field that helps me to build my career as marketing department in future.
* Market visit and know how to negotiate the price of product.

## 1.6.2 Broad Objective

The broad objective of the report is to research the market and find out the marketing challenges of Consumer Knitex Limited and provide some steps how it can overcome its marketing challenges.

## 

## 1.6.3 Specific Objective

The report that I have to do as marketing student must have some specific objectives. The specific objectives of the report are to identify the marketing challenges of Consumer Knitex and give the tentative solution. There are some marketing challenges. The challenges are listed down below:

* Short lead time,
* Fabrics problem,
* Costing problem,
* Shipment problem,
* Risk of huge amount of inventory stock,
* Risk of huge amount of accessories stock.

# 1.7 Scope of the report

This report has been prepared through the Marketing Challenges of Consumer Knitex Limited. While preparing this report, I had a great opportunity to have an in depth knowledge of all the marketing activities.

# 1.8 Methodology of the report

For smooth and accurate study everyone has to follow some rules and regulations. Methodology talks about the way of research are performed. It includes data collection, data analysis and research finding. For the purpose of the report I use both primary and secondary data. Data are analyzed by using qualitative study method. The findings and recommendations are written accordingly. The study inputs ware collected from two sources:

### 

## 1.8.1Primary sources

* Practical Brand development
* Marketing Activities
* Face to face conversation with the Project Supervisor
* Direct observations
* Face to face conversation with the client/ employee

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## 1.8.2 Secondary sources

* Report of the Marketing challenges
* Memos and Circulars
* Websites of Marketing Challenges

# 1.9Limitation

When I am preparing this report I face certain limitation. The limitations are written below:

* Lack of sufficient sources prevented verification of information.
* The analysis presented here may vary with opinions of experts in this field.
* Some aspects of the report may be considered confidential by the organization.

# ORGANIZATION PART

## 2.1 Overview of Organization

This section includes vision, mission and organization chart of Consumer Knitex Limited.

**Vision:** Becoming the world’s leader in the jersey wear industry.

**Mission:** From where we come… to where we’re going.

Organization Organogram is given below:

## 2.2 History and Short Brief Of Organization

Compagnie Mauricienne de Textile Ltée (CMT) the parents concern of Consumer Knitex Limited (CKL) started in 1986. Louis Lai Fat Fur and Francois Woo founded the business in 1986 in Mauritius. The company started with simple and humble ideas back in 1986 but lived to the vision of becoming the world’s largest jersey industry.Against the backdrop of its mission statement, drafted two decades ago, CMT has indeed come a long way to substantially achieve what it set out to accomplish. From its humble beginnings in 1986, Compagnie Mauricienne de Textile Ltée (CMT) the parents concern of Consumer Knitex Limited (CKL) has today grown to the largest jerseywear manufacturer in Mauritius and the Sub-Saharan region. Compagnie Mauricienne de Textile Ltée (CMT), a global jersey wear apparel industry leader. The headquarter is situated in Mauritius. The marketing offices are located in UK, France and soon opening in New York. CMT started its business in Bangladesh as named Consumer Knitex Limited. Consumer Knitex Limited operated in Bangladesh with one sewing factory which situated in Triahal Mymensingh, one knitting factory situated in Bhaluka and another is dying factory situated in Shreepur Gazipur and has corporate head office is located at Panthopoth Dhaka. CKL has no local buyer. In Bangladesh CKL manufactured the product for fulfilling the parents company’s order. Near about 6000+ worker and employee serve here.



Operations and expansion of operations:

* Opening of a hi-tech dyeing plant, making it the largest in sub-Saharan Africa
* Starting product design and development services
* Opening of new sewing plants
* Expansion of embroidery and printing facilities
* Creativity and product design centre
* Opening of world-class spinning mills
* Opening of sewing plant, largest in Mauritius
* Consolidation of knitting and dyeing
* Vertical integration into trims and accessories manufacture
* Investment into value-added processes
* 2 fabric mills, 6 sewing factories and admin building



MauritiusHead Office of CMT

This is a picture from spinning mill of Consumer Knitex Limited.



At the heart of the company, an almost tangible passion vibrates and translates into excitement and drive. It is a commitment to quality and fervor for being the best. All the directors of Consumer Knitex Limited (CKL) have been with the company from the humble beginning, relentlessly growing and developing the company ever since. Standing on the shoulders of giants, they are today the visionaries making progress the company and their people.

# PROJECT PART

The project part deal with the marketing challenges of Consumer Knitex Limited. There are many challenges in garments or textile sectors in Bangladesh. Most of the garments face some sort of problem in running their business.

Export of apparel items of Bangladesh to the European Union, North America including USA remained very sluggish in the previous fiscal year to Brexit, national elections in the major European countries, decline in demand of apparel items in us market. The scantly export growth of garments items could be attributed to a number of external and internal factor. Let us first with the internal factor. Had there been a favorable exchange rate the export earnings could have been at least two billion more as the shipment of garments abroad has increased during the period. But the receipts belied it. Second, the quality of the product increases with the moving up to the fashion pyramid. The demand of the product is volatile and a bit uncertain- with the graduation from one rung to the next one. This is because fashion items are highly elastic. When income of the people across the board falls fashion is the first one which is likely to drop from the consumption basket. The competition among the producers of fashion items is intense, massive fierce as well, and one has to be capable of differentiating his or her products from others in order to survive robustly in the market. Finally and most importantly, the price of the product and value addition thereon escalates with the movement up the fashion ladder. Since over the years Bangladesh has been mostly operating at the bottom rung of the fashion pyramid, value addition of which, is very meager not to say negligible, and there is very little ground for the price of its apparel items to increase in the arena of global market. Since basic garments are mostly labor intensive and there production does not demand any significant skills, the entrants in the global apparel tend to operate in this rung of the fashion pyramid. This explains why Bangladesh is acutely facing ever-increasing competition from the new entrants in the global apparel market.

## 3.1 Marketing Challenges of Consumer Knitex Limited

There have so many marketing challenges in every business. The RMG sector is not from other. In RMG sector every company have faced many marketing challenges. Different company faces different types of problem. Some other garments Consumer Knitex Limited have some challenges. Consumer Knitex Limited faces different types of challenges in marketing. The Challenges of Consumer Knitex is written bellow:

### 3.1.1 Short Lead Time

Basically most of the garments take more than 90 days for delivering the buyer’s order. The lead time will be more than 90 days on the basis of the quantity of the order. But Consumer Knitex takes less 45 days for delivering the buyer’s order or shipment the order. As it take a short lead time for delivering or shipment of the product it is a big challenge for the company will it complete it order or not. In lead time, if the organization can not complete the buyer’s order, it would lose its client. So the short lead time is one of the biggest challenges for Consumer Knitex Limited.

### 3.1.2 Road Condition

One of the major threats for importer is the very poor condition of the road from Chittagong to Dhaka. Due to the poor condition of the highways importer construction and maintenance exhibits major threat to improvement of the lead time to RMG. The Dhaka Chittagong road use as the main road of transportation is always busy. It take more than 12 hours most of the time. The movement of vehicles is slow. For this road condition shipment will delay. The severe traffic in the highway road is the main reason for carrying goods from Chittagong to Dhaka.

### 3.1.3 The Railway System

The rail road are not properly utilize though it has too much potentiality of freight and uninterrupted transportation. The insufficient storage of container in Chittagong and Dhaka decrease the interest of exporters and importers. The insufficient wagon management and improper yard layout also can be added with the problems. Though the railway sector will be a good medium of transportation of goods from Chittagong to Dhaka, lack of its capability, lack of good management and unscheduled time it will be not a good medium.

### 3.1.4 Sea Port

The Chittagong port is the main sea port in our country. Our country’s most of the shipment takes place this Chittagong port. Most of importer and exporter use this port for their shipment. Near about 90 percent of shipment are held on this sea port. But this port suffers from labor problem, poor management and lack of equipment. The bureaucratic red tape inefficiencies and corruption tremendously affect the competitiveness of Bangladeshi garment in world market. The Chittagong port also suffers from high lead time as well the sea freight is increased about at least days due to the lack of a deep sea harbor needed for entry of the mother vessel. For this CKL do not deliver the order to the client.

### 3.1.5 Crisis of Energy

Lucrative open market policy of investment In Bangladeshi garments sector is almost unsuccessful due to the power crisis and utility facilities. Such as gas, oil, electricity and water which are the basic prerequisite of industry development. Load-shedding of electricity cause a rapid decrease of production which also cause of reduce the export order. The production cost will increase due to instant increase in electricity bill. The frequent electricity disruptions force factory owners to use alternative source or power or energy like generator and independent power plant which increase the cost of production. Not only has the electricity problem there have crisis of gas, water and oil. All of the sources of the energy are impacting on production. For these the cost of production is increasing day by day. Due to energy crisis it use the alternative source of energy which increase its cost.

### 3.1.6 Increasing the Import Cost

The cost of import will increase day by day. Sometimes it takes many days to release the product from the port. For that the product is retained in the port. For that reason the company rent a store to keep those products which increase the import cost. For retaining the product to the port the demurrage charge and the detention charge will increase on basis of days. Sometimes the demurrage charge will mare than the imported product cost. Not only this when the goods are retained in the port it take several time to release it. For this the goods are reached lately in the factory. So that, the production will late. That’s why the company cannot deliver the readymade goods to the client within the lead time which creates a bad impression to the client. So this is a big marketing challenge for Consumer Knitex Limited.

These are the marketing challenges of Consumer Knitex Limited.

# 3.2 SOWT Analysis

SOWT analyses include 4 different parts strength, weakness, opportunities, and lastly is threats of an organization. A SOWT analysis is the structured of planning method used to evaluate the strengths, weakness, opportunities, and threats of an organization. A SOWT analysis may be carried out for an organization, a product of organization, industry, part of industry, function of organization or industry, a specific situation of industry or organization. It involves specifying the objects of the organization or project and identifying the internal and external factors that are favorable or unfavorable to achieve the object of the organization. In SOWT analysis there are four parts; first strengths which are internal strength of an organization, here include all internal strength of the organization. Second, weakness which are the internal weakness of an organization, here evaluate all the internal weakness of the organization. Third, opportunities which are the external opportunities for an organization, in this part of SOWT analysis include how an organization improves in future than its competitor. Fourth, threats h are the external challenges and problem for an organization, which evaluate the external challenges that face an organization. The cost of labor is one of the major factors behind the success of RMG in Bangladesh. The RMG is the availability of offshore financing for world priced inputs through back to back under the special bonded warehouse scheme. The presence of foreign buyer s is also a major factor that introduces the system of international subcontracting. The foreign buying houses are not only bringing the international market to the doorstep of the local entrepreneurs. The foreign buyers also ensure that the availability of essential inputs like imported fabrics, yarn, accessories for the industry.

**Figure: SOWT Analysis.**

They also did the greatest favor for the RMG sector of Bangladesh by bringing the latest designs and by product output quality monitoring. These measures are enabled inexperienced garments entrepreneurs to establish strong foothold during the 1980s.

Discussion of SOWT analysis of marketing challenges of Consumer Knitex Limited.

# 3.2.1 Strength

In SWOT analysis discusses four different factors that factors is very important for an organization. In SOWT analysis Strength is first factor. Strength of an organization means that the capability, internal strength, and ability to do effective. Internal strength of an organization is a big power of an organization. In our country the strength of garments factory is not good, but some garments company is good in strength. The strength of Consumer Knitex Limited is given as follow:

## 3.2.1.1 Strong Internal Control

Consumer Knitex has strong internal control over the whole company. They have some strict role in their company. The employee and worker have to obey all the roles. Every one committed to obey the roles. If anyone breaks the role of the company, management will take action against that employee or worker. The punishment will be fired of the employee or some other punishment which the management takes against that employee. So that, every worker and employee everybody try to obey the roles. Regularly, the management checks and evaluates the performance of all employees and workers. All employees try to perform by their label best. For that the company maintains its internal control. As the company has strong internal control they easily do their all job. The relation among the management and employees is too good. This is one of the big reasons to maintain a strong internal control.

## 3.2.1.2 Strong Financial Position

Consumer Knitex Limited is a Mauritius origin company. It is a multinational company. It has a strong financial backup. The financial position of Consumer Knitex is far better than some of its competitors. So it gets an advantage than its competitor. As the company has strong financial position they can invest any new sector. So that before invest for any necessary segment they don’t face problem because they have a very strong financial backup. They can easily extra invest without any doubt or hesitation. As they have strong financial backup they pay the salary on time to the employees and the workers. If the company face loses from transaction it will not delay to pay salary on time to the employees and workers. For this all the employees and workers are motivated and work efficiently. For this the production will increase.

## 3.2.1.3 Good Working Environment

Consumer Knitex has own property. They purchase property from the land owner for the factory. Consumer Knitex has a big area of its own and it has European style factory. It has a big own property and all building are constructed in European style. There have enough space in entire company premises. The premise is kept neat and clean always. In the every section of the company is very neat and clean. It has very good working environment for working. All the floors are well decorated, enough lighting, and enough air passing. For that the worker can work comfortably. The temperature of each floor is normal, not much hot, and many free space. For free space every worker can move easily and comfortably and also the floor supervisors are take care the activity of all worker. All the workers are work very comfortably with neat and clean cool temperature workplace. In their Dhaka head office the working condition is also very good. Entire office is air conditioned. The office is well decorated with nice individual desk for each employee. The office has enough space, that’s why every employee can relax if they fell monotonous. Employees are worked efficiently as the working environment is good.

## 3.2.1.4 Experience Management

The management team of Consumer Knitex Limited is very experienced and skilled. The director, Executive director and other member of management team is very experienced. Over 15 to 20 years experience of all management team member. Besides management team all the manager and all the head of the department are also very skilled and experienced. When the company requites any employee they try to seek the related discipline educational background employee. The managers are also experienced more than 8 years and they also skilled in their job. They have good knowledge in their work. Experience management not only good in their job but also they can wisely handle the all departments job. So a experience management is very important for a business organization. The experience management is one of the best strengths of Consumer Knitex Limited.

## 3.2.1.5 Effective Sourcing Team

Effective sourcing team is very important for a business organization. Consumer Knitex has a very effective sourcing team. In a garments factory use many different types of equipment and machines. The Consumer Knitex use different types of machines and equipments. They always purchase machines and equipments direct from the manufacturer. They don’t relay any third party supplier. The commercial team is responsible for buying the machines and equipments. Besides the machines and equipments Consumer Knitex when purchase from authentic supplier. For purchasing accessories the company has an accessories purchase department concern only purchase accessories. It also has a general purchase department which department involves purchasing general product. It purchase stationary item for using employees, this department also purchase food item for workers of the company. Consumer Knitex has different department for doing different activities. So that, the different work will be done on time and be fast. For this effective sourcing company can divide its different job to different department, that’s why the work will easier for all employee. Most of the members of the different department are expert and experience. All employees do their job efficiently.

## 3.2.1.6 Compensation

Besides fixed monthly salary the company pays compensation to all employees and workers. This organization pay the salary to its employees and workers 1st day of next month. Besides the salary the organization pay launch bill on the basis of per day to all the employees. It also provides the transport facility to its all employee. In the factory launch is free provided by the company to the workers. Transport is also provided by the company for the workers. Consumer Knitex pays two festive bonuses to all the employees and all workers. The bonus is 60% of the main salary.

## 3.2.1.7 Production Bonus For workers

The Consumer Knitex pay production bonus to the workers. This is a very good practice for a garments company. The line managers assign a number of targets to the workers and if the workers can fulfill the target they will get bonus. The bonus structure is good in Consumer Knitex. Workers can get 50 to 100 taka bonus on the basis of production. Bonus will start over 50 pieces of production in a line. The higher of the production the bonus amount will be high for the workers. For the bonus workers are motivated and working speed will increase.

# 3.2.2 Weaknesses

Every business organization has some weakness. The garments sector the number of weakness is more than all other business firm. Consumer Knitex has some number of weaknesses. Let’s talk about the weaknesses of consumer Knitex.

## 3.2.2.1 Employee Turnover

The rate of employee turnover is high in this organization. Employees are frequently shifted from this company to other company. The rate of employee turnover is increasing day by day. When a employee get offer a better opportunity from this company they want to shift themselves to another company. There have some reason to shift job from this company to another company. Sometimes the increment will not increase on time as the basis of HR policy of the organization. After working a longtime some employees do not get promoted. It may be a good reason. Some of the employee may be not happy with the management decision so they switch their job for getting a good carrier in future. Mainly an employee shifts his/her job by getting a better opportunity.

## 3.2.2.2 Dependency on Foreign Management or Expertise

The management team of the company is foreign. The whole management responsibility is upon the foreigner. Whole company depends on that management team. All matters of the company are solved by the foreign management team. There have not any responsibility upon the local management. All decisions of the company make the foreign management. If the company faces any problem they knock the management to solve the problem. For this reason it take more time to solve any problem as well take any decision. Always the management depends on the foreign management. This is a weakness for whole company.

## 3.2.2.3 Extra Storage of Raw Materials

The company has huge storage of fabrics, yarn, chemical and other raw materials. Due to the shipment problem the company stocks the raw materials. But the problem is that sometimes the fabrics and the yarn do not match the buyer’s requirement. If the materials are not match with requirement the company again purchase the raw materials. So that, a huge amount of money stock for this.

## 3.2.2.4 High Production Cost

The production cost of the company is high. The cost of production will high because port charges is increasing day by day for increasing demurrage cost as well as increasing the detention cost of the port. Not only that the stocked raw materials are one of the reasons for high production cost. Due to the high production cost the company cannot take any low price order. If it takes low price order it will face a big lose. For this reason the company does not take any low price order. That’s why it loses its customer. A company cannot run well only take the high price order. As well the company does not utilize its capacity.

## 3.2.2.5 Lack of Training Opportunities and Skilled Worker

Most of the workers of a garment factory are from the rural area. As well as most of the garments factory established in also rural areas. In rural area there have no opportunity to train up any specific subject. So the workers do not have any opportunity to tainting of the specific job. After getting the job the company has not enough time to train the worker. As there is no opportunities to train up the workers the worker will remain unskilled. To run a garment factory need so many number of operator. Everybody does not know how to operate the machines. If the workers do not know how to operate machine they do not run it well. If the machines want to operate well the workers must be trained up. There is a lack of opportunity for training. For lacking of training opportunity the company doesn’t get any skilled or expert workers. Lack of training opportunity the power is also unskilled.

## 3.2.2.6 Lack of Local Engineer

Consumer Knitex use all modern technology based machines and equipment. But, the problem is that there have not enough local engineers to maintain the machine. So the Company relays on the foreign engineers. The payment of the foreign engineer is more than a local engineer. So the maintenance cost of machines and equipment will increase. For increasing the maintenance cost the production cost will high. As well as the company always depends on the foreign engineer to maintain the machine.

## 3.2.2.7 Lack of Workers Motivation

In Consumer Knitex another weakness is the lack of workers motivation. The supervisors don’t motivate the workers. Supervisors are doing rude behavior with the workers. The floors in charges are also doing very rude behavior with supervisor as well with the workers. So the workers don’t get any motivation from their superior.

## 3.2.2.8 Poor Salary Structure of Workers

The salary structure of workers is very poor. This salary cannot survive a workers family. Most of the garments of our country the salary structure are too much poor. In a garments sector the workers are the main power for the company. But their salary structure is no good. The poor salary structure is one of big weakness of the company. Workers are not satisfied with this poor salary. For the poor salary structure the workers do not get any motivation.

## 3.2.2.9 Lack of Well Supervision

Most of the supervisors are not well educated. As well most of the supervisors do not know a good manner. Their behavior is very rude. The supervisors are showing very rude behavior with the workers who working under his/her supervision.

# 3.2.3 Opportunities

In every company have some opportunities for doing well in future. As like the Consumer Knitex Limited have some opportunities in future. The opportunities of Consumer Knitex are given as follow.

## 3.2.3.1 Expand of Market

The marketing teams of Consumer Knitex are in London, Singapore, Mauritius, Shanghai. All marketing teams are very expert. They are doing very well in marketing for the company. The management of the Consumer Knitex Limited is deciding they expand their marketing in New York in near future. It is a very good opportunity to expand marketing in New York. Already it has marketing team in London. If it starts its marketing in New York it will very good for the company and the growth will high.

## 3.2.3.2 Available Source of Energy

As energy is one of the biggest facts in garments sector. Without energy we cannot imagine a garments factory. But for energy a company faces so many problems. There is Electricity, Gas, problems in a garments factory. Consumer Knitex also face electricity problem, gas problem so that it has find alternative sources. As Consumer Knitex has own property they proposed to the government for Individual Power Plant (IPP). It is a big opportunities for the company.

## 3.2.3.3 Implementing New Methods

Consumer Knitex Limited uses the modern technology. For using modern technology the operation is easier to run. It has opportunities to use more new technologies and methods to faster and smother its operation.

## 3.2.3.4 More Production Orders for Customers

Due to the high production cost Consumer Knitex Limited does not take low price order from the buyer. For this reason they may lose their customer or buyer. In they try to minimize their production cost and have to take low price order from the buyer. If they take low price order the production will high and satisfy the customer or client.

## 3.2.3.5 Export Opportunity in Japan

Japan is one of the strongest financial countries in the world. The GDP growth of the Japan is very high. As there is no local buyer of Consumer Knitex in Bangladesh it has an opportunity to export its product in Japan. Consumer Knitex can create a market in Japan and it is a very good opportunity to expand its market and increase its number of buyers.

## 3.2.3.6 Extra Investment

The financial position of Consumer Knitex is very strong. It has an own strong financial backup. As it has a strong financial backup it can more invest for increasing its production and expand its business. The company can establish a textile factory for producing fabrics for avoiding the import problem as the company has strong financial back up.

# 3.2.4 Threats

## 3.2.4.1 Political Imbalance

The political imbalance is one of the biggest threats in garments sector. Consumer Knitex also face this problem badly. Different governments have different policies. The company faces some problems due to the political imbalance. For the political violence all activities will be closed like shipment, transportation and many other things. For this reason delivery will delay and it may causes the lost of buyer. If the government will change the most of the policy of government will change. For this reason it faces some big problems. If they want they will do it.

## 3.2.4.2 Demand of Garments Decreasing in Bangladesh

Bangladesh is very good in garments. Bangladesh is one of the biggest suppliers of readymade garments in around the world. Most of the biggest or giant garments company likes Bangladesh as manufacturer, because the product quality is good and the labor cost is low. For this reason the production cost will low. But the buyers change their preference from Bangladesh, because the cost of production will be increasing day by day. The buyer are shifted their choice from Bangladesh to India, China, and Vietnam. For changing the preference of buyer from Bangladesh to another country it will be a great threat for Consumer Knitex Limited.

## 3.2.4.3 Increasing of Sales Unit Price

The production cost is high because the price of raw materials, increase the import cost, increase the salary of workers. Due to increase the production cost the sales price will increase. For increasing the sales unit price sometime it faces some problem to get order from buyer. Not only the raw materials cost and increased salary of workers but also here has also some factors. The factors behind increasing sales unit cost are; the utility cost will increase, energy cost will increase like electricity, gas, and oil as well as the crisis of the energy, transportation cost and many other miscellaneous costs.

## 3.2.4.4 Increasing Import Cost

One of the major threats of Consumer Knitex is increasing the import cost. The import cost is high only for the detention charge and demurrage charge of product at port. Sometimes the demurrage cost will too high than the imported goods price. For the demurrage charge the import cost will be so high.

## 3.2.4.5 Increasing Number of Competitors

The numbers of competitors are increasing day by day in local market as well the global market. Though the production cost of Consumer Knitex is high it cannot take low cost order. So that here creates an opportunity for its competitor and the competitor take the low price order and Consumer Knitex lost its buyer. Due to this reason it may lose its buyer and it may causes lose for the company. So increasing competitors is another threat of this company.

# CONCLUSION

Consumer Knitex Limited is a growing garments company in Bangladesh. It has very good economic growth. The company contributes in our country’s economy. It earns foreign currency for our country and enriches the foreign currency. In this company near about 6000+ workers employees are working. So it also contributes to minimize the unemployment problem in Bangladesh. Though this is very good in some sectors it has some problem. The company has to solve or take some initiative to solve this problem. . Consumer Knitex has some weakness and some threats. It must take some initiative to solve or avoid this. First of all it has to increase the workers’ salary. It has to look up when they requite supervisor, the applicant has a minimum education. Provide some benefits for the employee. It always fully dependents on the foreign management, it has to try to minimize the dependency on the foreign management. It some take initiative so that it can minimize its port cost mainly the demurrage cost. All equipment and machines are imported from abroad. To run and maintain the machines and equipments the company depends on the foreign engineer. So that, the maintenance cost will high. If the company depends on the local engineer it will minimize its cost. Also the company has to increase numbers of buyers, increase the dependency on local management. So that it can minimize its most of the weakness and threats and it will be more profitable in future. After all at last it can be said that it is a profitable organization. If it solves its problem it will earn more profit in future.

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# Appendix

1. Face to face conversation workers.

Here arise some questions:

**Question:** How you fill do work?

**Answer:** Good.

**Question:** Are you satisfied with this salary?

**Answer:** No.

**Question**: what is the working Condition or environment?

**Answer:** Good.

1. Face to face conversation managers of Head office at Dhaka.
2. Market Visit
3. Factory visit.