Internship Report on
Trend Analysis of Sales Revenue and Profit of NewGen Ltd

Prepared For
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Date of Submission: October 15, 2017
Letter of Transmittal

October 15, 2017

Dr. Salehuddin Ahmed
Professor
BRAC Business School, MBA
BRAC University

Subject: Submission of Internship Report

Dear Sir,

With great pleasure I am submitting my Internship report on “Trend Analysis of Sales Revenue and Profit of NewGen Ltd”. I have found this report as of informative, beneficial as well as insightful. I have tried my level best to prepare an effective & creditable report.

The report contains the overview of the organization, Analytical part, findings and recommendations based on the analysis. I have gathered information through different sources such as financial reports, websites and actual interviews, questionnaire from personnel of NewGen.

Hence, I hope that you would be kind enough to receive this report for analysis.

Sincerely yours,

Fahim Hassan Chowdhury

ID – 15164039
MBA
BRAC University
Acknowledgement

In performing my internship, it's a successful one I had to take the help and guideline of some respected persons. First of all I am grateful to Allah who gives me sound mind & sound health to accomplish my summer placement. The completion of the task gives me much Pleasure. Then I would like to express my heartfelt gratitude towards my honorable academic supervisor; Dr. Salehuddin Ahmed, professor, Department of Finance, BRAC Business School, MBA. Who has directed, monitored and helped me continuously whenever I needed in doing internship and report.

It is my privilege that I had the opportunity to complete my internship in NewGen Ltd. at Banani Branch. I would like to thanks all the people with whom I have carried out my internship. I would like to express my gratitude to my supervisor Monika Roy the Communication officer of NewGen Ltd for giving me an opportunity to do internship in this office. Finally I am grateful to all my colleagues and seniors of NewGen Ltd, Banani branch for helping me throughout the report. And I also thank them for their cordial co-operation and guidance in all the way to do my internship and to prepare this report.
Executive Summary

The prime purpose of this report is to create a greater awareness about the use of low cost electronic bulb for saving the national electricity and how this can be implemented by companies or individual’s house. Also develop, promote and motivated for the implementation of the electricity saving bulb.

The other objective of the report is to find out correlation between NewGen sales revenue and the trend of profit. Also find out their position in the market and the strategy they execute against the market competitors.

After analyzing NewGen’s financial report and survey on the working field there found some error in the internal sector and the external sector. The internal problem is about their payment and receivable days. There is a lot of gap with the payment period and collection period. The inconsistency in gross profit and net profit is another problematic issue which executes the inconsistency on sales revenue and profit. On the other side the external issue express about their lacking of promotional activities for which effect on the buying concept on both local and corporate buyer.

For meet up the internal problem NewGen can negotiate the date of payment period with supplier and rigid the rules of collection for dealers and local. Differentiate the product to increase the sales and try to minimize the admin cost. By this way they can solve their internal problem. On the other side to solve the external problem they can change their motto with “Bulb for saving the world Electricity”. By this way local people can concern about the using of electricity. Also the prime purpose of this report can be fulfilled.

Though NewGen is a new company in the market but their new technology stirs the bulb market of Bangladesh. Their concept to saving the electricity always highlights them in the market in a different way.
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</tbody>
</table>
Organization part (First Part)

1.1 Nature of business

New Gen Lighting & Energy's goal is to provide the most energy efficient, cost-effective solution to any lighting application. NewGen SLED Lights guarantees:

- The Lowest Electricity Bills,
- The Longest Product Lifetime
- Auto Voltage Stabilization
- The only A+ Quality Certified Lighting product in Bangladesh

Here SLED Means Super-Luminescent Emitting Diode

1.2 History of Company

NewGen LTD. is a concern of Everbright Group of RMG Factories (Bangladesh), Guli Illumination (Europe), S3S Lighting (Worldwide), LED Europa (Europe), Seleco LED (Spain), Barry Electronic (China) & Midori Green Technologies (UK)

NewGen starts its business in Bangladesh in 2015 and their products first advertise telecast on the November 2015.

1.3 Present Situation of NewGen Ltd

CORPORTATE
House 63, Road 1, Block I, Banani, and Dhaka 1213 Web Address: www.newgen.today CALL TODAY: 0161 9996606-10 / 9880880, EMAIL TODAY: info@newgen.today

Goal
NewGen’s main goal is to create safe, secure & sustainable working environments by ensuring clients to get the right products & services at the right price.

Slogan “THE FUTURE OF LIGHT IS HERE”

TAX 8% on every product

1.4 Dealers, Suppliers and Other Branches

The products are mostly distributed by dealers. There is huge number of dealers. From them remarkable dealers are Sharmin Electronics, Al-Amin Traders, Purnima Electronics, Boshundhara and some little businessman of Gulshan.

As dealers this company has some suppliers named Guli Illumination, S3S Lighting, Europa, Seleco, Barry Electronic, and Midori Green Technologies. The suppliers are mostly fixed for the convenience of the company.

New got another branches in Uttara, Gulshan. They usually maintain two storages. One is in Ashulia and the other in Banani.
1.5 Structure of Organization

1.6 Promotion and Processing of Products

- LED is the future of lighting, while S-LED is another step ahead with unrivalled in quality & technology with huge Savings on Electricity Bills, Long Life Values, and Extraordinary Efficiency & Green standards.
- NewGen ensures that customers are provided with amazing products that are bright, beautiful & safe. Also focus on providing Cost Efficient Solutions & Genuinely Certified Products from the most advanced LED Lighting ever to Consumer Electronics to Engineering Safety Solutions.
- NewGen is currently the only supplier of A+ Energy Rated & Green Standard certified LED Lighting in Bangladesh, guaranteeing the best quality available. Their products are designed in Spain. Robotically manufactured in China, SLED is sold in over 50 countries.
- For the promotion of product NewGen usually has used the “TRADE FAIR” in Dhaka and Chittagong. Also they organize an annual party in Bashundhara Hall for celebrating the past year and acknowledge about the product. In recently NewGen is trying to capture the local fair of the town or semi town to capture the local market. But still they are backward from the advertisement on Television.
- NewGen sells huge amount of product to the corporation like Shopno, Levender, Meena Bazar, and Entrust Global. On the other side they are still backward in local market.
## 1.7 Product and Services

<table>
<thead>
<tr>
<th>Name of the Product</th>
<th>Feature</th>
<th>Picture</th>
</tr>
</thead>
<tbody>
<tr>
<td>S-LED CANDLE LIGHT</td>
<td>Colors: White / Warm Home decoration or Lamp light user</td>
<td><img src="Image" alt="Picture" /></td>
</tr>
<tr>
<td>S-LED PANEL</td>
<td>Colors: White Office or Shop Decoration</td>
<td><img src="Image" alt="Picture" /></td>
</tr>
<tr>
<td>S-LED DOWNLIGHT</td>
<td>Colors: Pure White / Glossy Warm Waterproof User: Diver, Mineworker</td>
<td><img src="Image" alt="Picture" /></td>
</tr>
<tr>
<td>S-LED FLOOD LIGHT</td>
<td>Colors: White / Warm Waterproof Garden User</td>
<td><img src="Image" alt="Picture" /></td>
</tr>
<tr>
<td>S-LED BRIDGELUX STREETLIGHT</td>
<td>Colors: Super Bright White / Warm Waterproof, Street Use</td>
<td><img src="Image" alt="Picture" /></td>
</tr>
<tr>
<td>S-LED Highbay Light</td>
<td>Colors: Natural Indoor Lighting</td>
<td><img src="Image" alt="Picture" /></td>
</tr>
<tr>
<td>S-LED SPOTLIGHT</td>
<td>Colors: White / Warm 10 times More life than Halogen Light</td>
<td><img src="Image" alt="Picture" /></td>
</tr>
<tr>
<td>S-LED PAR</td>
<td>Colors: Pure White / Glossy Warm Dimmable</td>
<td><img src="Image" alt="Picture" /></td>
</tr>
<tr>
<td>S-LED TRACKLIGHT</td>
<td>Colors: Pure White / Glossy Warm Focus &amp; Detect object Prison use or any Project</td>
<td><img src="Image" alt="Picture" /></td>
</tr>
<tr>
<td>S-LED FLEXIBLE STRIPS</td>
<td>Colors: White / Warm Use in Celebration, Decoration</td>
<td><img src="Image" alt="Picture" /></td>
</tr>
<tr>
<td>UL LISTED Emergency Light</td>
<td>Colors: White Use in Power failure situation Get backup for 5.5 hours</td>
<td><img src="Image" alt="Picture" /></td>
</tr>
</tbody>
</table>
1.8 New Launching Products of NewGen

<table>
<thead>
<tr>
<th>Product</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>WIRELESS TUBE LIGHT</td>
<td>Color: White Use for Wireless home and office purpose</td>
</tr>
<tr>
<td>HOVER S-LED LIGHT</td>
<td>Color: Custom Mostly use in Garments</td>
</tr>
</tbody>
</table>

1.9 Trend Analysis of NewGen Ltd (Sales Revenue & Income Statement)

**INCOME STATEMENT** of NewGen Ltd
(for the year ended 31 December)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Revenue</td>
<td>TK 100</td>
<td>TK 120</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(75)</td>
<td>(85)</td>
</tr>
<tr>
<td>Gross margin</td>
<td>25</td>
<td>35</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>(10)</td>
<td>(15)</td>
</tr>
<tr>
<td>R&amp;D expenses</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(5)</td>
<td>(10)</td>
</tr>
<tr>
<td><strong>Income from operations</strong></td>
<td><strong>8</strong></td>
<td><strong>7</strong></td>
</tr>
<tr>
<td>Financial expenses</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Income before taxes</strong></td>
<td><strong>6</strong></td>
<td><strong>5</strong></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td><strong>Income after taxes (Net income)</strong></td>
<td><strong>4</strong></td>
<td><strong>3</strong></td>
</tr>
</tbody>
</table>

The Amounts of Receivable and Payable of NewGen Ltd

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Receivable</td>
<td>12,00,000</td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>4,00,000</td>
<td></td>
</tr>
<tr>
<td>Loan Amount</td>
<td>Little Amount</td>
<td></td>
</tr>
</tbody>
</table>

1.10 Geographical Sales on Graph

NewGen sells their product over 50 countries. From this countries I remark here some major country where NewGen sales huge amount to compare with the sales of Bangladesh.

Geographical Sales

- Bangladesh
- Madrid
- Morocco
- China
- Spain
- Singapur
1.11 Competitors of NewGen

Local Brand

Category B
- Super star lighting
  (Bangladesh Brand)
- Energypac (People LED)
  (Bangladesh Brand)
- Walton
  (Bangladesh Brand)
- Transtec lighting
  (Bangladesh Brand)
- RFL-click
  (Bangladesh Brand)
- Hosaf Proficient Energy
  (Bangladesh Brand)
- Energy System Company
  (Bangladesh Brand)
- Pestro
  (Chinese Brand)
- Thunder LED
  (Chinese Brand)
- Opple LED
  (Chinese Brand)

Category C
- Osaka
  (Non Brand)
- New Nation
  (Non Brand)
- Pasha Lighting
  (Non Brand)
- Excel
  (Non Brand)
- Magic Led

International Brands and Category A brands
- Flora Ltd (Verbatim) Japanese Brand
- Transcom Ltd (Bangladeshi Brand)
- Philips lighting Bangladesh
- Nasir Energy saving Lamp & Industry

Others Competitors (Solar Lighting)
- Rahimafroz Renewable Energy Limited
- ASHA Power Technology Ltd.
- O G Power Solution Ltd
- Super Saver Electronics
Analytical Part (Second Part)

I could draw some analysis on NewGen Company after I have submitted the Question paper to the Customers, Dealers and Employees. I will show here some internal matter of the company which may help me to identify the strategic issues and conclude the problem with a good solution.

2.1 Five Competitor forces

- **Power of Buyer (Strong)**
  As there is huge local electric bulb company like Superstar, Transcom, and Goldenstar. The local buyer negotiation power is so high also switching cost of buyer is low. For the reason buyer can easily switch the brand. From the international view point there is also huge competitor like Flora Ltd, Philips so the power of corporate buyer is also high.

- **Power of Supplier (Weak)**
  Most of the supplier of NewGen is confined with a contractual paper because suppliers are mostly focus on large scale sale. Also there is available substitute supplier in the market So that their negotiation power is low.

- **Threats of New Entrants. (Strong)**
  Entry Barriers of this industry are so low. So that there always contest with the new entrants both local and international. Also it is easy to imitate the bulb design or product quality so that any local people can start the bulb producing business.

- **Threats of Substitution. (Moderate)**
  There is some substitute of LED light like Energy saving light, solar light, Tungsten bulb. Sometimes for the lack of knowledge people use the old fashion bulb. But those are not so popular today. That’s why, attitude of switching to substitute products are moderate.

- **Industry Competitors Competitive Rivalry. (Strong)**
  The demand of bulb growing slowly and the number of competitors is numerous on the other side the switching cost is low. In this case the competitors are trying to compete with brutally.
2.2 VRIN TESTING

Organizational Resource: NewGen LTD. is a concern of Everbright Group of RMG Factories (Bangladesh), Guli Illumination (Europe), S3S Lighting (Worldwide), LED Europa (Europe), Seleco LED (Spain), Barry Electronic (China) & Midori Green Technologies (UK)

NewGen is currently the only supplier of A+ Energy Rated & Green Standard certified LED Lighting in Bangladesh, guaranteeing the best quality available. Their products are designed in Spain. Robotically manufactured in China, SLED is sold in over 50 countries.

Financial Resources: NewGen’s net profit is increasing year to year but still below the Industry average. Also they do not issue any share publicly.

Ensuring Quality

1. Low Heat
2. Ecofriendly
3. Stunning Designs
4. A+ Quality Certified
5. Beautiful Bright Light
6. Auto Voltage Stabilization
7. Up to 5.5 Hours Backup Power

Capabilities

- Emits 70% less electric bills and 15 years long life
- The more watt bulb of other companies’ bulb can be replaced with NewGen low watt bulbs but the luster will be same.
- NewGen bulbs have 4 times more life than CLF bulbs
- Their wireless tube light has 10 times more life than the standard tube light.
2.3 Ratios of NewGen

For the ratio I have got most of all data from NewGen office accounts file and questionnaire. On the other side for the Industry Average I use Phillips 2016 Annual Report so that it helps me to compare the NewGen situation with Industry.

1. **Gross Profit Margin**

<table>
<thead>
<tr>
<th>Equation</th>
<th>2015</th>
<th>2016</th>
<th>Industry Average(Phillips)</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ \frac{\text{Gross Profit}}{\text{Sales}} \times 100 ]</td>
<td>25%</td>
<td>29.1%</td>
<td>35%</td>
</tr>
</tbody>
</table>

Interpretation: In 2016 every Taka 100 sales generated a gross profit of Taka 29. It was up than 2015 but below the Industry average. So the situation is developing from year to year but not so feasible with the NewGen competitors.

2. **Operation Profit Margin**

<table>
<thead>
<tr>
<th>Equation</th>
<th>2015</th>
<th>2016</th>
<th>Industry Average(Phillips)</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ \frac{\text{Operating Profit}}{\text{Sales}} \times 100 ]</td>
<td>8%</td>
<td>5.8%</td>
<td>5.1%</td>
</tr>
</tbody>
</table>

Interpretation: In 2016 every Taka 100 sales generated Operational profit of Taka 5.8. On the other side it was down than 2015 but Upper than the Industry average. So the situation is down falling but favorable with the Industry average.
3. **Net Profit Margin**

<table>
<thead>
<tr>
<th>Equation</th>
<th>2015</th>
<th>2016</th>
<th>Industry Average (Phillips)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(\frac{Net\ Profit}{Sales} \times 100)</td>
<td>4%</td>
<td>2.5%</td>
<td>2.6%</td>
</tr>
</tbody>
</table>

Interpretation: In 2016 every Taka 100 sales generated a Net profit of Taka 2.5. It was not up than 2015 also below the Industry average. So the whole situation is not so feasible for NewGen.

4. **Average Collection Period**

<table>
<thead>
<tr>
<th>Equation</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>(\frac{Accounts\ Receivable}{Sales})</td>
<td>(\frac{1200000}{360})</td>
</tr>
<tr>
<td>36 Days</td>
<td></td>
</tr>
</tbody>
</table>

5. **Average Payment Period**

<table>
<thead>
<tr>
<th>Equation</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>(\frac{Accounts\ Payable}{Cost\ of\ Goods\ Sold})</td>
<td>(\frac{400000}{850000})</td>
</tr>
<tr>
<td>17 Days</td>
<td></td>
</tr>
</tbody>
</table>

Interpretation: In 2016 NewGen took 17 days to payment to the supplier. On the other side they took 36 days to collect their receivable. This is really an alarming situation for NewGen.
## 2.4 SWOT Analysis

<table>
<thead>
<tr>
<th>Strength</th>
<th>Weakness</th>
<th>Opportunity</th>
<th>Threats</th>
</tr>
</thead>
</table>

### Strength
1. Less Electric bill facilities
2. Only Green Standard Certified LED Lighting in Bangladesh
3. Up to 5.5 Hours Backup Power
4. Auto Voltage Stabilization
5. Stunning Designs
6. 4 times more life than CLF bulbs
7. The Longest Product Lifetime

### Weakness
1. Unlevered firm so that have to pay more tax
2. Payment time is so early rather than Collection
3. Net Profit is not as high as like Industry Average.
4. Trend of Switching to other brand of customer is so high
5. Operating expenses are increasing.
6. Mismanagement of information

### Opportunity
1. Available substitute supplier in the market So that their negotiation power is low.
2. LED is the future of lighting, while S-LED is another step ahead. So they are advance in technologically and they can grow it.
3. Attitude of switching to substitute products of customers are moderate so the demand of LED light is high.
4. NewGen SLED is sold in over 50 countries so there is huge possibility of promote new product.
5. Local Market is still open for NewGen.
6. NewGen will launch two new products on the market in next year to capture the Industrial light solution.

### Threats
1. Product price is high so that cannot afford by local people.
2. Lack of Telecast Advertisement.
3. Local market is dominated by other brands because of less concern about local market.
4. Suppliers cost are Increased than the last year.
5. Corporate sales are getting challengeable day by day for the threat of new entrants.
6. The technology of LED light is Imitable.
Project Portion (Third Part)

3.1 Introduction of Project

Although NewGen is a company which is in advance level of LED light technology but in the context of Bangladesh they are in low position. This the main problem of this emerging company. The problem created because of their promotional activities and unconsciousness of people about the electricity saving issue of a country. The outcomes are mostly affecting on their income statement. The whole project tries to focus on this matter.

As a new company NewGen done well but they got another alarming problem of receive and payment date. The gap of date is so much. So this is another cause of increasing expense day by day. Again it is another binding of the distance of their sales revenue and profit.

3.2 Purpose of the Project

- Create a greater awareness about the use of low cost electronic bulb for saving the national electricity and how this can be implemented by companies or individual’s house.
- Develop, Promote and Motivated for the implementation of the electricity saving bulb.
- Analyze the information about their sales revenue and profit and try to find out there gap.
- Identify the competitor’s position in the context of local and international market.
- Reveal NewGen’s execution of strategy for the next future market.

3.3 Problems and Symptoms

At last after structuring the report on the sales trend profit analysis I have found some strategic issue that could be responsible as their hindrance on the way to success. I try to find four main problems under the two categories (Internal Issue of the company and External Issue of the company) and after that I will discuss about their symptoms or causes of the problems or issues.

<table>
<thead>
<tr>
<th>Internal Issue</th>
<th>Symptoms</th>
</tr>
</thead>
</table>
| 1. Average days of Payment are earlier than the days of average collection. | ▪ More shortage of cash money  
▪ Unrealized cost is increasing day by day |
| 2. Though the Gross Profit is increasing but the Net profit is showing the inverse. | ▪ Decreasing trend in income statement  
▪ Profit cannot be increased as sales increased |

<table>
<thead>
<tr>
<th>External Issue</th>
<th>Symptoms</th>
</tr>
</thead>
</table>
| 1. Product price is so high from the view point of customer. | ▪ Customers are indifferent on products  
▪ Sales of product is low in local market |
| 2. Local market is dominated by the local rival company. | ▪ Local company occupied most places  
▪ Niche market cannot possible |

After getting the findings of this strategic issue, I will show the recommendation to solve the problem.
3.4 Methodology of the Project

The Information of “Trend of Sales Revenue and Profit of NewGen S LED” collected on the experiences and learning associated with company efforts. There also need to take help from another source.

Source of Data

- **Primary Data**: Data for this study were collected using a questionnaire developed by the group of NewGen Ltd. The questionnaire was divided into three parts. One is consisted for the customer of NewGen to understand satisfaction of their clients. The others two questionnaire are made for the dealers and the employee of the NewGen to understand and analysis their internal activities.
- **Secondary Data**: Take the information from their old report and some other articles. For the extra information to understand the market situation I check the SlideShare report and the annual report of Phillips.

Sample Selection

The respondents involved in this survey were employees working in companies. A nonprobability convenience sampling technique was used to collect primary data. To ensure confidentiality, respondents were given self-addressed in which to return their completed answer. Controls were used to eliminate duplication of the responses.

Statistical Methods

Simple statistical techniques were used to tabulate the results of this study. The primary data were analyzed using a percent of response. To compute the percent of response, the number of responses to each choice was divided by the total number of respondents who answered the question.

3.5 Limitation of the Project

- **Possible Methodological Limitations**
  - Sample size was huge that may time consuming
  - Lack of available and/or reliable data
  - Lack of material for research studies on the topic like annual report on the industry
  - Hard to measure that used by collecting the data
  - Fully self-reported data that has to collect from the questionnaire

- **Possible Limitations of the Researcher**
  - Access on some area was so restricted that may hamper to collect data for the report
  - Longitudinal effects on the shorten of discussion
  - Some of the data may be biased for hide the personal evaluation from the survey
### 3.6 Finding of the Problems

**Issue No. 1:** Average days of Payment are earlier than the days of average collection.

As this is an internal issue so the source of the issue is must be internal. Cause of this problem mainly focus on

- Corporate sales are higher than local sales so that it gets complicated to collect the huge amount of receivable.
- Their team work sometime makes complication on collection.
- All of their suppliers are foreign and they do not want to compromise with payment days.
- Local dealers most of all time breaking the rules of payment of NewGen.
- Profit collection from many countries may sometime linger.
- As most of the suppliers are fixed with contract this may hard to negotiate with them.

**Issue No. 2:** Though the Gross Profit is increasing but the Net profit is showing the inverse.

Gross profit increase clearly indicates that their sales are growing day by day but the decreasing of net profit declares about their increase of their internal cost. Cause of this issue created by some misconduct of the company like

- As the company is unlevered firm so they do not get any tax exemption for the interest payment for loan.
- Raw material cost is increasing day by day this may be another cause.
- Operational cost is high in 2016 rather than the last year.
- For the increase of branch there again increase the administration cost.

**Issue No. 3:** Product price is so high from the view point of customer.

Customer thoughts are really very different. Most of customer they are not concern about the back problem of an activities. Like they thought the bulb price is so high but after using this they can save huge amount of electricity and they can also save the asset of electricity of a country this is out of concern of them. Causes may be

- Lack of telecast that can change the thought of customer.
- Supplier costs are high and that oblique the price to be high.
- Lack of advertise, promotion, acknowledgement.

**Issue No. 4:** Local market is dominated by the local rival company.

This is clearly an external issue of the four issues. The local brand dominant the local market this is natural but the huge presence may be an alarming problem for a company. Local dominancy got some causes like

- The number of local company is huge around the Bangladeshi market.
- The entry barriers on this industry are low so anyone can start the business easily.
- Lack of consultancy about NewGen’s benefit of product to the local customer.
- The main cause of this problem may be NewGen is new in the market.
3.7 Choosing Alternative for the Problems For every strategic issue I try to stand some alternative action. From these actions the better one will be choose.

**Issue No. 1:** Average days of Payment are earlier than the days of average collection.

**Alternative Actions**

1. They can consult with suppliers about payment period and rigid the rules for receivable from the dealers.
2. Switch the suppliers

From these two actions the first one will be better for them because NewGen’s most suppliers are fixed.

**Issue No. 2:** Though the Gross Profit is increasing but the Net profit is showing the inverse.

**Alternative Actions**

1. Sales can be increase by focus on every stage of customer and meet up the admin cost.
2. Focus on less quality and more sales in low price to tackle the administration cost.
3. Control the admin cost by minimize the branches of many country

The third action cannot be implementing because new business will always in emerging position. On the other side the second one do not suit with their quality promise issue. The first one can be the best alternative from the other two.

**Issue No. 3:** Product price is so high from the view point of customer.

**Alternative Actions**

1. They can change their motto with “Bulb for save the world electricity” and this can motivate people to change their view point in buying bulb.
2. NewGen can telecast some advertisement to promote their product to the entire customer.
3. Supplier cost can be reduced by negotiation.

From the above action third one will be hard for NewGen but not impossible. So the others action can be taken like they can make some motivational advertise for their product, change the motto and reach the new motto with entire customer.

**Issue No. 4:** Local market is dominated by the local rival company.

**Alternative Actions**

1. Focus on the niche marketing by differentiate the product to capture the local market beside corporate.
2. They can be innovated some substitute product like solar bulb.

Here second one will be hard because that is a diversification to related business. In this early stage diversification is so risky. There can be picked the first one.
3.8 Recommendation for the Problems

From the alternative recommendation I chose the best option and try to show them in short term and long term basis. I also try to set the KPI in timeline and show it in graphically.

**Issue No. 1:** Average days of Payment are earlier than the days of average collection.

**Recommendation for the problem**

- They can consult with suppliers about payment period and rigid the rules for receivable from the dealers.

<table>
<thead>
<tr>
<th>Short Term</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage the foreign supplier for decrease the payment time and rigid the rules of collection of receivable</td>
<td>Switch the rigid suppliers with local or flexible suppliers.</td>
</tr>
</tbody>
</table>

**Timeline on KPI basis**

- (1st semiannual) Consult with supplier for decrease payment time
- (2nd semiannual) Try to rigid the rules of collection of receivable
- (3rd semiannual) Practice to give payment for longer time
- (4th semiannual) Switch the rigid suppliers who are not compromise with payment

**Issue No. 2:** Though the Gross Profit is increasing but the Net profit is showing the inverse.

**Recommendation for the problem**

- Sales can be increase by focus on every stage of customer and meet up the admin cost.

<table>
<thead>
<tr>
<th>Short Term</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change the marketing policy for focus on every stage and make an efficient team for local market</td>
<td>Get the information of customer and try to vary the product</td>
</tr>
</tbody>
</table>

**Timeline on KPI basis**

- (1st semiannual) Change the marketing policy
- (2nd semiannual) Make an efficient team for the local market
- (3rd semiannual) Collect the information by developing R&D
- (4th semiannual) Vary the product with the taste of customer
**Issue No. 3:** Product price is so high from the view point of customer.

**Recommendation for the problem**

- They can change their motto with “Bulb for save the world electricity” and this can motivate people to change their view point in buying bulb.
- NewGen can telecast some advertisement to promote their product to the entire customer.

<table>
<thead>
<tr>
<th>Short Term</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change their motto or theme with “Bulb for Saving the world Electricity”</td>
<td>They can telecast some advertise or short story to conscious about their product</td>
</tr>
</tbody>
</table>

**Timeline on KPI basis**

![Timeline](timeline.png)

**Issue No. 4:** Local market is dominated by the local rival company.

**Recommendation for the problem**

- Focus on the niche marketing by differentiate the product to capture the local market beside corporate.

<table>
<thead>
<tr>
<th>Short Term</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differentiate the Product with the basis of customer choice.</td>
<td>Capture the niche market and try to vary product with quality basis.</td>
</tr>
</tbody>
</table>

**Timeline on KPI basis**

![Timeline](timeline.png)
3.9 Conclusion

Electronic product is necessary for a counties technological improvement. Here light is another invention which is connected with the development. NewGen is new in Bangladesh but their spread out attitude is excellent. Though there is some problem but they are still in a good position. After solving their problem they can still have a good opportunity to upgrade.

Bangladesh is lower income country and the high price product cannot be affordable for local customer. But by concerning about the electricity problem NewGen can promote their product to local customer. Also after solving their internal problem the company can stable its business and this time it can grow the sales in low cost. So there is huge opportunities are still waiting for NewGen in our country.
Appendix

Website:

- www.acronymfinder.com
- http://energy.sourceguides.com
- http://www.bdyellowbook.com
- http://www.lighting.philips.com
- http://www.newgen.today

Books:


Annual Report:

- Annual report of Phillips
- Financial report of NewGen