United International University
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Internship Report

On

Asset Management and Revenue Collection: A Strategic Financial Review of Next Food & Beverage Industries Limited

Submitted To

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Submitted By

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LETTER OF TRANSMITTAL

3rd September, 2025

MS Ishrat Jahan,

Assistant Professor,

United International University

Subject: Submission of Internship Report

Dear Madam,

It is with great pleasure that I submit my internship report titled *“Management and Revenue Collection: A Strategic Financial Review of Next Food & Beverage Industries Limited.”*

This report, which resulted from my internship experience, was prepared following your guidelines.

Throughout the preparation of this report, I made every effort to collect and analyze the most relevant and necessary information about accounting treatments for Next Food & Beverage Industries Ltd. in Bangladesh. This has made my report more insightful and coherent, providing an in-depth understanding of the accounting treatments. Preparing this report posed some challenges, but I thoroughly enjoyed the process as it significantly enhanced my accounting knowledge
I am sincerely grateful for your guidance and support throughout the preparation of this report. Your advice was invaluable in ensuring its quality. I kindly request you to accept this report and extend your continued support in this regard.

Thank you once again for your mentorship and encouragement.

Sincerely yours,

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DECLARATION

I, A.S.M Didarul Islam, highly confirm that the whole internship report entitled with the title of *"Management and Revenue Collection: A Strategic Financial Review of Next Food & Beverage Industries Limited."* is written by myself. I can assure of not resorting to any form of plagiarism to complete this report. I can confirm that the report is prepared just so as to fulfill that required academic requirement of Internship not otherwise.

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ACKNOWLEDGEMENT

I would like to begin my report by expressing my heartfelt gratitude to Almighty Allah for granting me the opportunity to complete my BBA in the AIS program and the subsequent internship. It has been an invaluable experience to work in Bangladesh's food and beverage industry, a sector that plays a vital role in the country's economy.

First of all, I would like to express my gratitude to my respected Internship Supervisor, ***Ms. Ishrat Jahan***, ***Assistant Professor*** at the School of Business and Economics at United International University, whose guidance, support, and direction enabled me to finish such a long report.

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Finally, I convey my sincere thanks to my friends who had inspired me, all the ways to complete the report and the internship course as well.

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EXECUTIVE SUMMARY

This internship report provides a strategic financial review of Next Food & Beverage Industries Limited (NFBIL), focusing on asset management and revenue collection. The study draws on internal audit reports, financial records, and departmental observations to assess the company's operational efficiency and financial stability.

Findings reveal four critical weaknesses affecting NFBIL's performance: **inefficient procurement practices, weak interdepartmental communication, delays in revenue collection, and poor inventory management**.

Overreliance on single suppliers and the absence of competitive bidding have inflated procurement costs. Communication gaps between departments have led to production mismatches and stock inconsistencies. Manual, outdated revenue collection systems have created cash flow disruptions, while ineffective inventory controls and lack of demand forecasting have resulted in frequent overstocking and stockouts.

To overcome these challenges, the report recommends the introduction of **structured procurement strategies** (supplier diversification, competitive bidding, and market benchmarking), adoption of a **centralized ERP system** to improve coordination, integration of **CRM-based automated revenue collection**, and the deployment of **digital inventory management with demand forecasting tools**. These initiatives are expected to reduce costs, strengthen cash flow, improve governance, and enhance long-term competitiveness.

In conclusion, NFBIL has significant growth potential but must urgently address its financial and operational inefficiencies. Implementing the recommended strategies will not only improve profitability but also ensure greater transparency, efficiency, and resilience in Bangladesh's competitive food and beverage industry.

ABSTRACT

The main subject of this internship report is Asset Management and Revenue Collection: Strategic Financial Review of Next Food & Beverage Industries Limited. The audit emphasizes critical operational weaknesses in procurement, interdepartmental communication, revenue collection, and inventory management because these factors determine how well the company performs financially and continues successfully.

This evaluation examines the procurement problems NFBIL encounters because of high procurement costs, reliance on specific suppliers, and lacking competitive supplier selection procedures. Production-related inefficiencies and stock management problems are primarily caused by inadequate communication between departments. The company faces operational challenges because of inadequate revenue collection organization, which produces delayed payments that disrupt cash flow stability. The company experiences financial losses because of its ineffective inventory control system, inability to predict demand, and excessive stockpiling habits.

The report suggests solving financial problems by using structured procurement methods and enterprise resource planning (ERP) systems, digital payment systems, and revenue collection improvements through customer relationship management (CRM) platforms. The recommended implementation approach consists of stages that aim to both successfully implement improvements and maintain their long-term effectiveness.

The research findings enhance knowledge about financial and operational management in the food and beverage sector by focusing on process optimization and strategic financial planning.

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CHAPTER 1
INTRODUCTION

1.1 The Organization's Biography

Next Food & Beverage Industries Limited (NFBIL) is one of the leading companies in Bangladesh's food and beverage market. The company produces premium food items with strong pricing performance in the adjustable market dynamics. NFBIL maintains significant market domination yet encounters three key business challenges that include less efficient procurement activities, communication breakdowns between departments, and uneven revenue collection systems. The existing problems within the company have generated new expenses and circulation issues that resulted in decreased profit.

1.2 Concise Overview of the Relevant Area

Effective corporate governance and robust revenue generation are fundamental prerequisites for achieving financial stability and sustainable growth—particularly in sectors characterized by narrow profit margins, such as the food and beverage industry, where operational efficiency is a key determinant of success (Kaplan & Norton, 2004). In such a competitive landscape, optimal asset utilization must be supported by a strong cash flow position to ensure ongoing profitability and maintain strategic competitiveness. However, in the case of Next Food & Beverage Industries Limited (NFBIL), persistent operational inefficiencies have translated into considerable financial strain, thereby hindering the company's ability to achieve long-term viability and market leadership

NFBIL has faced fiscal challenges from procurement, interdepartmental cooperation, revenue collection, and stock management challenges. These problems lead to a cycle of lost revenue, increased cost, and a shortage of cash flows, all impacting the business's profitability and operational smoothness. This paper undertakes a strategic financial analysis to tackle these issues and provides a system of organized enhancement that delivers an effective payment service. The rationale of these recommendations is to seek efficiency in handling the financial resources of NFBIL, effective and efficient use of its assets, and increased cash flows, creating a viable, improved financial structure and operating capability for the company.

1.3 Rational of the study

Procurement Issues

The procurement function in NFBIL needs to be more mature and have the essential strategic frameworks to mitigate loss and enhance its procurement operations. They identified several critical factors associated with these costs, supplier relations, and control systems.

Supplier Dependence and Diversification Risks

The audit findings indicated that this company has continued to purchase raw materials at inflated rates, suffering a direct loss of money. This absence of price benchmarking addresses the problem as a reactive procurement process rather than a strategic plan. The last procurement process is usually the price benchmarking procedure, which entails tracking and comparing supplier price quotes to market rates and trends. This is a standard practice in procurement management, as observed by Monczka et al. (2015). By not doing so, NFBIL is facing increased costs, and the organization is losing the ability to regulate production costs effectively and sustain affordable prices for its products.

1.4 Background of the study

As established from the analysis in this paper, several serious problems have been noted in NFBIL's financial operations and management, which reduce its efficiency and limit its economic development prospects. To this end, it is crucial to turn to the following identified challenges: These are not single items but linked problems that continually generate unhealthy pressure on the firm's financial status and operational functioning. These inefficiencies include the procurement system, communication and collaboration between departments, revenue generation, and unorganized inventory systems. These areas have different influences on the operating cash flows, the efficiency of assets, and the organization's general business continuity. Though they rarely engage with the suppliers in price negotiations, a firm price verification policy would help NFBIL evaluate the supplier's prices and their relation to the market averages. This is in line with Kaplan and Norton's (2004) balanced scorecard metrics, whereby cost management is a measure of financial performance. An organized benchmarking setup would enable the procurement division to bargain for favorable contracts and improve the company's economic profit. NFBIL currently sources most of its critically critical raw materials from single suppliers, which may pose several risks to the company, including the following: The audit revealed that due to dependency on a single source of supply, the company had suffered the loss of Tk. 239,670, where they needed a diversified supplier base (Next Food & Beverage Industries Limited, 2024). Referring to the work of Kraljic (1983), purchasing portfolio, companies should categories their suppliers into two criteria: the strategic importance of the item and the supply risk of the item and thus using multiple sourcing where the firm depends heavily on one supplier. Thus, by adopting a policy involving multiple suppliers, NFBIL can reduce supply risks and have greater negotiating power with the suppliers. NFBIL should establish at least three reliable suppliers for all the critical materials to improve flexibility and negotiate attractive terms. Diversifying suppliers is recognized as a way of managing risk. However, it also ensures that suppliers are competing against each other to offer the most efficient supplies and services at some of the most competitive prices to their buyers (Monczka et al., 2015).

1.5 The study Aim and objectives

Aim

The primary purpose of this thesis is to identify and solve the problem of financial management, non-receipt of revenues, and financial performance in the Next Food & Beverage Industries Limited (NFBIL). Through this study, this research aims to identify areas for economic improvement and implement processes that contribute to better patient care through an effective financial plan.

The study Objectives

Thus, several areas can be listed to critically assess some of the fundamental financial weaknesses in NFBIL's current model: procurement systems, inter-department communication, revenue collection, and inventory management.

To assess the current problem areas related to procurement and identify their effect on the company's profitability and cost structure.

- ✓ To identify and evaluate the nature of interdepartmental communication and the changes needed to ensure production synchronization, inventory management, and overall business effectiveness.
- ✓ To assess the status of NFBIL revenue collection to analyse areas of payment tracking, outstanding dues, and cash flow variability.
- ✓ To outline practical suggestions for enhancing purchase management, developing effective communication between departments, increasing receipts, and optimising stock.
- ✓ Toward establishing an implementation plan with phases, timeframes, and KPIs to guide NFBIL in adopting these enhancements.
- ✓ Assess the effectiveness of such strategies and their influence on the conglomerate's comprehensive financial soundness, cash flow, and future viability in the Food and beverage market.

1.6 Limitations of the Study

Lack of a competitive bidding system

Tendering can be defined as competitive bidding, which is one of the standard procurement methods that provide a fair price, in addition to the assessment of price along with other criteria like quality, reliability and level of service. There is no normative bidding process at NFBIL, which points to the fact that tenders may be sourced based on reference rather than through a detailed evaluation of options. Adopting a competitive bidding system would enable NFBIL to purchase raw materials at the most favorable terms and cost, improving its position on the criteria used in the peanut processing industry.

If NFBIL allowed multiple suppliers to submit bids for large contracts, they could directly compare the prices for bulk orders and keep the prices fair and reasonable. Also, refreshing long-term contracts through rebidding at specific intervals will ensure that the company keeps checking its cost advantage in the future. This practice is based on Monczka et al.'s (2015) view that competitive bidding is effective in encouraging cost reduction, supplier responsibility, and enhanced performance.

Lack of Formalized Procurement Controls and Approvals

One of the significant risks is the Lack of formal approval mechanisms in NFBIL's procurement process: this makes the organization more vulnerable to improper spending, fraud and unsound financial management. Audit findings revealed poor controls in the procurement function as crucial stages in the procurement process, like requisition entry and purchase order generation, were potentially under the full authority of the procurement function without signoff by other functions or management (Next Food & Beverage Industries Limited, 2024).

To manage these risks, NFBIL should implement a value approval system, meaning that purchases should be approved in tiers. While some spending could be done at the departmental level, specific amounts could be made, or these had to be approved by the senior management. Such a strategy is in harmony with Zimmerman (2014), who postulates the necessity of sound financial controls for efficient governance. Moreover, it will give NFBIL real-time visibility into procurement activities when the company integrates a digital procurement management platform with approval workflows as a feature.

1.7 Summary of Recommendation on Procurement Strategy

To address these procurement challenges, NFBIL should consider adopting a comprehensive procurement strategy that includes the following key components:

Market Price Benchmarking: Implement a standardized price check and pricing against the published market rates to optimize costs and eliminate avoidable expenditures.

Supplier Diversification Strategy: Formulate a dual-source procurement plan for critical materials to minimize reliance on a single supplier and increase supply chain performance and bargaining ability.

Competitive Bidding Process: Negotiate and implement a policy of competitive tendering in which large orders are given to different suppliers to ensure the best possible price and favorable payment terms are obtained, reviewing such long-term contracts periodically.

Formalized Approval Mechanisms: Propose establishing multiple levels of approval to centralize and automate procurement maps in accordance with the company's policies.

Digital Procurement Platform: Implement a digital procurement solution to consolidate all supplier information and procurement processes' status for auditing, performance checks, and evaluations.

By implementing these strategies, NFBIL can lower its raw materials expenses and boost procurement performance and cooperation with suppliers, enhancing its cost position and financial stability.

CHAPTER 2
METHODOLOGY

Introduction

2. Research Design

This research adopts qualitative research to examine the financial use of Next Food & Beverage Industries Limited (NFBIL). It is a research-based method used to discover and assess the existing gaps in the company's procurement, internal communication, revenue collection from customers, and inventory that positively or negatively influence the company's financial position. This research can contribute practicable conclusions and strategies for how NFBIL handles real-world problems because it centres on issues seen in a particular corporate environment.

2.1 Data Collection

Document Review

The primary data source for this study is NFBIL's internal audit memos and financial records. These documents offer numerical forecasts on financial resource wastage, slow money recovery, and inaccurate stock handling. Particular emphasis is placed on procurement policies, undisputed balances, and inventories based on a current audit.

Observations

Analytical data was collected using observation, where workflows and processes in NFBIL, especially in procurement and inventory management departments, were observed. This approach facilitated a theoretical and applied understanding of the organisation's functioning and operational problems encountered in the workflow, which complemented the views given in the audit reports and interviews. Additional information from observation clarified how information and material are provided across the departments and the Lack of agreements in these areas.

2.2 Analytical tool

Data Analysis

A thematic analysis approach was used to interpret the data collected. This entailed developing and applying codes to the data subjects, which were grouped under common themes based on procurement, communication between departments, revenue collection and inventory. These themes augmented what was explored in the audit and included the findings from interviews an d observation notes. Each theme was compared in terms of its implications for recapitalisation, sustainable profitability, and NFBIL's operational efficiency.

The numerical information from the audit also gave an initial picture of the amount of time, which converted into money, could be quantified as a measurable loss, which the interviewees and observation data helped to explain the operational reasons and circumstances for quantifiable monitory loss. Such triangulation provided a great combination of understanding the possible causes of financial problems and developing relevant solutions.

2.3 Validity & Reliability

To ensure the methodological accuracy of the collected data, cross-verification of findings was made using data from different sources. Audit reports, interviews, and observations were used to build credibility in the study because the findings were consistent. Furthermore, adopting a semi-structured interview approach also ensured that the participants shared detailed information while simultaneously ensuring that the interviewer collected homogenously similar data from the participants during the interviews. To get a more accurate picture of NFBIL's financial problems, all differences between sources were compared to improve the final findings.

CHAPTER 3
LITERATURE REVIEW

3. Introduction

The purpose of this chapter is to provide a comprehensive review of existing literature relevant to the strategic financial review of Next Food & Beverage Industries Limited (NFBIL). The literature reviews act as a background to an academic investigation, where previous research is used to formulate theoretical frameworks, outline industry practices, and reveal gaps that should be filled with the current enterprise. When discussing the managing of financial and operation in the food and beverage (F & B) there are five key areas in this chapter; they are the asset management, procurement, interdepartmental communication, revenue collection, and inventory management. All these areas are critical in defining the financial health, sustainability, and competitive edge of organizations functioning in the F&B industry, which is both highly competitive, cost-conscious, and is susceptible to external shocks.

Bangladesh F&B industry is considered as the fastest-developing in South Asia with a huge influence on the GDP and employing millions of people. Nonetheless, it has also been characterized by low profit-margin and overdependence on the imported raw-materials and inefficiencies within the system of operations. At NFBIL, such issues have resulted in the poor procurement process, lack of coordination within the departments, late collection of revenue, and poor inventory management as has been noted during the audit. These issues should be strategically reviewed in financial terms and be based on both developed theories and modern research on the digitalization, sustainability, and resilience.

Towards this end, the chapter will be using classical models like the Kaplan and Norton (2004, 2008) Balanced Scorecard, Kraljic (1983) Purchasing Portfolio Model and the Davenport (1998) perspective on ERP systems in its discussion, besides incorporating more recent opinions, under the Resource-Based View (RBV), the Transaction Cost Economics (TCE) and the Institutional Theory. Also, the digital transformation (ERP, CRM, AI, blockchain), sustainability (green supply chain practices, ESG compliance), and resiliency (post-COVID supply chain adaptability) application become the focus of the literature as the sources of competitive advantage.

This chapter has been organized in six key sections namely asset management, procurement strategies, interdepartmental communication, revenue collection, inventory management and sustainability/resiliency. Theoretical background, empirical evidence, and critical discussions will be provided as the topic of each section with a special focus on the applicability of every issue to the situation of NFBIL.

3.1 Asset Management and Financial Performance

Asset management is also part and parcel of organizational health in financial terms since it determines the efficiency in the management of resources so as to create revenue, manage the costs and make the whole organization sustainable. The GBS tool developed by Kaplan and Norton (2004) considers asset management as not only the mere maintenance of the physical and financial resources but the system in which the resources get aligned with the strategic goals. BSC focuses on financial, customer, internal process, and learning perspectives which highlights that, material resources (e.g., equipment, inventory, financial capital) should go along with non material resources (e.g., knowledge, systems, culture).

On a theoretical perspective, the Resource-Based View (RBV) (Barney, 1991) holds that competitive advantage is sustainable through resources that are valuable, rare, non-imitable and irreplaceable. Special skills in financial planning, ERP integration, and supplier networks were the possible strategic sources in the case of NFBIL. Nevertheless, the identified weaknesses at the moment mismatching of expenses, lack of fixed asset register and depreciation not taken place consistently indicate that NFBIL is not employing its asset base and deteriorating the financial reporting aspect of a business.

The significance of the asset management on financial performance needs to be verified empirically. According to Wouters and Wilderom (2008), companies that apply real-time asset monitoring systems face operational costs reduction and enhanced market real-time responsiveness. Even more recently, it was shown by Bini and Dainelli (2020) that financial reporting accuracy and strategic decision-making can be greatly enhanced through the use of digital asset-tracking tools especially in business enterprises that have complex supply chains. Supported by the fact that in the F&B industry, machinery, vehicles, goods, among others directly impact the production capacity and the costs, solid asset management is imperative.

The opportunities and challenges of asset management of F&B firms are described in terms of case studies. An example of integrated asset management is the case of Coca-Cola that uses the systems to optimize production lines and minimize downtimes to maximize profitability. Comparatively, in emerging markets, most SMEs face the problem of inefficient asset recording due to lack of cohesiveness in their asset records, which exposes them to compliance risks. Firms such as Pran-RFL in Bangladesh have invested in ERP based asset management systems and they can have a higher visibility and control of fixed and current assets. In NFBIL, implementation of such a system may enhance accountability and long run development.

In the meantime, as far as researchers are concerned, strategies involving excessive reliance on assets could be over-emphasized. The supporters of the lean management system claim that high investment in fixed assets may diminish flexibility and makes one prone to fluctuations in demand (Christopher, 2016). This conflict points out the significance of keeping an equilibrium between the efficiency and the resilience of asset management strategies. In the case of NFBIL, one of the most dynamic companies in a market that does not necessarily feature stable costs of raw materials, the most suitable systems may be the combination of lean and digital tracking of assets.

3.2 Procurement Strategies and Supplier Risk Management

Procurement has been largely cited as one of the most strategic processes in contemporary organizations especially in organizations like F&B where the cost of raw materials and relations between suppliers and the organisation determine the level of profitability. Purchasing Portfolio Model developed by Kraljic (1983) is still one of the basic models as they promote the classification of supplier by their strategic relevance and risk exposure. The model focuses on diversification, open bidding and active management of the suppliers as a way of reducing risks.

Monczka et al. (2015) further develop this line of thinking and state that supplier performance measurement and management of contracts is fundamental in cost-cutting and qualitative performance enhancement. This has been the case as inefficient procurement processes at the NFBIL have directly led to high-cost inflation and financial losses involving fictional requisitions, use of single vendors, lack of competitive bidding and inappropriate approvals. All these matters go in line with Williamson (1985), the theory of Transaction Cost Economics (TCE), which states that weak governance systems enhance transaction costs by means of opportunism, asymmetry of information, as well as inefficiency.

Recent literatures too have mentioned sustainability and ethical procurement. Carter et al. (2020) note that green procurement practices do not just alleviate the environmental impact but facilitate better brand image and trust among the stakeholders. At multinational fast-moving consumer goods corporations such as Nestle and Unilever, the review of suppliers has also come to take into account the environment, social and governance (ESG) factors in addition to price and quality. This is an especially current trend in the case of NFBIL as the company deals with risks to its reputation due to murky procurement patterns. With supplier selection frameworks incorporating ESG metrics, NFBIL would meet transparency standards, minimize the threat of fraud, and adhere to the global best standards.

These are supported by the case studies. An example of the strategies used to mitigate supply risks is that Nestle employs a multi-sourcing technique whereas Unilever Bangladesh has supplier codes of conduct that enhance ethical supply. On the contrary, companies which do not diversify the suppliers are usually subject to disruptions and excessively high costs as it was the case of SMEs during the COVID-19 outbreak. In the case of NFBIL, whose reliance on suppliers has already had negative repercussions in terms of financial loss, diversity and institution of proper approval processes are the essential elements in the reduction of risks.

Nonetheless, procurement reforms do not come easy. Research on supplier diversification conducted by Kaur and Singh (2021) points to the ability to raise the coordination costs, as well as decrease the economies of scale. In addition, a large number of satisfactory suppliers might also not be available in developing economies such as Bangladesh hindering diversification methods. These debates are used to stress the success and the need to have context-sensitive procurement policies that attain cost efficiency, openness, and resilience.

3.3 Interdepartmental Communication and ERP Systems

Proper communication between departments forms the core of efficiency in any organization especially in an

industry where the production and distribution systems are intricate. Drucker (1999) noted that cross-functional alignment is a key factor to the achievement of organizational goals whereas Davenport (1998) noted that ERP helps in real-time information sharing.
Audit discoveries at NFBIL indicate failure in communication between the sales, procurement and the production section and does not match production schedules, out of stock and inefficiency. The problems are indicative of what Balaji and Murugan (2016) term as functional silos, which involve taking departments in isolation, thus decreasing performance on a broader scale. The application of ERP systems with such implementation can shatter these silo structures by unifying the data across the functionalities and enhancing coordination and decision-making.
ERP is beneficial and this is well evidenced by the empirical researches made. According to Zhang et al. (2020), ERP adoption leads to better operational integration, declines in errors, and transparency in the manufacturing companies. But, the caveat thereof is that, its effective implementation also needs considerable investments in training and change management. ERP systems have often not shown the promised benefits without the buy in of the users, an issue of concern even to those firms that do not have any standardized processes such as NFBIL.
Another lens which is also discussed by the Institutional Theory (DiMaggio & Powell, 1983) is that organizations implement formal communication systems in order to obtain legitimacy in the eyes of stakeholders. The ad hoc forms of communication used by NFBIL (emails, WhatsApp, informal approvals) do not support the efficiency of practice or its legitimacy. The implementation of the standardized workflows of ERP may allow NFBIL to increase transparency, minimize the risk of fraud, and meet the demands related to accountability set by the institutions.
The ERP adoption however does not turn out to be a cure all. Certain academics state that the ERP systems potentially can lock in severe steps which make flexibility asphyxiating (Sia & Soh, 2020). This is a major barrier in SMEs within the developing countries due to their high costs of implementation and low levels of technical expertise. In the case of NFBIL, a phased adaptation of the model of the ERP package, with cross-functional training, can prove a more plausible option.

3.4 Revenue Collection and Cash Flow Management

Diversity and sustaining financial stability is concerned with revenue collection. The Balanced Scorecard introduced by Kaplan and Norton (2008) puts at the forefront timely revenue collection that has a relation to profitability and shareholder value. Peppers and Rogers (2016) also highlight that the CRM systems allow the company to interface customer interactions with financial workings, which makes follow ups automatic and monitor the receivables in real time.
The audit results of NFBIL denote the serious problems in the sphere of revenue collection since the methods used to determine the collection of revenue are based on manual tracking, not systematic records, and lengthy payment delays. Such problems have compelled the company to resort to short-term borrowings which means higher financing costs and weakness to cash flow. Such inefficiencies, in a TCE view, are an indication of transaction cost that is expensive because of bad governance of consumer affairs.
Digital payment systems and FinTech have been found to transform the process of revenue collection as recently seen in studies. According to Narayan et al. (2021) the reduction in Days Sales Outstanding (DSO) due to the use of digital invoices and mobile payments by firms was 1520%. Mobile money platforms in the emerging markets have helped SMEs pay at a faster pace and minimize cash dependency. When it comes to the case of NFBIL, the possibility of integrating digital payment gateways with its CRM systems could, in turn, lead to an efficient collection process, removal of errors, and financial forecasting.
These advantages are proven by case evidence. As an example, BRAC Dairy in Bangladesh has implemented digital invoicing and mobile payments systems which successfully lowered collection delays down to around 50 percent. On the other hand, companies that use manual systems are mostly vulnerable to arguments, mistakes and fluctuations in cash.
Digital payment adoption is however challenged by aspects like customer contention who are used to credit terms, inadequate infrastructure in the rural regions and security of cyber breaches. As the scholars, such as Lee (2022) agree, despite the fact that FinTech is a sign of efficiency, it introduces new risks related to data privacy and fraud. In the case of NFBIL, there may be the need to have a hybrid system where digital payment is used alongside flexible credit policies as a means of striking a balance between efficiency and customer relationship.

3.5 Inventory Management and Demand Forecasting

Inventory management is also quite important in comparing the operational and financial efficiency. Christopher (2016) points out that demand-driven planning is what we need not to overstock and have no stock as both result in a financial penalty. The efficiency of production planning in relation to inventory forecast presents an affinity between production planning and inventory forecasts (Stevenson, 2018).

The inventory practices of NFBIL that involve overstock, lost inventory and the absence of demand forecasting have impacted the flow of cash and have raised the cost of holding. Such weaknesses point to what Slack et al. (2016) note as inability to match sales anticipation and production schedules.

The role of predictive analytics and AI when it comes to stocking is a new direction of the study. In their article, Ivanov and Dolgui (2020) state that, with the help of predictive models, a firm can estimate fluctuations in demand and optimize the number of products. Sharma et al. (2022) discovered that F&B supply chains real-time inventory tracking systems minimized wastage and enhanced the financial performance. To NFBIL, AI-based forecasting combined with ERP system may be a great way to improve efficiencies.

There are examples of the benefits demonstrated in case studies. Danone also introduced the demand driven planning models which enhanced the rate of accuracy of making the forecasts and also reduced wastage. Conversely, those companies that do not have forecasting systems usually end up with surplus stock or miss sales. In the case of NFBIL, which is not yet at a point of predictive forecasting, the move towards predictive forecasting holds the key to assuring financial stability.

However, it is limited. Developed forecasting methods are expensive and need complex knowledge or ability, and this can be a problem to the SMEs in Bangladesh. Furthermore, unpredictability of demand in emerging markets might reduce the predictability of demand. Researchers propose some species in which technology is combined with human decision-making (Chopra & Meindl, 2021). In case of NFBIL, then incremental implementation of forecasting tools, which could be aided by frequent stock auditing could present a sensible solution.

3.6 Sustainability and Resilience in Financial and Supply Chain Management

In recent years, sustainability and resilience have emerged as critical themes in financial and supply chain management. The COVID-19 pandemic showed weaknesses in the global supply network especially in the F&B industry. In an attempt to avoid the interruption, resilient supply chains should be flexible, redundant, and digitalized (Ivanov, 2021).

The Sustainable Supply Chain Management (SSCM) constitutes the economic, environmental and social aspects of the procurement and logistics. Seuring and Muller (2020) underscore the fact that SSCM not only minimises environmental impact but it also increases stakeholder trust and long term competitiveness. To players like global F&B businesses like Unilever and Nestl, sustainability has taken centre stage when it comes to procurement strategies. In the case of NFBIL, the implementation of SSCM principles and practices may enhance the transparency, lower the chances to face frauds, and meet the demand of consumers in ethical business.

Digitalization is also applied in resilience. It is demonstrated that companies that smarter integrated ERP, blockchain, and AI-based solutions enjoyed a very high level of the ability to resist supply shocks (Deloitte, 2022). As an example, blockchain provides transparent and tamper-evidence track of the procurement and inventory transactions which minimizes the threats of fraud. Procurement based on blockchain can enhance reliability and efficiency in terms of fabricated procurement records and mislabeled accounts, as experienced in the case of NFBIL.

Meanwhile, researchers warn against sustainability and resilience having trade-offs. According to Christopher (2016), a redundancy challenge can be costly to build, and it is also arguably less efficient due to the fact that lean practices focus on efficiency and neglect resilience. Companies thus need to find a balance between cost effectiveness and resiliency and this is where it becomes extremely important especially in low-margin sectors such as the F&B business.

3.7 Summary

As it has been mentioned in the literature, NFBIL faced procurement, communication, collecting revenue, and inventory management challenges which do not exist in a silo without being related to each other as systemic concerns. Different theories include Balanced Scorecard, Resource-Based View, Transaction Cost Economics theories, and Institution Theory, which come in handy to explain such inefficiencies. It is empirical in nature to point out the importance of digital transformation (ERP, CRM, AI, blockchain), sustainability (green supply chain practices) and resilience (post-COVID adaptation) as defining the financial and operational performance in the F&B industry.

In case of NFBIL, this would be solving these issues by implementing rigid procurement methods, enhancing cross-departmental communication via ERP, automating revenue retrieval via digital payments and customer relation management (CRM) and forecasting inventory via AI technology. The strategies should not exclude the integration of sustainability and resilience, as it will be beneficial not only to increase short-term profitability but also to ensure long-term competitive advantage and market legitimacy.

CHAPTER 4
INTERNAL AUDIT PROCEDURE IN NEXT FOOD & BEVERAGE INDUSTRIES LIMITED

4.0 Introduction

Internal auditing has become an important pillar regarding up-to-date corporate governance as it offers assurance associated with the sufficiency and performance of risk management, control, and corporate affairs (Gramling & Schneider, 2018). There are other industries with a high level of transactions and with thin margins and where internal audit is vital to confirm the financial accuracy, the efficiency of the operation, regulatory compliance and this is in most cases, the food and beverage (F&B) industry.

As observed in the audit, Next Food & Beverage Industries Limited (NFBIL) lacks an effective internal control environment that has weak characteristics. The weak areas among these are inaccurate classifications in ERP system, unauthorized modification of sales, forged purchase documents, non existence of a fixed asset register, inconsistency in depreciating policies, and the considerable lack of an approval system of purchasing. Collectively, all these gaps predispose the company to acts of fraud, financial anomalous and poor operational efficiency.

The chapter also engages in a critical exploration of the internal audit procedures in NFBIL by comparing the weaknesses, identified in the process, with international best practices, among which are the COSO Internal Control Framework (Committee of Sponsoring Organizations, 2013) and the International Standards on Auditing (ISA) published by the International Auditing and Assurance Standards Board (IAASB). In each subsection, the author considers certain areas of audit (engagement procedures, audit planning, ERP auditing, procurement audit, fixed assets, revenue collection, and monitoring) and connects those areas to the perceived failures to theoretical bodies as well as practical actions of the audit. The chapter is summed up by the critical assessment of the inconsistencies between the current operations of NFBIL and the standards accepted at the international level, thus, highlighting the strategic significance of the improvement of the internal audit procedures.

4.1 Engagement Procedures

The processes of the audit engagement provide the basis of successful auditing. Under ISA 210 (Agreeing the Terms of Audit Engagements), the auditor should agree on the scope, purpose and duties prior to undertaking an audit. In NFBI, the participation entailed the look at ERP configurations, purchase transactions, revenue collection systems, and handling of assets. Nevertheless, the auditors met with a lot of opposition, such as misleading information provided by the Supply Chain Manager (SCM). This embattles the concept of the independence of auditors and points out to cultural and governance vulnerabilities in the organization.

There is also the engagement stage which relates to knowing the entity and its surroundings (ISA 315). In case of NFBIL, this meant identifying and relating key processes of business, namely, procurement, production, sales and finance against control mechanism. Regrettably, a number of procedures were not formalized in terms of controls. Such examples were that sales data could be manipulated without its endorsement and purchase vouchers worth more than Tk. 101 million were raised without management approval.

Engagement best practices stipulates that the materiality thresholds and risk assessment criteria must be set. Messier et al. (2021) argue that internal auditors are required to draw a distinction between mistakes associated with the weaknesses in controls and those caused by intentional fraud. Fabricated requisitions (Tk. 217,500) and miscategorized costs (Tk. 308 million costs lying in suspense accounts) in NFBIL does

not sound error, but motive of fraud, which requires more professional skepticism (ISA 240).
Accordingly, the engagement process in NFBIL has exposed poor control environment, which was in line with the first component of COSO: tone at the top. The audit is also jeopardized when the management itself is the source of misleading data or when they do not implement approval mechanisms. The successful process of NFBIL must thus entail elementary scope definition, strengthening of auditor independence, solid access to data and receiving cooperation of the management.

4.2 Audit Planning

Audit planning ensures that resources are allocated to high-risk areas and that audit procedures are efficient and effective. **Risk-based auditing**, as advocated by the Institute of Internal Auditors (IIA, 2017), requires auditors to identify, assess, and prioritize risks before testing controls.
In the case of NFBIL, planning revealed several high-risk domains:

1. **ERP Misclassifications** – Sales worth Tk. 144 million were not mapped to the trial balance, while Tk. 308 million was misclassified under suspense accounts.
2. **Procurement Fraud** – Numerous transactions lacked supporting documentation, including fabricated requisitions and single-source purchases exceeding Tk. 21 million.
3. **Lack of Approval Mechanisms** – Vouchers and purchase orders were processed without management authorization, undermining accountability.
4. **Asset Management Weaknesses** – Absence of a fixed asset register and inconsistent depreciation practices distorted financial reporting.
5. **Revenue Collection Inefficiencies** – Manual receivables tracking and unauthorized changes to invoices increased risks of manipulation.

In order to organize its planning, auditors may use the COSO framework that identifies five interconnected elements: control environment, risk assessment, control activities, information, and communication, and monitoring. NFBIL has deficiencies in the five components. To name but a few, ineffective control environment exists in management override of approvals, lack in management in risk assessment in recognition of supplier dependency risks, control activities are lacking in the area of voucher approvals and finally lack of monitoring in the form of recurring fraud in procurement.
An audit testing priority may be determined with the risk matrix. The risk that is of high impact but high likelihood is the procurement fraud and the misclassification of the ERP, as both of them materially impact the financial statements. To the medium-level are depreciation inconsistencies and no fixed asset register. The low-level risks are still applicable, and they may entail minor clerical errors in the requisitions.
Knechel and Salterio (2016) argue that the allocation of the resources of substantive testing during the well-designed auditing process is conducted based on the most material and the risk of material misstatement and fraud. In the case of NFBIL, procurement and ERP are the two that should be given the utmost attention in terms of audit.

4.3 ERP System Audit

The ERP system is the backbone of financial reporting, integrating sales, procurement, inventory, and finance. However, in NFBIL, the ERP system suffers from multiple weaknesses:

- Sales ledger not mapped to trial balance, creating a Tk. 144 million reporting gap.
- Unauthorized modification of sales invoices without management approval.
- Misclassification of Tk. 308 million under suspense accounts instead of COGS.
- Inconsistent depreciation entries across fiscal years.

ISACA (2019) suggests on an ERP audit one should look at the system setup, access control, data integrity,

and audit trail. In NFBIL, there were poor access controls and changes were carried out in the wrong way compromising the principle of segregation of duties (SOD). This is in tandem with the COBIT framework, which emphasizes on accountability, integrity as well as auditability in IT governed systems.
A study conducted by Nicolaou and Bhattacharya (2006) shows that ill structured ERP systems compromise quality decisions and fidelity when it comes to finance management. On the other hand, companies that have well-developed ERP controls enjoy aspects of enhanced effectiveness, conformity and stakeholder trust. In the case of NFBIL, gross profit reporting has been hampered by the misconfiguration of the ERP and results into an incorrect understanding of the financial situation.
Internal audit procedures should include:

- **Access Control Review** – Ensuring only authorized staff can modify data.
- **Reconciliation Testing** – Comparing ERP outputs with manual records to detect misclassifications.
- **Audit Trail Examination** – Reviewing logs for unauthorized changes.
- **Configuration Audit** – Verifying that ledgers and trial balances are properly mapped.

By embedding automated exception reporting, as recommended by Appelbaum et al. (2017), NFBIL could detect anomalies (e.g., sudden changes in sales data) in real time.

4.4 Procurement Audit

Procurement is the most fraud-prone function in many organizations (Ameyaw et al., 2012), and NFBIL's observations reveal deep-rooted weaknesses:

- Fabricated requisitions worth Tk. 217,500.
- Lack of standardized requisition forms.
- Absence of comparative statements of quotations.
- Purchases worth Tk. 3 million without quotations.
- Single-supplier procurement worth Tk. 21 million.
- Purchase vouchers worth Tk. 101 million unapproved.

Such failures subject NFBIL to risks of overcosting, favoritism, collusion and misuse of funds. Theoretically speaking, TCE justifies the extent to which weak governance leads to rise in transaction costs because suppliers are opportunistic in their behavior. The institutional theory also indicates that a lack of formalised procurement controls threatens legitimacy among the stakeholders (DiMaggio & Powell, 1983).
Internal audit procedures in procurement should include:

1. **Three-Way Matching** – Reconciling purchase orders, invoices, and delivery notes (Monczka et al., 2015).
2. **Quotation Verification** – Ensuring at least three suppliers are considered.
3. **Approval Matrix** – Requiring sign-off by competent officials for significant purchases.
4. **Supplier Vetting** – Assessing supplier credibility, financial stability, and ESG compliance.
5. **Forensic Testing** – Identifying handwriting changes and data fabrication.

Procuring audits are very important as depicted in case studies. Unilever Bangladesh also adopts common requisition and central approval process and eliminates procurement fraud. On the other hand, those SMEs which lack procurement controls are frequently forced to accept higher supplier rates and they also risk damage of their reputations (Transparency International, 2020).
In the case of NFBIL, the introduction of e-procurement systems and digital processes that would allow the company to receive approvals would decrease fraud risks and aggressively increase transparency.

4.5 Fixed Assets & Depreciation Audit

The other unsatisfactory area in NFBIL is asset management. This was identified in the audit that no fixed asset register was prepared and the depreciation was recorded unevenly. In another case, the depreciation used in the year 202021 was Tk. 15.4 million but subsequent years had alarmingly smaller value without any reason. These discrepancies misrepresent the value of the assets and profitability.

In IAS 16 (Property, Plant, and Equipment), it is stated that the firms should be able to keep accurate records regarding the cost of acquisition, depreciation and impairments. Lack of asset register is contrary to simple accounting requirements and misappropriation risk on the company; it has faced.

Internal audit procedures should include:

- **Physical Verification** – Inspecting assets to confirm existence and condition.
- **Depreciation Testing** – Recomputing depreciation to ensure consistency with policies.
- **Policy Review** – Evaluating whether depreciation methods align with IAS 16.
- **Register Creation** – Assigning unique IDs to all assets, linked to ERP.

Empirical studies show that firms with weak asset management often suffer capital inefficiencies and inflated expenses (Bini & Dainelli, 2020). Conversely, implementing asset registers enhances control and accountability. For NFBIL, adopting fixed asset management software would improve transparency and compliance.

4.6 Revenue & Receivables Audit

There is a high-risk area, which is revenue recognition, directly affecting the level of profitability. At NFBIL, sales records were manipulated without any authority and collections were manually followed. These weaknesses make revenue manipulation, slack collections and unstable flows of cash to happen.

The IAS 18 (Revenue Recognition) and IFRS 15 (Revenue from Contracts with Customers) point out that revenue recognition should be accurate and consistent (recognition). Manual tracking of receivables is contrary to the standards and it compromises reliability.

Internal audit procedures should include:

- **Substantive Testing** – Sampling sales invoices to verify accuracy.
- **Cut-off Testing** – Ensuring revenue is recorded in the correct period.
- **Debtor Confirmations** – Contacting customers to confirm outstanding balances.
- **Reconciliation** – Comparing ERP data with trial balance to detect anomalies.

According to Peppers and Rogers (2016), revenue systems that integrate CRM allow automating the follow-ups, decreasing the delay of collection procedures. Digital payment gateways also facilitate smoother receivables in emerging markets (Narayan et al., 2021). In the case of NFBIL, implementation of such systems would enhance liquidity and minimize on short term borrowings.

4.7 Monitoring & Follow-up

It is obligatory that internal audit involves surveillance and follow-ups. According to COSO (2013), monitoring is necessary in order to ascertain the level of effectiveness of controls at all times. The repetition of the procurement frauds and ERP misclassifications in NFBIL implies a lack of monitoring in NFBIL.

The most probable best practices involve quarterly internal audits, audit committees and whistle blowing systems. OECD (2015) suggests powerful audit committees at the board level to maintain integrity of the financial reporting. To NFBIL, it would be better to institute an internal audit committee that reports directly to the board thus enhancing accountability.

4.8 Critical Evaluation

There is a huge contrast between the global best practice and its current practice in the internal audit procedures at the NFBIL. The company has a poor control environment in which the management override and absence of accountability weaken governance. There is no risk assessment and this is depicted by frequent cases of fraudulent procurement. There are poor controls over activities whereby approvals are missed and falsified documents are used. There is fragmentation in information and communication which is dependent on ad hoc practices. There exists no monitoring so that the weaknesses remain.

In comparison to the COSO and ISA standards, NFBIL works in the high-risk environment with failures on the systemic control. This puts the company at reputational or regulatory risks in addition to financial-based misstatement risk. Internal audit, as Gramling et al. (2021) posit, should change their orientations and move in the direction of risk-based rather than compliance-based perspectives in terms of detection of fraud, government, and strategic values. In the case of NFBIL, the transition does not have any other option, as only in that way survival and growth are possible.

4.9 Conclusion

Internal audit is no longer an activity to comply but an effective tactic used to enhance effectiveness in governance, efficiency and financial performance. In NFBIL, audit notes show the systemic lapses in all these domains i.e., ERP, procurement, asset management, revenue collection and monitoring. To deal with them, it would be necessary to implement a proper internal audit practice in compliance with COSO and ISA, with the assistance of the digital tools like ERP, CRM, and e-procurement, as well.

Through an enhanced internal audit department, NFBIL will be readily able to minimize fraud and have more precision in its finances and increase confidence among its stakeholders. Finally, internal audit should also be an agent of strategic change, which can place NFBIL in the position of long-term competitiveness in the F&B industry in Bangladesh.

CHAPTER 5

ASSESSMENT OF NFBIL'S EXISTING FINANCIAL PROBLEMS

5.1 Procurement Issues

The audit revealed program inefficiencies in NFBIL's procurement system, which affected its CoG and, by extension, its profit. The two main risks established included overpricing raw materials and using only a single supply source rather than exploring other available sources.

Overpriced Procurement: The audit reports highlighted that NFBIL made losses of approximately Tk. Three hundred twelve thousand eight hundred seventy had been established due to the high rates offered in the available market for raw materials. It also means that no competitive bidding would push down the prices, and the Lack of a benchmark price helped to enhance these costs. The procurement staff group interviews revealed they lacked the freedom to shop with suppliers since they must stick to a few suppliers.

Supplier Dependency: Further, Lack of bargaining with a single supplier resulted in another Tk. 239,670 wasted by not considering bargain suppliers who could offer supply at lower rates. Housing too much dependency on a small number of suppliers is unhealthy for NFBIL because it affects its bargaining power, and it can easily experience supply shocks, such as merchants inflating their prices or even stopping to supply the company altogether. Using observation data, in line with Kraljic (1983), the study ascertained that the procurement team needed to make the necessary efforts to diversify their suppliers, thus leading to multi-sourcing.

5.2 Weaknesses in Interdepartmental Communication

Inter-departmental communication is another significant area of concern that affects operational output. Production and sales employees had expressed in the interviews that there is always a stock outage because there is a constant failure to communicate the actual production rate to match the sales estimate. For example, the sales department frequently had a different stock requirement from production and would overproduce or under a stock. This situation can be attributed to the Lack of integration of a communications system or ERP software enabling the different departments to obtain real-time data. Findings further supported the notion that communication in practice happens through ad hoc means, including e-mail and phone, rather than through an integrated communication framework and holding inventory costs directly affects the company's net cash flow and profitability.

- **Inconclusive Revenue Collection Process**
  Analyzing the audit data about NFBIL, the author found that the collection of revenues in the institution needs to be more regular and timely cash flows are a problem. The finance department of NFBIL highlighted the growing use of credit for working capital needs, which also affects cash flow. When talking with the financiers, they reported that there needed to be systematic records to track the outstanding amounts and automatic checks for due accounts, which affects the time required to collect the money.

  This situation is even worse because a customer relationship management (CRM) system is needed. Participants in the finance team complained of the difficulties of using manual tracking systems because they are discouraging, time-consuming and beset with numerous errors. Such measures could be extended to organise follow-ups and better analyses of customer transactions so that NFBIL can avoid further cash flow fluctuations that hinder its capacity to rely on its operations and avoid short-term borrowing.

- **Insufficient Inventory Management Controls**
  Improving financial reports, which has been named the primary reason for specific transactions, can be regarded as the primary documentation control weakness (FAMA, 2020). The headcount showed that frequent inventory management was an outstanding problem in the audit trail, as there were footprints that the actual and recorded stock did not tally. This was more often due to using an outdated ERP system, which in most cases needs features for real-time tracking. Cardiovascular disease is characterised by the misconduct of early ventricular filling in dystopic operating conditions caused by several factors, including infrequent physical stock audits made by the inventory department.

  - **Overstocking and Stockouts:** NFBIL constantly experiences two significant problems: overstocking, which results in high holding costs, and stockout, which is aggravated by high wastage costs. From the interviews with the inventory staff, one learned that inventory data used in ordering and production are usually stale, which creates a tendency to overstock or stock out.

  - **Lack of Demand Forecasting:** Another consequence of the Lack of an AMR automated demand forecasting system is the aggravation of inventory problems. The audit also noted no relationship between sales trends and inventory because management needs a consistent system of reviewing stock and changing the inventory volumes. Consequently, at NFBIL, inventory management is also reactive, which expedites practical expenditures that could be avoided by improving forecasting and stock control procedures.

- **Summary of Findings**

As can be observed from this analysis, financial imbalances in NFBIL are caused by issues of imbalance in procurement, communication between departments, revenues, and inventory. Strategic supply management absence causes organisations to face inflated prices for products damaged by high material costs, inadequate communication, and obsolete systems, generating operational inefficiencies and improper cash flow management. These challenges, if overcome through structured and systematic improvement and appropriate best practices, will be fundamental to the financial stability of NFBIL and guarantee sustainable growth.

CHAPTER 6
CONCLUSION AND RECOMMENDATION FOR FURTHER STUDY

6.1 Conclusion

In this regard, the following are the areas for improvement, which are part of the strategic financial review of efficiency loss of Next Food & Beverage Industries Limited (NFBIL): procurement, interdivisional communication, revenue collection, and inventory. To tackle these challenges, the recommended strategies include structured procurement practices, a centralised enterprise resource planning system, a CRM-integrated revenue collection system, and digital inventory management. By adopting these recommendations, NFBIL will realise economies of cost, ideal asset productivity and improved cash flow, thus improving its future growth and profitability (Monczka et al., 2015; Kaplan & Norton, 2004).

6.2 Future Research

Pursuing this line of thinking, this thesis presents a contingency plan to improve NFBIL's financial strength. However, future research might seek to analyse the impacts of digitalisation on economic performance in the F & B industry. Future studies could also investigate:

Impact of Digital Systems on Financial Performance: Analysing the effects of digital systems, including ERP and CRM, on manufacturing firms' financial effectiveness, profitability and future development (Davenport, 1998).

Sustainability of Procurement and Inventory Strategies: More studies can evaluate the effectiveness and flexibility of procurement and inventory management systems in reaction to changing market conditions (Monczka et al., 2015).

Employee Adaptation to New Systems: A better understanding of how the workforce receives new technologies and whether more training or better system design might help improve the efficiency and quality of data processing (Kaplan & Norton, 2008).

6.3 STRATEGIC RECOMMENDATIONS

Regarding NFBIL's financial and organisational issues, this thesis provides the following tactical suggestions: improvement of procurement management, internal communication between departments and sections, methods of increasing revenue collection, and inventory management.

A Bid and Purchasing plan

Competitive Bidding and Price Benchmarking: To minimize hiked procurement costs, NFBIL must integrate a rationalized bidding strategy and continual market price comparison (Monczka et al., 2015). This will facilitate sourcing raw materials at cheaper prices, hence the conduction of cost of goods sold (COGS), thus increasing the company's profitability.

Supplier Diversification: Other studies confirmed that integrating different suppliers can help reduce reliance on one source. As Kraljic underlined, it decreases supply risks and increases bargaining power. It will also be more appropriate for NFBIL to engage several suppliers to enhance supply chain reliability and cost control.

Supplier Performance Evaluation and Relationship Management: According to Cousins et al. (2008), supplier development can be executed systematically by implementing a supplier relationship management (SRM) program that can assist NFBIL in assessing suppliers and deciding on price, quality, and delivery reliability. Supplier audits will allow the NFBIL to foster strong working relationships that create a strong foundation for better requisite deals and improved suppliers' service.

Digital Procurement System: The Gantt chart, as shown below, will depict that creating and using a digital procurement platform equipped with supplier details, purchase orders, and approval processes will give a real-time view. Specifically, this increases the level of accountability, which can lead to better decision-making processes (Davenport, 1998).

Improved Interdepartmental Relations

Centralized ERP System: The case also discusses how centralizing an ERP system for Musk could increase real-time data availability to the various departments, allowing production and sales-driven data to be synthesized for enhanced operational decision-making (Drucker, 1999). This system will help reduce discrepancies in inventory levels and plan the production for NFBIL, hence increasing efficiency.

Cross-Departmental Meetings and Collaboration: Weekly, bi-weekly sessions of stack meetings with cross-functional teams to assess inventory requirements and production schedules will enhance the inter-functional synchronization between selling, operations, and financial functions. When communication is made more effective, it is possible to minimize mistakes in resource utilization as efforts are made to correlate with what Drucker (1999) recommends on organizational transformation.

I. Simplification of the revenue collection process

Automated Revenue Collection System with CRM Integration: Implementing a new CRM system with connections to finance will help NFBIL deal with unpaid due payments. Peppers and Rogers (2016) categories CRM systems as helpful in enhancing the tracking of overdue accounts and the effort made in collecting them, hence enhancing cash flow stability.

Standardized Documentation for Sales and Collections: In the case of documentation, using vouchers like digital sales vouchers and receipts minimizes this problem, thereby aiding in the preparation of accurate financial statements (Bon & Mustafa, 2013). This will assist NFBIL in enhancing financial transparency, fund disbursement, and utilization during its operations.

Best practices in inventory management

Demand-Driven Inventory Planning: The demand forecasting application ensures that the inventory is well coordinated with the patterns of demand, eliminating the problems of excess stock and stock shortages (Christopher, 2016). To NFBIL, demand-driven planning will ensure the right stock is available in the correct quantity at the right time and minimize holding costs.

Regular Stock Audits and Real-Time Tracking: Stock audits and real-time tracking are among the elements stressed by Slack et al. (2016) to improve data and inventory integrity. Better planning for the production process also occurs, and mistakes in inventory levels that may be expensive to correct are avoided.

Digital Inventory Management System: Using a digital inventory tracking system connected to the ERP allows NFBIL to obtain information on the actual time it stocked across various locations, thus helping the firm manage inventory effectively and minimize costs related to stocking.

Digital Payment Gateway

Introduction of a Digital Payment System: Using the digital payment system will help eliminate long transactions with suppliers and customers and avoid their negative impact on cash flow. It is also integrated with the ERP system so managers can get a general cash flow picture for better liquidity management (Chorafas, 2015).

system. This results in fluctuations in inventory and increased synchronization of production.

CHAPTER 7
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