



SUPPLY CHAIN MANAGEMENT OF ARLA FOODS BANGLADESH LTD



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UNITED INTERNATIONAL UNIVERSITY



A REPORT ON
“SUPPLY CHAIN MANAGEMENT OF ARLA FOODS BANGLADESH LTD”

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Subject: Internship Report on **'Supply Chain Management of Arla Foods Bangladesh LTD'**

Dear Madam,

I am very much grateful to present the internship report, titled to **'Supply Chain Management of Arla Foods Bangladesh LTD'**, as partial fulfillment of the Bachelor of Business Administration (BBA) Program requirement. It is a tremendous prospect for me to gather huge data and appropriately understand the topic matter.

In preparing this internship affiliation report, I have furnished all the things that I have learnt during my internship program at Arla Foods Bangladesh LTD. I followed my organization supervisor's directions while at the same moment I attempted to follow the guideline as well. Also tried to apply appropriate ideas that I learned from the BBA program.

I have tried my best to make this report interesting, informative. Any error or deficiency in this report would be apologetically considered as my fault and I would be pleased to explain any discrepancies that may occur.

I am very grateful to you for your precious advice and continuous attention during my internship and when necessary in the preparation of this study. Thank you.

Sincerely yours,

Ruhama Tabassum

111 151 446

Acknowledgement

At first, I would like to thank all the mighty ALLAH for the well-being and health that was so much needed to complete this report. I would like to express my sincere gratitude to my supervisor, Ms. Lamia Alam, Assistant Professor – AIS, School of Business & Economics, United International University, Bangladesh. My BBA Internship Report continues to be supported for her wide motivation, tolerance, huge understanding and enthusiasm. Her direction assisted me a lot throughout this internship report's investigation and writing. I could literally not imagine for this research getting a better supervisor and advisor.

Here I also extend my sincere thanks to my supervisor Syed Muhaimin Ahmad Roomy, Head of Supply Chain and Kazi Reshad Islam, Head of Project of Arla Foods Bangladesh Ltd. All my colleagues also helped me with information and suggestions to prepare this study.

Finally, I am very grateful and grateful to my family who have spent my entire life supporting me mentally and spiritually.

Thank you.

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Executive Summery

Arla, one of the most known nutrition business with a "close to nature" tagline, drives the business to provide the finest testing and quality food options for the client in a broad spectrum of dairy categories. Arla is the world's fourth biggest producer of dairy food and has been operating for over 130 years. ARLA foods began in 2014 and within three years, Arla foods acquired a market share of 25% and placed second position. In addition, it has successively won three best brand prizes.

Today Arla Foods Limited is heavily placed in the marketplace to pursue its strategy of continual innovation and renovation, focusing on its core competency and dedication to high quality, with the goal of providing the highest quality milk product to distinct Bangladesh age groups. Arla is committed to raise Bangladesh's nutritional level. Supply chain management is one of the core competencies for each company in this sector. For the general achievement of a business contributing to the FMCG sector, effective and efficient supply chain management is very crucial. My report represents Arla Foods Bangladesh Ltd's procurement and supply chain activity where I worked as an intern as partial requirement of completing my University degree from United International University. I got the opportunity to observe the company's general supply chain operations while working in the firm and finally made this report based on those experiences.

1. Introduction

This Report is prepared on Arla Foods Bangladesh, a Denmark based renowned multinational company. It represents the supply chain operations of Arla Foods Bangladesh Ltd. and an overview of the dairy industry of Bangladesh.

Supply chain is the network of all the people, organisations, resources, operations and technology engaged in creating and selling products, from the supplier's supply of source materials to the manufacturer, to its final shipment to the end consumer.

In this report the current scenario of Arla's distribution networks, the critical situations they face, the process of managing the problems and what can be the prospective solution to those problems are going to be discussed.

Bangladesh's demand for milk and milk products is increasing due to the fast population growth, education spread, and growing knowledge of nutrition. Only 13 % (approx.) of current milk consumption can be supplied by national milk manufacturer.

Arla Foods Bangladesh is a Denmark based dairy company. Arla is a global dairy cooperative owned by 12,700 farmers in seven European countries³. Arla is currently in the process of expanding its business in Bangladesh. In Bangladesh, Arla's products are primarily sold under the Arla Dano brand, which is the 2nd market leader in Bangladesh within the milk powder category and was rewarded as the "Best Brand 2017" in the milk category by Bangladesh Brand Forum.

1.1 Origin of the Report:

The reason behind creating this report is to complete a part of my B.B.A curriculum identified as Internship. The organization where I completed my internship is Arla Foods Bangladesh Limited, a Denmark based dairy multinational. During the Internship I learned about the real implementation of Supply chain and project management. In this internship I worked with dairy products imported from Denmark. This report has been drafted on the overall concept of how Arla Foods Bangladesh LTD manages the supply chain process, gives logistic support and how it analyses the prospective scenarios for distribution networks. The title of the report is '**Supply Chain Management of Arla Foods Bangladesh LTD**'

1.2 Purpose of the study:

Supply chain management is one of the most important part of an organization because it increases competitiveness and customer satisfaction. Currently, Supply chain management is an essential component of the achievement of a company. Efficient supply chain function enables companies to deliver products to the end user rapidly at a low price. It is a significant part of most businesses. Supply chain management process also help to forecast the upcoming impacts of current distributors. The reason of this report is to do an in-depth analysis of Arla Foods Bangladesh Limited about their concept and technique of optimizing prospective distribution network.

1.3 Objective of the Study:

To recognize the current situation of Supply Chain Management process and to identify the facts that should keep in mind while considering the prospective scenarios. There are some specific objectives shown below:

- To classify the challenges of Supply Chain Management.
- To signify the steps that are essential for optimizing distribution network.
- To evaluate the present scenario of logistic support in Arla.
- To discover different limitations and provide methods for prospective distribution network optimization.
- To provide relevant information regarding the Dairy Industry and its logistic support.

1.4 Limitations of the study

There were some limitations while making this report. Some of these limitations are stated below:

1. Time was the crucial obstacle for making this report. Some more time was needed to notice and observe the actual condition, the working methods and everything.
2. As an intern I do not handle all the Supply chain activities of the company. So, it was a bit difficult for me to write up about the whole SC activities.
3. Privacy was another issue. Company never wants to disclose each and everything outside. Though my seniors helped and cooperated with me so much to make this report more informative, but since I am not a permanent employee here, there were some obligations to disclose every confidential thing to me.

2. Methodology

2.1 Sources of Data

2.1.1 Primary sources of Data

This report is made from daily internship work experience. Other than that, this report is made from the information provided by-

- Syed Muhaimin Ahmad Roomy, Head of Supply Chain
- Kazi Reshad Islam, Head of Project
- Jalal Khaled, Head of Corporate Affairs

2.1.2 Secondary Data

Secondary data refers to a data which is collected by someone who is someone other than the user. As this report is made from a daily experience so the internet data search is used for the discussion of some topics.

2.2 Data Collection Process

The information that was required to do this report was collected by the Supply Chain department. The whole department was so supportive and provided me with all the information and support. This report is based on previous data and calculation of Arla Foods Bangladesh.

3. Company Profile

3.1 Historical Background of the organization:

Arla Foods a.m.b.a is a global cooperative based in Viby, Denmark, and Scandinavia's biggest dairy producer. Based on a merger between the Swedish dairy cooperative Arla and the Danish dairy firm MD Foods on April 17, 2000, Arla Foods was created.



Arla signed as a Mutual Foods joint venture in 2014. Mutual Foods is a distributor from Bangladesh that has been packaging the brand Dano milk powder since the 1960s. Arla has a 51% share and supplies bulk products, operates the repackaging plant with about 130 staff and carries out product marketing; Mutual Foods owns 49% of them, and operates a network to distribute Arla's milk powder products in Bangladesh.



Through the Country Investment Plan (CIP) guidelines, the Government of Bangladesh has committed to protect and develop the local dairy industry and improving the population's nutritional status. Within agriculture, the growth of the dairy industry is

one of the major concerns for the government of Bangladesh as it aims at reducing imported milk amounts and attaining self-sufficiency in milk manufacturing by 2021. There are currently several difficulties to overcome before this ambition can be met by the government. The government promotes global dairy firms to contribute in an integrated manner to the growth of nutrition safety.

The first product of Arla which came to Bangladesh is the powdered Dano when the brand was under MD foods. Arla foods separated from Mutual Trading and started to sell product as Arla Foods Bangladesh. Now it's under Danish management and controlled globally. Arla is increasing the product line very fast to ensure the present of each dairy product.

3.2 Mission, Vision and Strategies

Mission

The mission is to ensure the highest value for the farmers link along with creating opportunities for their growth. As a cooperative milk producing company, our task is to ensure that we can make as much value as possible for the milk producers and thereby achieve the best price for their milk for both owners and other suppliers.

Vision

The vision is to be the leading dairy company in the world by creating considerable value and proactive market leadership to obtain the highest available milk price. Our aim is to maximize the price get into owner's hand. For fulfilling the objective, we are determined to create the added value and demonstrate the proactive market leadership. Being the market leader means a very strong negotiation position. WE want to be the most attractive dairy milk company for both our owners and employees and for our customers and suppliers.

Strategies

The following strategies are used strategically for success

- Product Quality Assurance
- Innovation and Renovation
- Customer Relationship
- Research and Development

(Source: Arla Website)

3.3 Arla Products

Arla Foods Bangladesh is currently holding a big amount of market share. Arla's current portfolio of milk products in Bangladesh includes:

Dano® Whole Milk Powder	Product Information	Size (gram)
	Full cream whole milk powder	25g
		50g
		100g
		200g
		400g
		500g
		1000g
		1250g
		2500g
Dano® Daily Pushti Filled Milk Powder	Product Information	Size (gram)
	Filled milk powder with vegetable fat instead of milk fat	20g
		100g
		200g
		400g
		500g
		1000g
		2000g
Dano® Deelac 1	Product Information	Size (gram)
	Infant formula for 0-6 months	180g
		400g
Dano® Deelac 2	Product Information	Size (gram)
	Infant formula for 6 months+	400g
Dano® Mom	Product Information	Size (gram)

	Milk-based nutritional supplement for mothers and mothers-to-be	360g
Dano® Slim	Product Information	Size (gram)
	Skimmed milk Powder	400g
Arla UHT Milk	Product Information	Size (gram)
	UHT milk available in: •0.01% fat •1.5% fat •3.5% fat •3.5% fat - organic •3.5% fat - lactose free	1 litre

4. Industry Perspective

4.1 Industry scenario:

4.1.1 Raw milk

In Bangladesh, raw milk manufacturing is particularly important in the country's northern and western regions. Recently, milk production in the southeastern portion of Bangladesh has risen significantly. Raw milk is generated by about 1.4 million dairy farmers in Bangladesh. Despite a slight reduction of 0.4% in farm figures in 2015, two out of three families still depend on dairy cows for their livelihoods. Milk is a crucial element of revenue, nutrition and the creation of social riches for those engaged in the dairy industry, especially in rural regions.

The number of farms is anticipated to raise by more than 1 % again in 2016, and it seems that the industry is now attracting younger and trained individuals. Approximately 13% of fresh milk generated locally is supplied via official channels to milk processors. The official processors are distinguished by an organized milk collection process by several private dairy firms, cooperatives, social enterprises and milk delivery intermediaries. Overall, milk processors engaged in official channels are estimated to be the source of some 50 % of their milk from Bangladeshi dairy farmers, and some 50 % are obtained through imports of milk powder, primarily skimmed milk powder. The deficit in production is met by bulk imports of milk powder, mainly from Australia, New Zealand, Holland, Denmark, Poland.

A milk processor in Bangladesh has two options for sourcing milk:

- From local farmers' raw milk
- From dairy imports, mainly skimmed milk powder

The locally produced milk is processed through three channels:

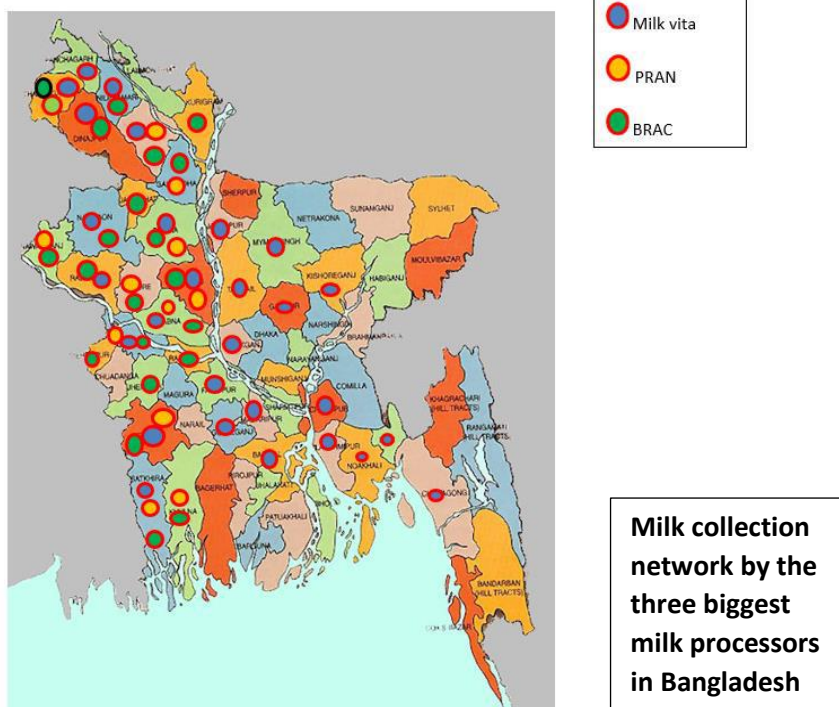
1. Informal handling channels for sweet meat manufacturers who sprinkle and process fresh milk into local sweets, including sweet yogurt and color and taste varieties.
2. Commercial processors in the official processing channels that supply and process raw milk into a wide range of products, including pure and powdered milk, UHT, flavored milk, flavored yogurt, ghee, butter and sour curd.

3. Commercial processors in the official processing channels that supply and process milk powder into a extensive product portfolio including pasteurized milk, UHT, yogurt and ice cream.

The processing of sweet meat is by far the main channel for raw milk generated locally. Sweetmeats are very common in Bangladesh, and about 50% of the country's complete raw milk is processed into a wide range of local sweets, including sweet yogurt.

Over the last ten years, the amount of local commercial processors has risen considerably. the top three processors are:

1. Milk Vita
2. PRAN
3. BRAC



In addition to these processors, there are several other private dairy processors in Bangladesh that supply raw milk, such as Ammo Milk, Akij Group (Farm Fresh), Aftab Milk and Milk Products Ltd, Tulip Milk Products and Rangpur Dairy Products Ltd.

4.1.2 Milk powder:

In the off-season period, raw milk is partially or completely replaced by milk powder as raw milk is a perishable product. This powder is reconstituted with milk for preparation of pasteurized milk in high demand. On the other hand, when it is high season, in some cases, overproduction of local milk is also replaced as milk powder to preserve the milk from being perished.

In this situation, local dairy processors compete with imported dairy powder, particularly high-quality brands.

Local ice cream businesses, including Dhaka Ice Cream, Igloo and Golden Harvest with their brand Bloop, use skimmed milk powder and whole milk powder to a limited extent. No liquid milk is transformed into ice cream. In yogurt manufacturing with some skimmed milk powder it is quite prevalent to acquire a thicker texture, as it also contributes to a greater protein content.

However, imported milk powder is used in dairy processing by both informal and formal processors.



Multinational dairy businesses such as Arla and Anchor and local dairy businesses based on imported milk powder such as Marks, Diploma, Fresh and Red Cow dominate the contemporary channels of the milk industry. Imported milk powder is accessible in nearly all retail stores in urban and rural areas across the nation. The following channels generally offer milk powders:

- 1) Grocery: Wet markets
- 2) Convenience: Neighborhood clusters
- 3) Supermarkets
- 4) Tea bunks: Street kiosks (mainly selling tea/tobacco products)
- 5) Wholesale: Industrial sector, including sweetmeat makers and restaurants

Imported milk powder distribution is focused primarily in urban and semi-urban regions. Milk powders, however, also reach rural kiosks in neighboring towns where local dairy producers also supply their raw milk to open local markets.

The main players in the milk powder category are local dairy firms that base their company on importing milk powder, as well as multinational dairy firms engaged in importing and selling dairy products..

4.1.3 Bangladesh Dairy sector profile

With Bangladesh's growing economy, the milk sector is experiencing enormous development in demand for milk products. Generated by population growth, higher incomes and increased health consciousness.

The present daily consumption of dairy products is around 116ml per capita on average¹⁴⁴ and the nation remains extremely dependent on imported dairy products to bridge the present divide between supply and demand. The strong growth prospect in dairy consumption is further assumed to be triggered by the high demand elasticity of dairy products, particularly in the low-income segments. This implies that even tiny revenue increases can lead to big household expenditure increases on dairy products. Therefore, a fast increase in demand for dairy products in Bangladesh is also anticipated in reduced revenue sections, when Bangladesh wants to move further towards a middle-income society.

Despite an average annual growth rate of 1.9 % in local milk manufacturing in 2010-15, national dairy production is not enough to meet national demand. The self-sufficiency rate is around 65 %when considering milk production from cows and buffalos.

Dairy sector profile of Bangladesh

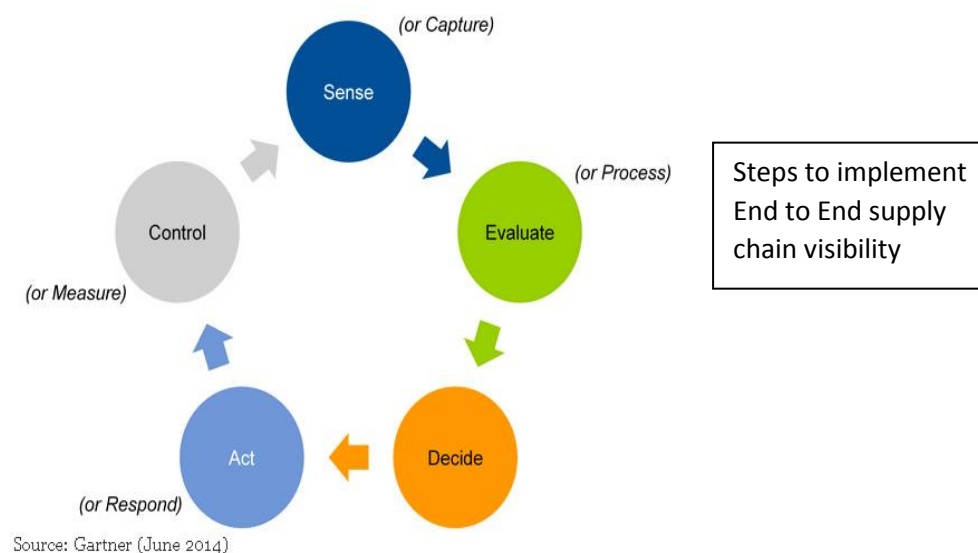
National production and consumption	
National milk production (cows and buffalo)	4.52 million tonnes (estimated for 2017) ¹³⁰
Annual dairy consumption (from all dairy species)	6.77 million tonnes (2015) ¹³¹
Dairy consumption per capita (from all dairy species)	116 ml/capita/day (from all dairy species) (2015) ¹³²
Import of milk products	0.7 million tonnes (2015) ¹³³
Raw milk delivered for commercial use	13% (2017) ¹³⁴
No. of cows and buffalo	4,299,000 (2015) ¹³⁵
Average daily milk yield per cow	1-3 l per cow, per day ¹³⁶
No. of dairy farms	1,395,000 (2014) ¹³⁷
Average number of cows/farm	3.1 ¹³⁸

5. Supply Chain Management of Arla

5.1 Supply chain management

Supply chain management is the systemic, strategic coordination of the traditional business functions. It was also described as designing, planning, executing, controlling and tracking supply chain operations with the aim of generating net value, constructing a competitive infrastructure, leveraging global logistics, synchronizing demand supply and evaluating global output. Management of the supply chain is managing the flow of products and services. It includes moving and storing raw materials, inventories of work-in-progress and finished products from point of origin to point of consumption. The supply chain management needs to be provided by interconnected or interlinked networks, channels and business nodes.

Supply Chain Management is a paragliding word that includes a broad variety of logistics-related concepts to manage a product's entire manufacturing cycle from raw materials to final goods delivery. Efficient supply chain management not only guarantees timely delivery of products to satisfy clients, but also reduces waste by decreasing expenses for the supplier. Supply chain logistics is a complex set of principles that are difficult to ideally enforce because it is difficult to coordinate effectively between distinct organizations engaged in distinct phases of the chain. Blockchains can therefore be very helpful for effective supply chain activities as they enable the confidence to be managed throughout the network



Main functions of Supply Chain Management are as follows:

- Inventory Management
- Distribution Management
- Channel Management
- Payment Management
- Financial Management
- Supplier Management
- Transportation Management

5.2 Mission of Supply Chain Management of Arla

Global businesses manage numerous supply chains and rely on these activities not only to deliver products on time, but also to tailor and react to divergent customer and supplier price and package expectations. To do this, supply chain operators need the ability to customize multi-customer segment products. With so many critical functions in flux, enterprises need to optimize their supply chains simply to remain competitive.

The mission of supply chain is to provide the product within the shortest time to the customer at the minimum cost. The product must be available and must be fresh, also the product availability should be at the right stock location to meet customer demand. Along with the whole process, the management should keep in mind that the cost must be the minimum.



5.3 Primary objective

- Minimizing raw material costs by optimizing yield losses and purchasing materials efficiently
- Minimizing production costs by working sympathetically with production constraints (e.g., batch size fixed costs, sequence related costs)
- Optimizing transportation and handling costs
- Minimizing the overall cost of holding inventory
- Reducing administration costs
- Giving customers the lead time, they require
- Delivering reliably against promised delivery dates
- Ensuring high levels of delivered quality

5.4 Delivery Accuracy

Delivery accuracy is one of the major concerns of supply chain management. SCM must ensure that the consumer gets the products fresh and right on time. It Measures service to the customer in terms of:

- ✓ Case- fill percentage delivered to the customer on time
- ✓ Kg percentage delivered to the customer on time

It is Measured as the percentage of delivered, comparing delivered quantity to requested (after first confirmation) delivery quantity. Deliveries are considered as on-time if the actual delivery date is the same as the accepted delivery date (after first confirmation). Delivery accuracy should be reported monthly at a category/national level. Delivery accuracy is measured by-

$$\text{Delivery accuracy \%} = \frac{\text{Total number of cases (or Kg) delivered on time}}{\text{Total number of cases (or Kg) requested}} * 100\%$$



5.5 Quality Defect Costs

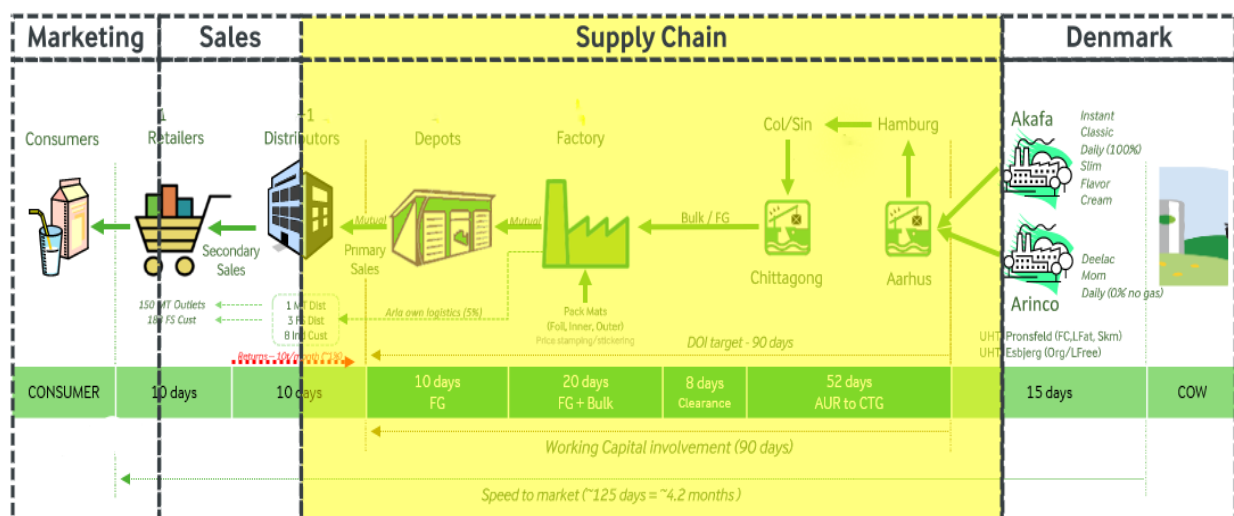
A quality defect is defined as semi-finished & finished products that does not meet the agreed specifications and consequently is adjusted in value. Quality Defect cost is measured from production start until customer acceptance. Quality defect cost includes only planning-related waste and downgrading. Quality Defect Costs should be reported monthly by category/national level.

Quality Defect Costs percentage is measured by-

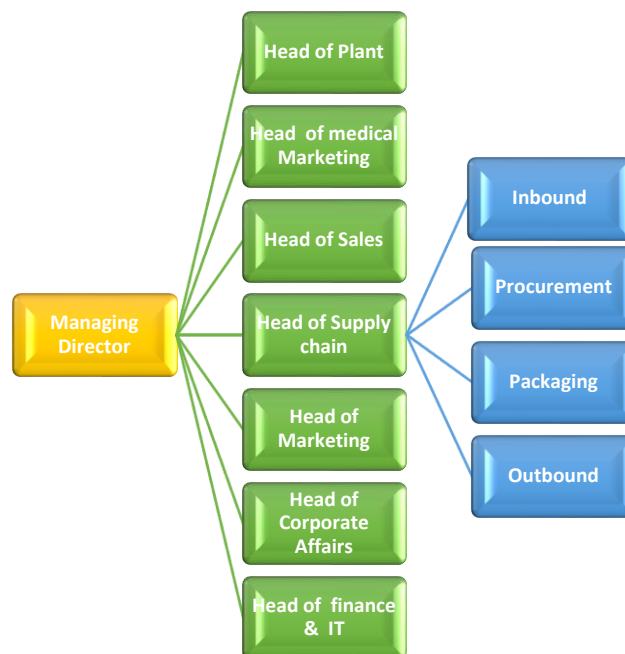
$$\text{Quality Defect cost \%} = \frac{\text{Quality defect cost in currency}}{\text{dProduction value in currency}} * 100\%$$

5.6 Process Mapping of Arla

Arla Foods Bangladesh imports the milk directly from Denmark. The products enter Bangladesh as bulk. Then the products are sent to Arla factory located to Gazipur from Chittagong. In the factory the packaging process runs using foil, inner & outer. Then the finished goods sent primarily to the depots and then to the distributors. Distributors send the product to the retailers. Finally, the milk gets available to the customers. Supply chain process starts from inbound to outbound.



5.7 Organogram



5.8 Demand - Supply management

The purpose of the demand planning processes is to continuously create the best unbiased guess on the future demand for the various products. This one set of forecast numbers are applied throughout the supply chain and are used for reserving machine and labor capacity in the dairies, ensuring enough supplies of packaging and ingredients, and optimizing milk allocation.

Sales and Product Marketing provide what they could and would like to sell of which product. The result of poor demand planning often leads into a poor supply chain performance. For example-

Areas	Example
Customer Service	• Low service level to customers • Manual re-allocation between key accounts
Materials Planning	• Inaccurate input for purchasing
Production scheduling	• Plan disruptions
Inventory management	• Excessive (safety) stock • Suboptimal inventory mix/ high cost of obsolescence
Supplier management	• Inability to respond to demand
Logistics	• Excessive cost due to expediting

Best practices of determining demand picture are -

- One consensus view of demand –no disagreements
- High forecast accuracy, unbiased perspective on uncertain demand (e.g., new items)

Manufacturing, supply chain, and purchasing provide a view on what can be made. To determine supply best picture, the best practices are -

- Clear picture of what can be made
- Early announcement of issues, no hiding.

Joint decisions on how to balance supply and demand, focus on issues and exceptions. The best ways are –

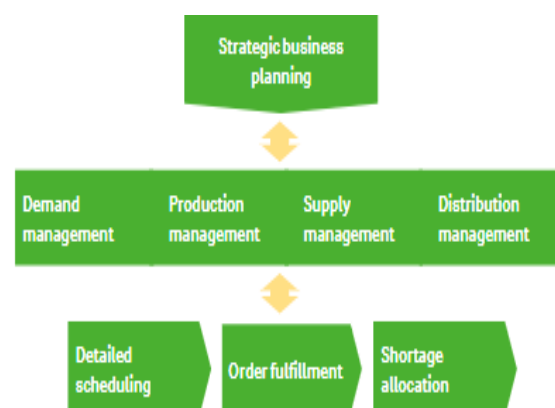
- Make issues evident –no hiding
- Collaborate to solve issues
- Look forward and prevent issues
- Take decisions by top management



5.9 Cross functional integrated planning

To support the supply chain Management, cross functional integrated planning is required. Cross functional integrated planning helps in following ways.

- Better responsiveness to demand changes
- Lower inventory levels due to reduced internal inefficiencies
- Value-driven decision making
- Collaborative process across functions
- Proactive planning for business disturbances
- Clear accountability and ownership of decisions
- Full transparency and common set of data



5.10 Supply Chain relationship Management

Supply chain relationship management is a business strategy for improving communication between companies and their channel partners. The first component to successfully manage the supply chain connection is the capacity to assess the efficiency of a supply chain partner. The next is to have technology that helps automate procedures, thereby reducing busy work. The third is shared understanding to measure, manage and value associates publicly. The fourth is the relationships that suppliers really want to create long-lasting, useful relationships themselves. Understanding the strengths of supply chain partners is the area where one can likely to find mutual benefits.

To determine strengths, measurements are in place to comprehend key performance indicators such as offered tenders, accepted tenders, on-time pick-ups, on-time deliveries and any circumstances in which an approved tender is subsequently dismissed. Once these baseline measurements are in place, mutual possibilities can start to be explored. Opportunities often occur as circumstances in which the item wants to relocate, a transportation supplier has ability and additional traffic will benefit their network.

Once one start exploring these possibilities with supply chain partners, natural fits will become evident, which can provide a better general knowledge of capability levels and obligations. While obligations may not be optimal, they are essential to ensure supply chain viability if capacity limitations start to happen. Without strong relationships, joint obligations, and a strong comprehension of the values of each partner supply chain, transportation suppliers tend to gravitate higher-paying freight when capacity is restricted.

Leveraging technology is the way to guarantee item is picked up and supplied on time. Measure the efficiency of providers and use TMS tendering technology to eliminate private preference by publicly debating challenges and issues. A connection based on these basic values builds confidence and provides the basis for mutual achievement.

5.11 Risk and Opportunities List Management in Supply Chain

The list is manually maintained in excel. Template and guideline can be found at the Sales and Operation team site. Ownership of list lies with Global Sales and Operation. Each market has the responsibility of updating content. The list contains both volume and financial implications of the risks & opportunities.

The benefits of this list are-

- The Risk and Opportunity list is an overview of the uncertainties not reflected in forecast, but relevant to Global Planning and Supply Chain
- Scenarios can be made based on the Risk and Opportunity list to give an indication of potential effect on production capacities and milk/fat balance
- The Risk and Opportunity list is an “offline” list, where raw material and capacity availability is not derived. For these calculations to be in place the forecast needs to be placed.

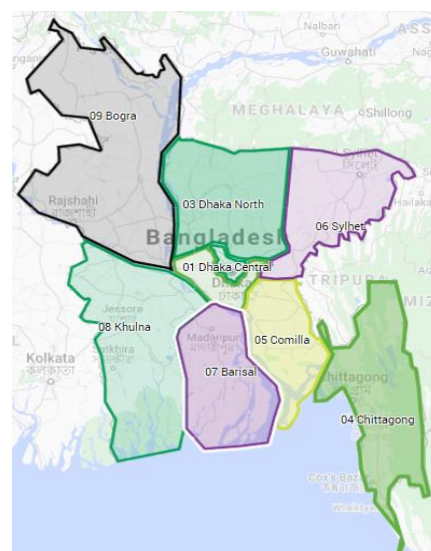
5.12 A Lean and Agile Supply Chain

In today's worldwide, vibrant economy, operating a supply chain that is both lean and flexible is useful to businesses. The mixture of lean and agile is known to have a hybrid supply chain approach. A hybrid supply chain approach may be suitable for a business trying to become a "mass customizer" generating gradually larger batch sizes (sometimes as small as one product) to the sometimes-distinctive requirements of clients. A Lean supply chain focuses on bringing value to the client while identifying and eliminating waste that does not add value. Being agile and responsive on the other hand implies that your supply chain can handle unpredictability and a constant stream of new, creative products with speed and flexibility.

Arla Foods Bangladesh retains a fast and flexible supply chain system. It utilizes a wait-and-see strategy to client demand by not engaging in the final product until the real demand is known. They respond to real demand and are able to use data as an inventory replacement (to some extent) through cooperation and integration with important clients and vendors.

5.13 Overall supply chain management process of Arla Foods Bangladesh

As mentioned before, Arla Foods Bangladesh imports milk from Denmark. Milk enters

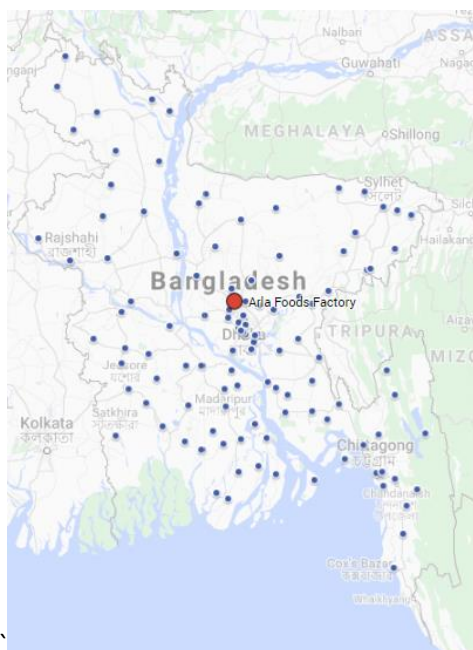


Bangladesh via Chittagong Port. Then the milk prepares for packaging. After packaging the milk sends to the distributors. The allocation of the distributors sends by the region.

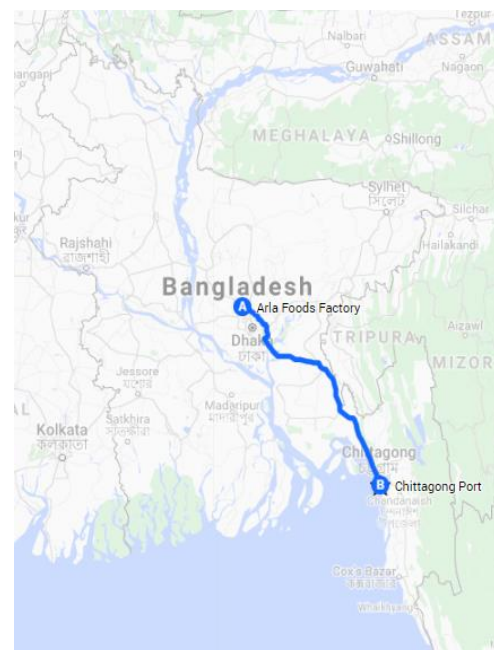
There are nine regions. Distributor houses place their order 2 days before they get stocked out. Then within 2 days they get their product from Arla Foods Factory. Their products are sent by single drop point and multiple drop point. When sending products get difficult or costs more than usual then Arla foods uses 3rd parties for delivering.

There are sub-Distributors under each distributor. Sub-Distributors spread out the finished goods and make the milk available to the ultimate consumers. Also, a key account is kept. Key account is maintained to support the super shops.

In every region there are assigned Territory Officers. They keep handling the distributors houses.



Chittagong Port to Arla Foods Factory



Arla Foods Factory to Distributors

6. Conclusion

His study covers primarily Arla Foods Bangladesh Ltd's Supply Chain operations. It also includes my work duties as an intern. I was delighted to have completed my internship at Arla Foods Bangladesh Ltd. I have attempted to define all the Supply Chain operations presently being carried out as well as the tasks to be carried out by Arla. Arla is Bangladesh's well-developed dairy product distribution firm. With top velocity, Arla is moving forward. It ensures commitment to the sale to its customer of the best quality product within the earliest period possible. Arla is a well-positioned business and continues to innovate, focusing on its core competencies and quality engagement. Dano was embraced as one of the most credible brands by people. The proper management system of the supply chain department has made it easier to contribute the products to the ultimate consumer. I believe this study will help others to understand the true significance of supply chain management, how it works, and what kind of operations a multinational FMCG business needs to carry out.

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