

**Internship Report On Merchandising  
Activities  
Of  
Garments Industry in Bangladesh**





**Internship Report on**  
**Merchandising Activities of Garment Industry in Bangladesh**  
**The Case of MBM Garments Ltd.**

**Prepared For-**

**Mr. Mahmudul Haq**  
**Associate. Professor**  
**BRAC Business School**  
**BRAC University**



**Prepared By-**

**Rezwana Pervin**

**ID-14364072**

**MBA Department**

**BRAC Business School**

**BRAC University**

**Submission Date- 5<sup>th</sup> April, 2018**

## **Letter of Transmittal**

Mr. Mahmudul Huq  
Associate Professor  
BRAC Business School  
BRAC University

Subject: Internship report on merchandising department in garments industry.

Dear Sir,

With great pleasure, here I submit my internship report on Merchandising in Garments Industry (MBM GROUP) that you have approved & assigned as a compulsory requirement. I have tried my level best to bring out the original scenario of MBM Group with full of effectiveness & efficiency. I have really learned a lot and have gained valuable experience and knowledge while collecting information for the report. It was certainly a great opportunity for me to work on this real life project to actualize my theoretical knowledge of this course in the practical arena and some more which is out of this course. I hope that this project paper has been to your expectation, if you come across any question or queries regarding these cases, it will be my pleasure to clarify your questions.

Sincerely,

Rezwana Pervin

ID-14364072

BRAC BUSINESS SCHOOL

BRAC University.

## ACKNOWLEDGEMENT

I would like to express my gratitude to all the personnel who were involved directly or indirectly in the preparation of this report. I apologize to the people whose name that I have not mentioned but their contribution is highly appreciated by me.

At first, I would like to pay my gratitude to my supervising teacher Md. Mahmudul Haq, Asst. Professor, of BRAC Business School, BRAC University, for his guidelines and cordial cooperation in preparing this Report.

I would like to take the opportunity to thank Md. Rashedul Huq Shubho, Senior Manager, Merchandising, MBM Garments Limited for being my on job supervisor & providing me time to time information, suggestion as well as procedures to work with my topic.

I also want to thank Md. Akhtaruzzaman, Senior General Manager, Merchandising of MBM Garments Ltd. for being so cooperative in my work. I also Thank Md. Ayub Ali Assistant Vice President, HR, MBM Garments Ltd creating a friendly environment & assist me with the information of my project.

Finally I will show my gratitude to all the Management & Non-Management Staffs who have helped me during the Project period and the entire persons of the organizations who some how have impact on me in completing my whole report.

## **EXECUTIVE SUMMARY**

The internship program is the pre-requisite for the graduation in MBA. Classroom discussion alone cannot make a student perfect in handling the real business situation; therefore, it is an opportunity for the students to gather information about the professional work situation through this program. A report has to be built for the university and organization requirement. The topic of the report is “Merchandising Activities in Garments Industries in Bangladesh. The case is about MBM Apparel and Fashions Limited”. The main purpose of the report becomes very clear from the topic of the report. MBM Group is one of the leading groups in Bangladesh Garments Industry. It is a great chance for me to do my internship and permanent job in this organization. This is a large factory with all the facilities. Here the production process runs from developing different brand sample garment to finished garments for export. In this age, Bangladesh is flourished with RMG sector where this division has its immense contribution. The annual export income of garments sector is driven from two sources one is Woven garments and another is knit garments. Ready Made Garments is 100% export oriented. RMG exports various garments product to foreign country. The company makes Gents shirts, pants, shorts, trouser and others for U.S.A, U.K, and European Countries. The use high tech machineries to produce a quality garment product.

They also add new machineries to increase their production line. They have mission and vision is to profit maximization. The garment industry maintain good relationship with buyer. Hardworking and commitment maintenance is their main strategy. Merchandiser team is enough efficient and well skilled regarding their job. MBM Group have other project like MBM Washing and it has a sister concern name Cutting Edge Industries Ltd and Cutting Edge Industries LLC. The Report is prepared on “The Merchandising Activities in RMG Industries in BD” Where my concentration is in Buyer Satisfaction Level, Quality of products, and Practiced in RMG.

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## **CHAPTER-1-**

### **INTRODUCTION**

RMG (Ready Made Garment) is very important and helpful for Bangladesh. Bangladesh has emerged as key player in Ready Made Garment since 1978. Textile and clothing for about 85% export income for Bangladesh out of which 75% comes from apparel sector which covers the major product knit and woven shirt, blouses, trouser, skirt, shorts, jacket, sweater sportswear and many more casual and fashionable outfit. This sector at present employs approximately 1.5 million plus worker mostly female who are comes from under privileged social class.

### **BACKGROUND OF THE STUDY**

I am a junior merchandiser in MBM Garments Ltd. Which is 100% export oriented composite woven garments industry and prepared my internship report on MBM Garments Ltd. For continuing the internship study in MBM I have almost go through in all the section to understand the whole process of working and try to find out the activities, planning and many other things as well.

### **SIGNIFICANCE OF THE STUDY**

I have completed this report from all the department of RMG sector such as Merchandising Department, Commercial Department, Production Department, Supply Chain Department, Human Resource Department, Compliance Department and other organization like BGMEA, BKMEA, and Export Promotion Bureau, Yarn suppliers, Fabric suppliers, Chittagong Port, Insurance Company, Shipping Company. So by completing this report I got overall Idea about overall RMG Sector which increase more valuable knowledge than any book. In context, I have discussed about this things deliberately to let you know about.



## **OBJECTIVE OF THE STUDY**

Objective means purpose of the report. The objectives of this report are as follows-

- To know detail about RMG sector
- Information gather about commercial
- Getting idea about the shipping procedure
- Concept develop about knitting and spinning
- Comparison between classroom learning and practical learning
- Knowledge gather about other RMG relevant other organization
- To know about the technical process and management process in apparel industry
- To have skilled labor of quality product
- To study the present market condition of RMG product, growth, achievement, competition.
- To analyze the reason behind recent labor unrest in BD.
- To do merchandising practice.
- Current scenario about backward supply chain status of MBM garments
- To find out the ways to improve the loop hole for doing better performance of MBM Garments Ltd.

## **METHODOLOGY OF THE STUDY**

Methodology defines how we go through all the processes of research and how I have proceed on. Here includes the steps of conducting the report and the explanation of the sources of data.

- Factory
- Different organization.
- Books Discussion
- Internet Class
- lecture
- Library
- Annual report
- To collect information what I am seeing in practical in My Internship Program.

- To collect information what I did in practical what was done by me for my practical knowledge.
- To make a comment over the project we have to understand the whole project.

### **SCOPE OF THE STUDY:**

This report covers Organizational overview, Management and Organizational Structure and major functional areas, Services. It also covers the present situation of merchandising activities, process of the operation, challenges for MBM Garments Ltd, different function of different production and management team.

### **LIMITATION OF THE STUDY:**

Though, I got whole-hearted co-operation and support from employees of MBM Garments Ltd. the internship program I have faced a lot of problems to complete the report. In fact, it is tough to get into all the department for gather information for me since every department have their own confidential strategy and process of working.

#### **Problems that I have faced for preparing this report are:**

- I did not get up to date information about the sector.
- Time constraint is one of the major obstacles of finishing the project in a limited time.
- Some of the data and information are highly confidential for any company. For this reason, it could not disclose for obvious reasons, which could be very much useful.

## CHAPTER-2

### MBM GROUP– COMPANY BACKGROUND

#### Brief History MBM Group-

In 1983 chairman Mahmudur Rahman began the journey with 150 machines in Mohakhali area of Dhaka. In 1988 shifted to own purpose built facility in Mirpur. One of the first pioneer garments factory in Bangladesh at that time and at the same time one of the first factory who introduce free lunch to all the employees and workers in 1988. In 1990 was also the first unit who have its own washing plant in Bangladesh. In 2008 company was taken over by 2<sup>nd</sup> generation Mr. Wasim Rahman as a Managing Director to begin the 2<sup>nd</sup> wave of growth and his first expansion project after taking over was acquiring another 8 lines manufacturing unit in Gazipur present name of the company is Cutting Edge Industries Ltd. In 2009 began new sourcing unit in order to expand new range of products offered to customers.in early 2012 moved to purpose built state of the art facility built on lean principles with 14 production lines.

Today MBM operates from both its production unit, optimally using it's 25 production lines and workforce of around 5000 well trained and highly motivated employees. MBM have annual turnover of around US\$53 million and a capacity to produce 75000 dozen Woven Garments. The company does not compliant only the requirement of COC but also follow and maintain high standard of green production and social responsibility.

**MBM Group SBU-**

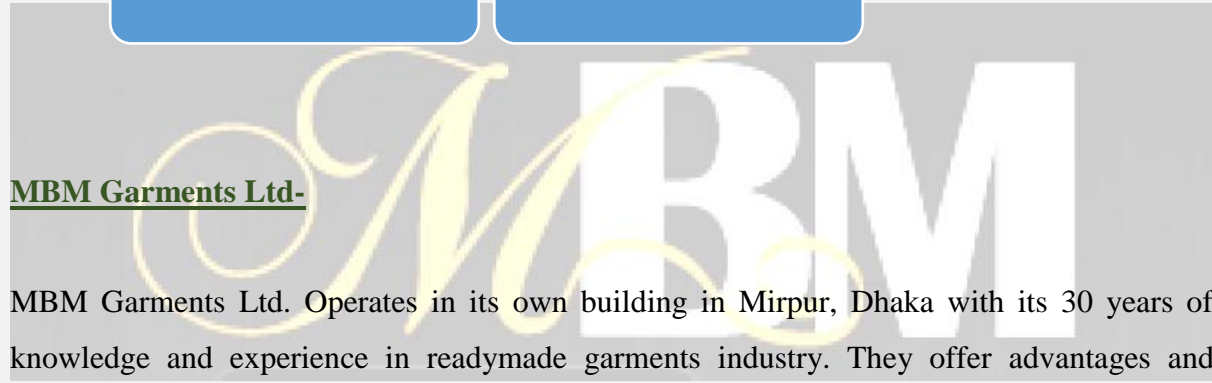
# MBM Group SBU's

MBMGarments Ltd.

MBM  
Washing

Cutting Edge  
Ltd.

Cutting Edge  
industries LLC



**MBM Garments Ltd-**

MBM Garments Ltd. Operates in its own building in Mirpur, Dhaka with its 30 years of knowledge and experience in readymade garments industry. They offer advantages and efficiencies to their customer with quality garment in timely manner.

While achieving their high quality of work they are following with all local laws, regulation, child labor policy, human right policies and environmental practices.

**Capacity-**

Quantity Pcs /Per Month	SAH/ Per Month	Worker
925000	185	5000

**Product Category-**All Woven Men's, Ladies, Children Tops and Bottoms. High end dress shirts, Formal Pant and Uniform.

### Cutting Edge Garments Ltd-

This is the first expansion of group with 30 years of knowledge Cutting Edge Industries Ltd in Shalna. A purpose built 6 storied state of the art factory having 30000 sqft per floor designed by overseas engineer. Production set up occurring on a floor by floor system to dramatically reduce overheads and wastage by introducing JIT system.

### Production—

- 7 line in each floor till 6<sup>th</sup> floor its own cutting area
- Separate utility building
- Separate office building having lockers for every workers.
- Ground floor for Store, Packing area, and CTPAT carton area.
- 3<sup>rd</sup> floor have canteen and prayer rooms for workers and all.
- Separate inspection room for final inspection.

### Capacity-

Quantity	Pcs	/Per	SAH/ Per Month	No of line	Worker
415000			210	13	2500

### **Future expansion Project**

Cutting Edge Industries Ltd. Have a plan to expand ongoing project to facilitate better

2020 it will have another 20 line running with a total capacity of 27 lines.



### Cutting Edge Industries Ltd.

#### MBM Washing-

MBM Group was one of the first in the industry to have its own washing unit capable of wet and dry process. They started this unit on 1995 and have extensive knowledge and expertise.

#### **Product and service-**

- They have introduced sand blasting facilities since early 2011. Backed by their in-house Effluent Treatment Plant (ETP).
- They guarantee green production to minimize the effect on environment.

Capacity- 40000pcs

#### **Future expansion Project**

They are working on their new project on Shalna. A four stored washing unit with ETP and water recycling system is almost ready for taking order at the end of year 2018.

**MBM Do following Wash-**

- a. Sand blasting
- b. PP Spray
- c. Over Dye
- d. Stone Wash
- e. Stone Enzymes
- f. Bleaching & Tinting

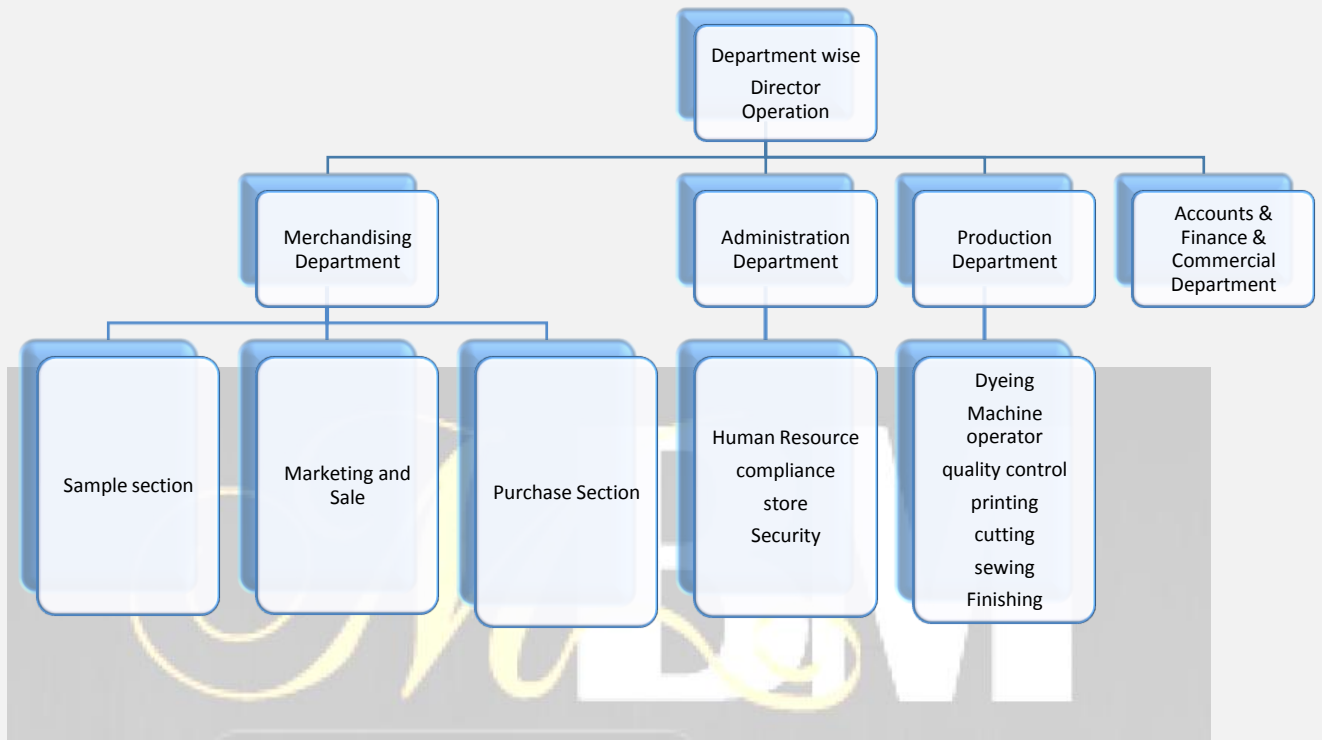
**Cutting Edge LLC Ltd.**

It is a marketing arm of MBM Group. Specialized in handling uniforms and specialty items composed of in house production facilities MBM Garments Ltd. And Cutting Edge Industries Ltd. and Partner Facilities capable of producing woven and knit garments out of Bangladesh exporting 30 million in woven and USD 20 million in knit garments yearly.

Supplying to retail organization like JCP, Levis, and Uniforms to companies like IKEA, CINTAS.

Full Cutting to finishing in state of art facilities in BD and sourcing for apparel and raw materials from Bangladesh, China, India, Pakistan.

## Organizational Organogram





## Mission & Vision of the Organization

### Mission

“A strategic plan starts with a preplanned pathway clearly defined as business mission. In another way “A mission describes the organization’s basic function in society in terms of the products and services it produces for its customers”.

A clear business mission should have each of the following elements:



**Figure: Factors Affecting Mission of the Organization**

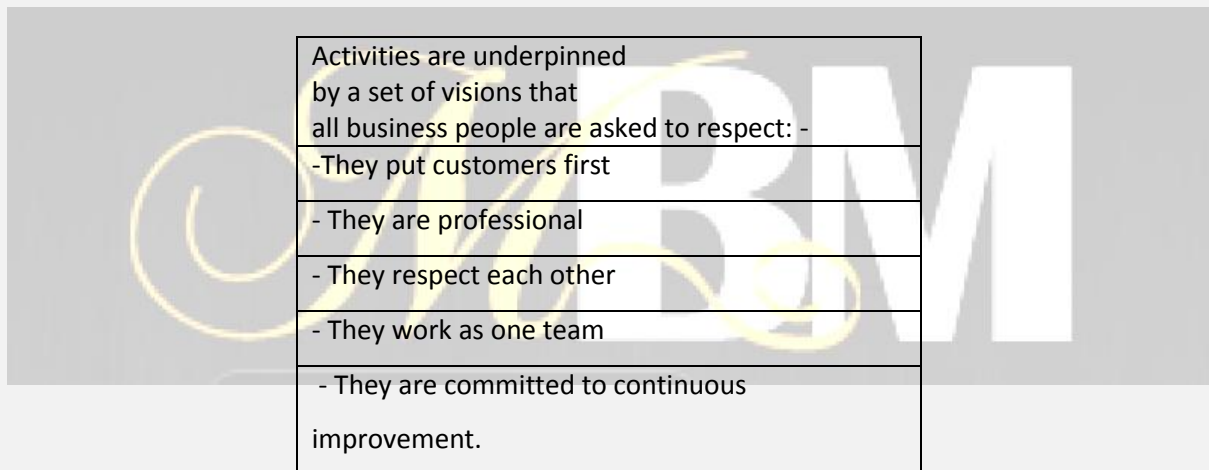
### Mission Statement of MBM Garments Ltd-

To keep setting an example by excelling in responsible and efficient operation focused on the creation of value. To keep below responsibility is the mission of the organization in long run along with to be the best qualified Garments in this industry.

- Responsibility to customer
- Responsibility to fellow associates
- Responsibility to Community and Environment

### Vision:

Vision provides the justification of behavior and, therefore, exerts significant influence on marketing decisions.



### Commitment to the environment-

MBM Garments Ltd is very committed to preserve a healthy and pollution-free environment. It has a very efficient waste collection and disposal system. In order to reduce air pollution by exhaust of gas from engine-generators, it maintains a costly plant that uses the exhaust gas to generate steam for chilling unit. Above measures not only help keep the water & air free from pollution but also help save cost of water treatment & air conditioning. This company uses only AZO-free dyes and is dedicated to ensure a healthy and eco-friendly environment.

## **Social Compliances- Code of Conduct-**

MBM Garments Limited is a responsible apparel producer and embodies, both in spirit and practice, internationally established codes of social accountability and ethical business practices. It recognizes and respects cultural differences and employs individuals solely on the basis of their qualification for the job. We identify and work with suppliers and buyers who as individuals and in the conduct of their business abide by local laws and have ethical standards compatible to it. The bases of the various parameter that comprise the code of conduct are drawn from the following-

- Ethical Trading Initiative
- Global Sourcing Principles of Key Customers
- ILO Conventions
- Local Legislation

## **HR Policies-**

MBM was among the 1<sup>st</sup> few factories to implement Labor Law Oct 2006. Do not exceed working hour limit. Weekly one day off. Sound and safe working environment. No forced labor, no child labor allow to work.

Workers have the right to refuse overtime. Workers have right to from unions.

## **Medical Services-**

They have well equipped medical clinic with facility of 4 bed, 4 doctors and 1 qualified diploma nurse. They give free treatment and medicine during working hour. The company sometime bear full treatment cost including hospital charges.

## **Fire Protection-**

Factory have firefighting team, about 40% workers well trained up on fire safety, have certificate and factory is also well equipped.

### **Responsible Team-**

- Leader of the firefighting team
- Welfare officer
- Head of the maintenance department.
- Head of the security department

### **Maternity Facility-**

According to Labor Law Act Bangladesh 2006 they are giving maternity facility to all female employee.

### **Child Care Unit-**

They have child care unit for all employee for worker including play area and special wash room. They provide them with full nourishing food. Two full time care giver take care of those children during full working hour.

### **Corporate Strategy-**

The Council provides a wide range of specific services (Education, Planning, Social Work, Cleansing etc) but there are also a number of issues which require a corporate approach. These include such regular matters as Equalities, Best Value, Public Performance Reporting, the Citizen Panel and strategic issues like Asylum Seekers and Refugees.

Generally speaking the CEO, as principal policy advisor to the Council, has responsibility for providing a corporate policy and strategic lead to the Council. Sometimes individual services are requested to take the lead on relevant issues. The Council's Social Work Service is building a partnership with the local health board in response to the Government's Joint Futures initiative for example.

The Corporate Policy Unit within the Chief Executive's Department has the lead responsibility for several key policy areas; develops relevant strategies to handle significant policy issues and supports both senior elected members and the Council's Corporate Management Team.

### **Motivational Techniques and Training-**

Motivation is the psychological feature that arouses an organism to action toward a desired goal and brings out, controls, and sustains certain goal directed behaviors. If the textile and apparel sub sector industries in Bangladesh are to achieve World Class Manufacturing Standards then the problems of collision and low productivity which the consultants have highlighted need to be addressed by structured training programs relevant to each level of company employee.

Mostly no training provision is introduced in garment manufacturing and textile industries. (Training and Vocational Education) All of the companies generally recognize the importance of skilled sewing machine operators and training in other skills particularly cutting and pressing. The training of the operators takes place on the production line and they are taught basic skills on one type of machine only. There was no structured programmed that would include training on a number of different machines, the achievement of the appropriate quality standards and output targets. Similarly those individuals carrying out the training had, themselves, not been trained in the instruction techniques.

Even, in case of management body training is necessary for better working environment and productivity. There is a belief that anyone will start learning by working himself so most employees come out of nowhere and then start learning gradually so the frequency of mistakes is higher. The consultants find few companies using a formal recruitment policy or the formal testing of potential employees during the selection process.

## Human Resource Management-

The team of Human Resources and Compliance department in MBM Garments Ltd. consisting of qualified and experienced personnel having appropriate training from both home and abroad made the department absolutely equipped with all necessary **policies, guidelines, Standard Operating Procedures (SOPs), Job Descriptions, training materials, Code of Conduct** that the continuous development of human resources is also taking place simultaneously throughout each and every section of the company.

- The tangible and intangible benefits and facilities provided to the employees.
- Working conditions, physical infrastructures, accommodations and dormitories, arrangements for leisure and amusements etc.
- This company a completely different type of employer acknowledging which the employees are also devoting their whole hearted and sincere efforts for each and every step of the production starting from sorting of cotton up to the shipping of the RMGs.

## Different Training offered by the HR department of the company-

- Supervisory management training
- Operator instructor training
- Operator flexibility training
- Recruitment / selection training
- Technical / mechanic training
- Training of Industrial Engineers

## Corporate Social Responsibility-

Corporate social responsibility (CSR), also known as corporate responsibility, corporate citizenship, responsible business, sustainable responsible business (SRB), or corporate social performance, is a form of corporate self-regulation integrated into a business model. Ideally,

CSR policy would function as a built-in, self-regulating mechanism whereby business would monitor and ensure its adherence to law, ethical standards, and international norms. Business would embrace responsibility for the impact of their activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. Furthermore, business would proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. Essentially, CSR is the deliberate inclusion of public interest into corporate decisionmaking, and the honoring of a triple bottom line: People, Planet, and Profit.

MBM Garments Ltd. Is an established company it has some responsibilities of its own and in case of textile as it deals with the poor and the large folk groups of our country their earnest responsibility is to maintain these activities for helping the society rather not for the marketing promotion.

### **Social awareness and education**

The role among corporate stakeholders to work collectively to pressure corporations is changing. Shareholders and investors themselves, through socially responsible investing are exerting pressure on corporations to behave responsibly. Non-governmental organizations are also taking an increasing role, leveraging the power of the media and the Internet to increase their scrutiny and collective activism around corporate behavior.

### **Crises and their consequences**

Often it takes a crisis to sudden attention to CSR. One of the most active stands against environmental management is the Savar incident. Thousands of people died because of this of this calamity. Here, MBM took very great step by supporting the workers and help them with medicines.

### The company at a glance-

Particulars	Details
Name	MBM Garments Ltd
Group Affiliation	MBM Group
Business Type	Garment Manufacturing and Exporting
Year Establishment	1988
Location	Dhaka
Number of Production Line	25
Preferred Bank For Trading	AB Bank, Dhaka Bank
Status	Private Ltd Company
Corporate Office	M19 & M14, Section-14, Mirpur Dhaka-1206, Bangladesh
	Phone- +88 02 8011790, +88 02 801173
	Fax- +88 02 8013515
Factory	Mirpur, Dhaka, Gazipur, Shalna
Business Line	Manufacturing and Exporting Ladies and Gents T- Shirt and polo shirt
Export Outlet	Germany, UK, France, Italy, USA



## **CHAPTER-3**

### **Business, Operation and Quality Overview**

#### **Garments Merchandising-**

##### **MBM Garments Ltd-**

The term merchandising is well known to the persons specially involved in garments trade. Merchandising comes from the “Merchandise”, which means good that are bought and sold. Merchandiser is the person merchandise goods. Garments merchandising means buying raw material & accessories to make required finished garment, maintain required level of quality and standard to export the ordered garments within time frame.

So a merchandiser needs a wide range of knowledge and skill to do the marketing of the product around the world to search the renowned buyer of the product, have to do costing considering profitability, performance quality and time constraint managing all required materials in house on time to make a successful shipment. A merchandiser should possess following basic knowledge and skill-

- **Good command in English and adequate knowledge in technical terms for accurate and efficient communication.**
- **Good knowledge about yarn, fabric, dyeing, printing, finishing, color fastness, garment sampling and production etc.**
- **Clear idea about quality of the garment measurement in garment manufacturing.**
- **Good knowledge on raw material and garment inspection system.**

**When an export order is given to a merchandiser, he/ she has to schedule the following function to execute the export order in time-**

- I. Fabric requirement calculations according to order amount of garments by giving extra percentage for wastage in cutting time.**

- II. Accessories requirement calculation ( Thread, Button, Interlining, Main label, Woven label, Fit label, polybag, if finishing product will be packed in hanger then hanger needed, plastic pin, Carton etc. )
- III. Source of fabrics
- IV. Source of trims
- V. Make Time and Action (T&A) table to keep tracking on fabric and trims delivery and in house time.
- VI. Costing
- VII. Garments production planning
- VIII. Pre shipment inspection schedule
- IX. Shipment documents
- X. Proper action plan required through making T&A

#### **Garments Trims/ Accessories-**

Garment trims means item used in making garments complete except the basic fabric. There are lots of item used as trims to make a finish garments.

A list of few important trims are given below-

- Sewing thread
- Interlining
- Button
- Label
- Zipper
- Lining shoulder fad
- Elastic
- Polybag
- Hanger
- Guru tape
- Scotch paper
- Tissue paper
- Plastic pin
- Collar insert
- Collar bone

- **Tag pin**
- **Neck board**
- **Back board**

Quality of trims very important, sometimes buyer have some nominated trim supplier to order for particular style order and a merchandiser may need to take approval for some trims before confirm to use in the final garment. Otherwise product might be rejected by the customer. So Most importance things for a Merchandiser is –

- **Communication.**
- **Planning**
- **Production Follow Up**

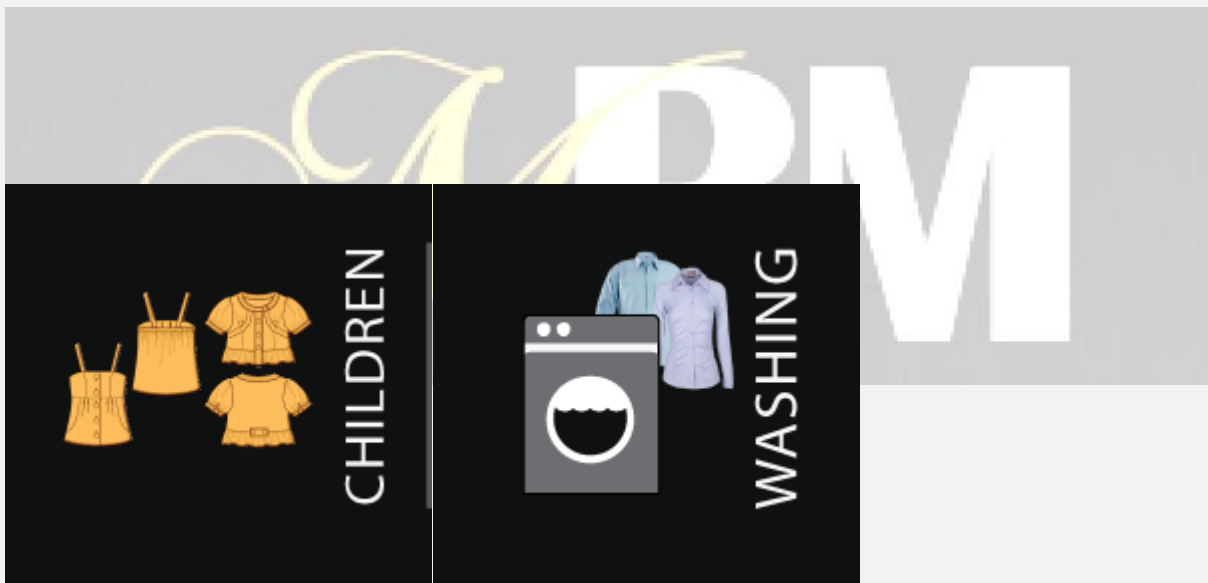
The responsibilities of a smart Merchandiser are handling order at four stages.

**1. Sourcing for future orders/Buyers**

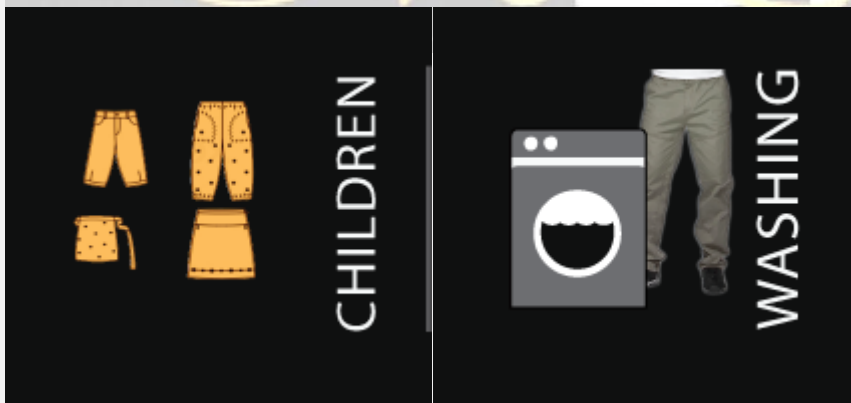
MBM Garments mainly create Top and Bottom woven garments for Men, Women, Child. Dominate these markets in high quality:

- a. Men's, Women's, Children
- b. Shirts (Dress & Casual)
- c. Tops (formal & casual), Skirts, Jackets
- d. Jeans & Casual non - denim bottoms

## Tops-



## Bottoms-



**Name of the buyers of MBM Garments Ltd.**

**USA :**

American Eagle

J.C. Penny

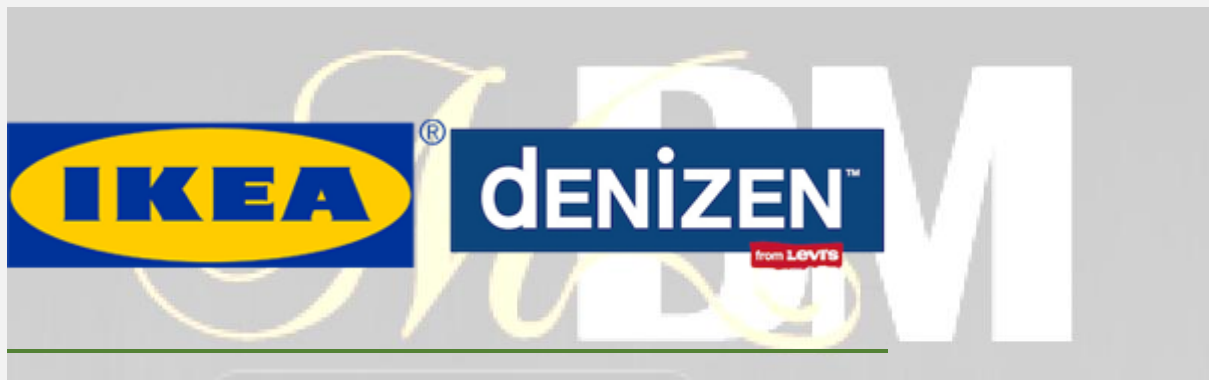
Target Corp.

**Europe:**

H & M

C & A

**MBM works for below renowned fashion brand-**



THE ORIGINAL  
**ARIZONA**  
JEAN COMPANY®

**DOCKERS®**  


**Fabric Supplier of MBM Garments Ltd.-**

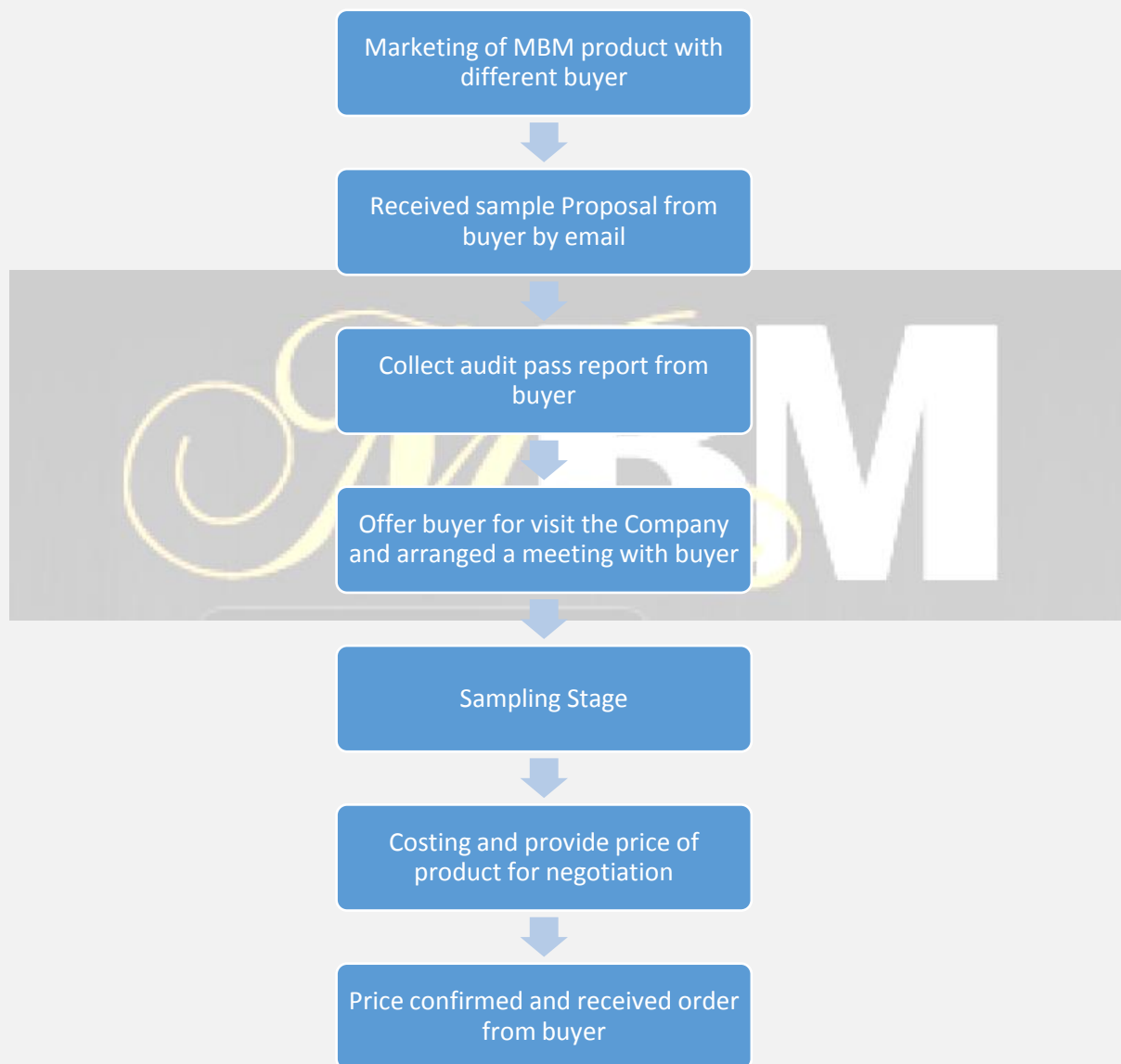
1. Shandong
2. Shanghai Shelyen
3. ZaberZubayer
4. Shakti Ganesh ltd
5. Sun Tex
6. Jemie Tex
7. Taksungetc

**Trim Supplier of MBM Garments Ltd.-**

1. A&E (Thread Supplier)
2. Coats (Thread Supplier)
3. YKK (Thread Supplier)
4. RPAC (Label Supplier)
5. AveryDennison (Label Supplier)
6. Shore to Shore (Label Supplier)
7. SML (Label Supplier)

## Business Development Procedure-

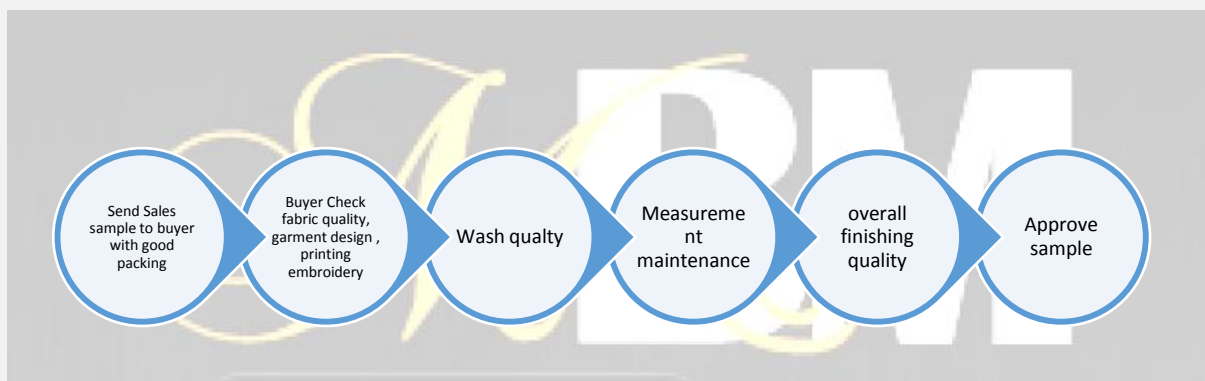
Garments industry must be developed with the trend of market otherwise they cannot extend their business. To collect new buyer and business with them a company must follow the procedure of business development. Buyers have been chosen by two ways. Firstly, Buyer chooses the supplier and the second one sometimes, MBM have to work with a particular buyer by which MBM is nominated. The MBM GROUP follow the procedure of business development, this are given below-





## Process of order Execution In MBM Merchandising Team

- **Communication with buyer**
- **Procure order & order confirmation**
- **Consumption-** It is a very important task of merchandiser to do before costing. Consumption refers to the amount of fabric or interlining (if required) to do per garment. After getting consumption in yards (unit) we can calculate what amount of total fabric required to do the particular bulk production.
- **Sample control and taking approval from buyer-** Sample is made when price is confirmed and orders are placed, usually is M size in all color combinations of expected order. Buyer held a meeting with its customer and records their response on order quantity per color, size etc. and finally place order to their vendor. Sales sample basically use catalogue buyer.



- **Potential sourcing of materials, and taking on time approval of fabric, trims and other accessories-** Trims card preparation Submission of Trims before apparel production begins, it is critical that the buyer approves all components that will comprise the finished product. Some buyers will require review of all trims and others will require the approval of major trim components only. For example, some buyers will want to see examples of the actual sewing thread. However, others may not require viewing the thread. It is important to understand what the buying company wishes to review prior to production. Experienced fashion merchants will require that you submit trim submissions on an appropriate form. This allows both the supplier and the purchaser to maintain well organized records Trims are those items that are fixed with a garment and form part and parcel of that garment. Thus buttons, zipper,

laces are this category of items. Some authors define trims as materials that can decorate and ornament a garment.

Examples include lace, embroidery, appliqué, screen printing, heat transfers, sequins, etc. On the other hand, accessories are items that are not part and parcel of the garment but are required for finishing or marketing of garments. Back board, neck board, hang tag, price ticket, poly bags, cartons are examples of accessories. Accessories are thrown away by the end user after a garment is bought and taken home.

- **Lab dipping and other approval-** Here are a few examples of items that may need to be submitted for review-

1. Lab dips, strike offs (screen printed swatches), reeling of yarn in all colors.
2. Production fabric, Most often required in a large enough size to containing full pattern rep
3. Care labels & main labels Clothing Components
4. Buttons, lace, zippers, interlinings, shoulder pads, elastics, hangers, hangtags, price tickets, etc.
5. Packaging: ASN labels, chip board, jet clips, tissue paper, polybags, etc.

**In addition to trimming, you will most likely be required to submit -**

1. Fit Samples,
2. Pre-production garment samples,
3. Testing samples,
4. TOP Samples (Top of Production Samples), etc.

You may also be required to submit documents during this phase such as flammability documents etc.

- **Testing from different garment testing company ( example- Bureau Varitas)**
- **Order of material on time and make a follow up chart to make sure on time in house before starting bulk production.**
- **Factory scheduling and planning**
- **Order follow up: all steps of production and quality**

- **Liaison with customer during design ,sourcing, production & shipping**
- **Attend buyer meeting**
- **Ensure customer satisfaction**
- **Ensure on time Product Shipment with help of quality control and audit department.**

**Merchandiser work as a Supply Chain Management-**

**Order Placement of Fabric and Other Trims and receive PI (Pro forma Invoice) Sheet-**

In foreign trade transaction, a proforma invoice is a document that states a commitment from the seller to reserve some goods to be sold to a certain person, the buyer. the buyer places an order and if the seller agrees, it extend a proforma invoice and agrees to all the terms specified in it, the goods are send and the proforma is replaced by a commercial invoice. The POI sheet depends on the demand of buyer.

What are the items will include in this sheet are

**Top part:**

- Name and address of seller
- Invoice number and date.
- Buyer name and address.

**Body/middle part:**

- Product description.
- Unit price.
- Total price.

**Bottom part:**

- Shipment date.
- Shipment terms FOB or C&F.
- Country of origin.

- Terms of payment,
- At sight or 120 days.
- Others special terms.

### **Master L/C checking procedure & important items should be included in Master L/C**

A documentary Master L/C is an orderly payment security instrument offering high quality payment security to a business transaction for both parties the seller and buyer. The seller will receive payment for his goods if he meets all conditions prescribed by the letter of credit. Without M L/C opening the order won't be confirmed. So its carry more value than other documents in export and import business.

M L/C Check list items and those items must be included in this L/C.

- Types of L/C.
- Issue date.
- Expiry date.
- Issuing bank details.
- Advising bank details.
- Seller name and address.
- Total amount.
- Currency of payment.
- Tolerance (2-5% plus or minus)
- Port of loading.
- Description of goods.
- Shipping terms (FOB/ C&F)
- List of documents required.

### **Merchandiser Responsibility to Production Team**

#### **Preparation of production files for production starting**

- Approval Sample
- Order sheet
- Measurement sheet Assortment

- Fabric quantity
- Packing list
- Carton measurement

**Other Important duties towards Production Team-**

- Sending procedure of pre-production samples approved by buyers
- production file & pattern to in charge of factory
- Collect approved sample,
- Production file and approved pattern from buyer.
- Merchandiser arrange meeting with production manager.
- Give clear idea about approved sample, production file and approved pattern.
- Then handover these items to PM.

**Hourly daily & monthly production report-**

To Follow up Production, below chart is maintained under different style no. go for production in line-

Hourly Production defect analysis and correction report						
Factory	Date:					
Order No-						
Style No-	Description					
Working Defect Description/ hour	1	2	3	4	5	Total
Fabric Defect						
Shading Variation						
Main Label						
Checker sign						
Passed Pcs						
Defect pcs						
Production per hour						
Supervisor sign						

## **Quality check to ensure quality product In the garment industry**

Quality control is practiced right from the initial stage of sourcing raw materials to the stage of final finished garment. For textile and apparel industry product quality is calculated in terms of quality and standard of fibers, yarns, fabric construction, color fastness, surface designs and the final finished garment products. However quality expectations for export are related to the type of customer segments and the retail outlets.

Here it follows:

1. Understanding the customers' quality requirements
2. Organizing & training quality control department
3. Ensuring proper flow of quality requirements to the QC department
4. Ensuring proper flow of quality requirements to the Production Department.
5. Establishing quality plans, parameters, inspection systems, frequency, sampling techniques, etc.
6. Inspection, testing, measurements as per plan
7. Record deviations
8. Feed back to Production Department.

## **Merchandising activities on goods delivery to buyers destination**

### **Booking to forwarder**

After making final inspection merchandiser received packing list from packing section which contain the list of carton, how many pieces garments in the carton, weight of the carton, number of pieces of garment to be shipped etc. Refer to this information merchandiser make booking to sea or air forwarder.

### **Export Documentation**

#### **The documents which to be submitted by a C&F agent for export:**

An exporter should have to submit the following documents to the customs authority of a station:

1. Shipping bill of entry.
2. Export L/C.
3. Packing List.
4. Commercial Invoice.
5. UD/UP.
6. VBF-9A. Form to be supplied by the C&F agent.
7. . Export Permission form (EXP).

### **Bill of Landing (B/L)**

It is document issued by an carrier (railroad, steamship, or trucking Company) which serves as a receipt for the goods to be delivered to a designated person or to his order. B/L describes the conditions under which the goods are accepted by the carrier and details

- The quantity of the goods.
- Name of vessel
- Identified marks and numbers
- Destination

### **Invoice:**

Below point are including in the invoice:

- Name and address of the buyers and the seller.
- The Date and term of the sale.
- A description of the goods,
- The price of the goods and the mode of transportation.
- Payment release After prepared invoice,
- bill of landing and other required documentation we send it to buyers nominated bank for payment release

This is all about the job of Merchandisers where I have worked out for three months.

## Chapter-4

### Project Dissection of the Experience of Merchandiser

Work Experience/My Internship Activities in MBM Garments Ltd was full of knowledge. As I am working as a Junior Merchandiser in MBM Garments Limited so I got the opportunity to learn lots of things. At that time I have done different merchandising related task in the company which are as follows -

#### Daily activities

- Scanning documents
- Proper filling the documents
- Taking the photos of samples
- Mail communication
- Reporting to concern supervisor

#### Weekly activities

- Meeting with the fabrics and accessories supplier
- Making accessories list
- Meeting with the buyer

#### Monthly activities

- Meeting with the production people

Besides observing the entire Merchandising Process, I learned many things and worked in the Finance & Accounts Department.

Following are my extra learning activities in MBM Garments Limited due to my internship program of MBA-

#### Preparation of bank payment voucher:

Due to know the finance department procedure of work I used to spend time in the Finance department, I used to observe preparing bank payment vouchers. Bank payment voucher is used when payment is made for different types of expenses and to accounts payables out of



the bank account of the organization. Photo copy of the check is attached to the voucher when payment is made through check.

**Journal entry for bank payment voucher:**

Expense account Debit

Bank Account Credit

**Preparation of bank receipt voucher:**

Bank receipt voucher is used when payment is received and deposited into the bank account of the organization. Deposit receipt is attached to the bank receipt voucher as supporting document. Performance Evaluation Study of Merchandising of MBM Garments Limited

**Preparation of journal voucher:**

Journal voucher is used when there is not cash or bank is involved in a transaction. There are so many types of transactions for which journal vouchers are prepared. For example, when goods are sold to the customers on account, the journal transaction is recorded. Cash receipt vouchers and cash payment vouchers are also used for the receipt and payment of cash.

**Maintaining admin expenses:**

I observe them to maintain records of different kinds of expenses related to office and the daily expenditures' record of the organization.

**Maintenance of different files:**

Another responsibility of mine was to maintain the files carefully which contained different important documents.

In conclusion I can say that, MBM Garments Limited helped me a lot to learn about the Merchandising activities as well as proper documentation in a simple way. From this Garments, I have experienced the practical knowledge about how a merchandiser works, what are his core responsibilities , what process are being followed & the methods to follow-up the activities along with all the formalities needed to make, receive and deliver a contract.

## Challenges

### **Internal Challenges**

From the sample part or the development part, the problem of doing a style has to face is the lace and button problem. The matching of the lace button was almost going impossible as buyer's expectation because the lace is a fancy item and due to its shrinking it was needed to be sourced more and more which was expensive and due to unavailability of it, the sample was hung for further procedure.

Washing requirements was also a bit problem that MBM needed to overcome that it wanted the ACRU look which is the pure fade white type of color garment becomes after bleach wash. This was hard to achieve because of trims color as in bulk production garments are washed in heavy machine mixing huge amount of garments. So, when all the garments mix together sometimes color split so, keeping the fresh look is a challenge. So, supplier needs to request buyer to take the garment as closest as possible.

Some of the fabric in bulk is tencel which is an imported fabric and for this it takes generally 45 days for development to production. Generally it takes 25 days. They have 14 days to shipment but the fabric needs more than this to be ready. So, this is a huge tension for supplier to maintain the quality and workmanship with this constrained time for shipment.

Communication gap between the management stuffs can stretch the process as for their bit ignorance an approval could have been sent for several times and organization can face a big loss.

### **Other Challenges-**

Within my working period one of the major problems I faced was that sometimes a few persons who are in-charge in any specific department were not flexible to work with the interns. Another problem was that as MBM Garments Limited didn't provide me any formal briefing or any kind of workshop so it's become really difficult for me to understand the work.

In conclusion I can say that, MBM Garments Limited helped me a lot to learn about the Merchandising activities as well as proper documentation in a simple way. From this

Garments, I have experienced the practical knowledge about how a merchandiser works, what are his core responsibilities, what process are being followed & the methods to follow-up the activities along with all the formalities needed to make, receive and deliver a contract.

### **SWOT Analysis of MBM Garments Ltd-**

A SWOT analysis is overall evaluation of the company's Strength, Weakness, Opportunities and Threat. Strength and Weakness are the internal values creating factors such as assets, skills or resources etc. And Opportunities and Threat are external values creating factors a company unable to control.

The SWOT analysis of MBM Garments Limited is given below –

#### **Strengths**

1. **Own Land:** Factories of MBM Garments Limited are established in its own land.
2. **Effective Manpower:** Factories are well equipped with skilled, expertise and productive manpower. They are doing their level best to deliver timely shipment and exporting 100% quality garments.
3. **Production of Fabrics:** Mostly employees produce fabrics as per buyer's requirement.
4. **Innovative product line:** Product lines are producing a unique & innovative garment which is a very good sign for the industry.
5. **Proper Management:** Employees of MBM Garments Limited manages all the paper work quite nicely; supervises the production from start to end and helps to ship the good as per the requirement of buyers.

#### **Weaknesses**

1. **Post purchase behavior:** After shipment of the products, employees do not collect actual post purchase behavior of buyers which is really a negative sign for the industry.
2. **Shortage of workers:** As the Industry is not so big & the number of employee is limited, sometimes it becomes really difficult to produce all the goods timely & workload of the workers increase to a great extent if there is a large shipment.

3. **Subordinates absence in policy making:** The subordinates do not take any decision or take part in policy making in meeting. The decision always comes from the top management which is de motivating.
4. **Poor salary structure:** As the industry is still in a struggling position, its salary structure is not that much good in compare to the other industries.

### **Opportunities**

1. **Covering UK & USA market:** Recently some foreign countries are really interested about making contract with MBM Garments Limited which is really good news. Covering more market area of EU & USA will help the industry to establish quickly.
2. **Diversification:** MBM Garments Limited can expand their business by establishing the yarn, woven & sweater factories. It will help them to minimize the risk.
3. **Hiring dynamic & fresh Graduates:** MBM can hire dynamic, young & fresh Graduates who can generate innovative ideas & can lead to greater profit.
4. **Attending Trade Fairs:** MBM can take part in different trade & textile fair to get public attention and can get new ideas related with today's business.

### **Threats**

1. **Absence of Spinning Plant:** Most of the big Garments industries who are well established have their own Spinning Plant. As a result they can sell their product more cheaply but MBM Garments Limited doesn't have any Spinning Plant. For that reason their cost of production is high.
2. **Competitors' smart move:** Competitor industries are constantly offering innovative and substitute a product which is a big threat for this industry.
3. **Trade barriers:** Increased trade barriers and quota system withdrawals are the major threats for the developing industries like MBM Garments Limited.
4. **Political imbalance:** One of the major threats for MBM is the current political instability. Strike, Procrastination etc are hampering the production process quite badly.

## **Chapter -5 Findings & Recommendation**

MBM Garments Ltd. is one of the best textile group in Bangladesh. It has outstanding reputation in the global market for excellence. It is a composite factory where they have all the sectors of woven dyeing, printing, embroidery, accessories, and garments production. So, this is huge in case of production and maintenance both. Generally I have given the concentration on Financial and Merchandising activities of MBM Garments Limited. I would like to recommend the following areas that should be improved immediately to achieve the desired goals-

1. Supply chain or procurement department is not very strong in this company which causes that the merchandisers procure all the raw materials of garments that's why they feel more pressure to complete shipment and sometime also over the shipment date then company should pay the extra money for air shipment. So when supply chain department procure all the raw materials then merchandiser can easily shipment the goods within lead time.
2. Planning department of operation should be strong and the time management should be followed. Here, productivity is low due to less command of the authority towards the production. It should be increased for the higher productivity.
3. Quality assurance system should be modernized because quality is the top priority of all international buyers.
4. Working environment should be increased Pay scale is very poor which is needed to be increased because company will lose potential employees due to their policy.
5. Distribution of power should be well managed and transparency among the workers and the management should be followed.
6. Instead of short-term relationship, Merchandisers need to develop long term relationship with the key parties – buyers, buying houses and suppliers etc.
7. As the industry is in a struggling position, it should frequently measure the annual growth rate through the growth share matrix, BCG (Boston Consulting Group approach) whether business is operating effectively or not.

8. Consultancy with garments expertise regarding the development strategies will be helpful to get more output.
9. MBM should identify their position based on the product life cycle and the position of competitors so that they take corrective action to compete & stay in the business.
10. MBM can establish their own design section and from there they can create unique and innovative products design for marketing. And in this purpose they can contract with professional fashion designer in Bangladesh and abroad to get the maximum results.

### **Chapter -6 -Conclusion**

The RMG sector is expected to grow despite the global financial crisis of 2009. As China is finding it challenging to make textile and foot wear items at cheap price, due to rising labor costs, many foreign investors, are coming to Bangladesh to take advantage of the low labor cost which is really a good sign for MBM Garments Limited. Management of merchandising is a big job and is a complex one. The result of the study shows that there are a lot of steps that MBM Garments Limited should undertake to improve their merchandising management in order to be successful. This is a huge sector and yet to discover the whole.

The study revealed that Merchandisers are the most valuable human resources for the progress of the organization. For the development of these valuable resources there are many factors involved. So to increase the productivity of an organization effectively, efficient Merchandising management is necessary.

## Appendix

**Garment Accessories:** labels, barcodes, alarms etc

**Thread code-** different threads are used for different areas. Like 20/2, 20/3, 40/2. In midst 20/2 is thicker than all.

**PI-**Proforma Invoice

**PO-** Purchase of order

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Special thanks to my Reporting Manager-

Mr. Rashedul Huq Shubho

Senior Manager,

Merchandising, MBM Garments Limited