

REPORT ON
OPERATIONS & INFORMATION FLOW
OF
NAAS APPARELS LIMITED

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NAAS APPARELS LIMITED

Submitted To

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Submitted By

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Date of Submission: - 15th December, 2011

LETTER OF TRANSMITTAL

15 December, 2011

Md. Jabir Al Mursalin

Lecturer,

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66 Mohakhali, Dhaka-1212.

Subject: Submission of internship report.

Dear Sir,

I am submitting my internship report on “**Operations and information flow of NAAS Apparels Limited**” as fulfillment of the BUS 400 course requirement. In this paper, I have tried my best to follow your guidelines in every aspect of planning and preparing my report. I have collected what I believe to be most important information to make my report as accurate & logical as possible.

I believe that the knowledge and experiences I have gathered during my report preparation will massively help me in my professional life. I will be obliged if you kindly approve this effort.

Respectfully yours,

Shaker Abdullah Khan

ID: 08104086

ACKNOWLEDGEMENT

First of all I would like to thank almighty Allah for the successful completion of the internship program.

At the very beginning I express my deep sense of gratitude to Md. Jabir Al Mursalin, Lecturer of BRAC Business School for his kind behavior and providing advice and guidelines as my teacher and internship supervisor.

I express my special gratitude to Mr. Taher Arif Billah Khan, Managing director; Mr. Delower Hossain, Factory Manager for helping me with their administrative skill, knowledge managerial ability throughout the program.

I acknowledge my thanks to Mr. Taher Arif Billah Khan, Managing Director of NAAS Apparels Limited, for his cooperation and kind permission to carry out this internship program in this garment factory. Thanks are also due to all the officers and staffs of the Garments for providing me necessary information and their kind co-operations.

EXECUTIVE SUMMARY

NAAS Apparels Limited is an export oriented garment factory which is situated in Rampura, Dhaka. It usually produces woven apparels like shorts, trousers, jeans, jackets etc. for ladies, gents and also for kids. They also have the capacity of producing heave knit apparels like polo t-shirts and all kinds of fleece products. I have worked on the operations and flow of information of a garments factory. There are different sections or departments in a factory which performs significant task to add value to pieces of fabric. There are sewing, quality, cutting, finishing section in a factory and they are named according to their tasks. First they cut the fabric into measured pieces. Then they sew it and wash it. After that they check the quality of the product. After that, they give the garment a final touch in the finishing section. Here the defected garments are altered if necessary after wash and packs it according to the instructions. I worked in the factory for 12 weeks and came to know how a factory runs and how the information passes from one to the other. A factory works according to its buyer's requirement. It does what it takes to match the satisfaction of the buyer. Here I joined as a technical executive and monitored the whole process for a clear idea. As a finance student, I came to know that how L/C (Letter of Credit) actually works and what are the procedures to work with this. Export is the sector which has a great potential in the near future. I came to know about the documents required for export.

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CHAPTER 1: INTRODUCTION

OBJECTIVE OF THE REPORT:

The primary objective of the report is to fulfill the partial requirement of the internship program as full credit subject of the BBA program.

The major objectives of the report are as follows:

- To describe the operations of NAAS Apparels Limited
- To describe the procedures a garment factory completes for each order.

SCOPE OF THE STUDY

The study is a part of academic curriculum. The collected data and information have been processed and analyzed in present scenario to make this study more informative and effective. I completed my internship program at NAAS Apparels Ltd, which is a ready-made garment (RMG) along with a member of Bangladesh Garments manufacturers & Exporters association (BGMEA) and situated in Rampura, Dhaka. This study has been conducted with practical view of operations and policies of garments sector and practical work experience on merchandising department. I got co-operation from every department of NAAS Apparels Ltd especially from Managing director of NAAS Apparels Ltd.

METHODOLOGY

The data we have presented in the report are collected from primary and secondary data sources. The sources are mentioned below:

Primary Source: since I worked in the factory for 12 weeks, I was able to access most of the operational process and learn from it. The manager, merchandiser, in-charges and even workers gave their opinions about their work.

Secondary Source: The secondary data sources were the reports, company profile, L/C copies etc provided by the factory manager.

CHAPTER 2: OVERVIEW OF NAAS APPARELS LIMITED

NAAS Apparels Limited is a readymade garments factory of woven apparels. It started its journey in the middle of 2001 at East Rampura, Dhaka. They are equipped with the most advanced technologies which have been brought from abroad. NAAS Apparels has always focused on quality goods, competitive price and guaranteed on time delivery. NAAS Apparels Limited is basically manufacture different type of ladies, gents and kids woven apparels (shorts, trousers & cargo pants) for export purpose. But they are also capable of manufacturing shirts. They also do polo shirts and all types of fleece products in some cases. They have the capability of producing 8,000 dozens per month of any basic woven style using denim, twill, canvas, poplin, micro fabrics. So far they have exported in many first world countries such as U.S.A, U.K, Germany, Belgium & Greece.

They got order from their buyer and after that they produced pants. NAAS Apparels Limited usually produces all type of woven trouser for both gents and ladies and child section. They also produce denim, twill, poplin fabrics based pants. The only product of NAAS Apparels Limited is producing pant and import these pants at first world country.

General Information of NAAS Apparels Limited

Name of Company : NAAS Apparels Limited
Address : 343, East Rampura, TV Road, Dhaka-1219.
Contact Person : Taher Arif Billah Khan
(Managing Director)
Phone: 8360286, Mobile: 01714-328688

Floor Space : 15,000 sq ft.

1st Floor: Office, Time section, Bartech section &
Store

Ground, 2nd & 5th Floor: Sewing Section

3rd Floor: Finishing Section

5th Floor: Cutting section, Sampling section & Store

Machines :

| | | |
|---------------------|-----|------|
| PLAIN MECHINE | 120 | NOS. |
| KANSAI | 5 | NOS. |
| TWO NEEDLE | 16 | NOS. |
| OVERLOCK 5 THREAD | 12 | NOS. |
| OVERLOCK 4 THREAD | 8 | NOS. |
| FEED OF THE ARM | 2 | NOS. |
| BUTTON HOLE | 2 | NOS. |
| BUTTON STITCH | 2 | NOS. |
| BARTECH | 7 | NOS. |
| LOOP MAKING MECHINE | 2 | NOS. |
| SNAP BUTTON | 7 | NOS. |
| CUTTING MECHINR | 3 | NOS. |
| THREAD WINDER | 1 | NOS. |
| THREAD SUCKER | 1 | NOS. |
| IRON | 6 | NOS. |
| TOTAL | 194 | NOS. |

The company maintains 6 (six) very basic departments and the management for managing and coordinating those six departments. The departments are sample section, cutting section, production department, finishing unit, quality department and the store. Each and every section plays a role in the production process and each of them is equally important.

CHAPTER 3: MY JOB

I joined there as trainee executive, but after a month of observation they appointed me as technical executive. As I mentioned earlier, in NAAS Apparels, management maintains and coordinates the other departments according to the plans and programs of the managing director. A garment factory runs according to the target and projection set at the beginning of any month. This is set according to the order or booking of a month. My job was to achieve the target or make sure that the target is achieved at the end of the month. My job is

- Approve the sample for any new order in terms of quality
- Checking the layout of production for any new style
- To convey daily plans to the respective departments
- Make necessary arrangements to achieve the daily target
- Making sure the actual order quantity is on process in time.

CRITICAL OBSERVATION

The most critical part I have faced during my job is starting a new style in a production line. Change of style or product is a major threat for any production unit. Every style has its own unique machine layout (in most cases). It is basically the setup or arrangement of machines according to the processes. Once the layout is set, the operators take time to adjust themselves with the new process and also the new layout. Sometimes the entire line works a whole day without any quality production. This kills a huge time of a production unit.

RECOMMENDATION

To solve this problem, the line in-charge has to determine or start planning the layout of the line as soon as the sampling starts. The layout plan should be submitted by the in-charge along with the sample so that the technician or even the managing director gets a clear idea of the line layout along with the garment. As this is done, the line in-charge will start the input of the new style as soon as the input of earlier style ends by changing the machines if necessary. Then as a machine gets empty, it will be rearranged according to the new layout. This process will be applicable for every single machine. This is how the layout will be set at the beginning of every new style. New layout always takes time to achieve its target. But the recommended process is faster than the traditional one.

CHAPTER 4: OPERATIONS & INFORMATION FLOW

Operation of a garment factory starts when it starts pursuing orders. NAAS Apparels Limited is currently doing sub-contract orders for other factories. After the negotiation with the factory, we are given samples of the garment or garments which they will order. This sample works as a reference for making one or two from our side so that they can understand our capability of doing the job. The sample is made in the sample section of the factory and then it is sent to the quality department. The quality manager checks the samples and then if those are ok, these are sent for the buyer's approval. If the sample is approved by the buyer, then the process of agreement begins. If they don't approve the sample, they give comments on the samples. Comments are basically remarks of the sample and it tells about the areas of improvements of the sample. After receiving the sample, we again make this sample according to the given comments. If this sample is approved by the buyer, then it will be called the approval sample and the factory will aim to make the garments according to that sample. If the buyer denies the fit sample, the same process will go on until the sample is approved. After the sample is approved, the buyer and the managing director of the factory will come to an agreement about the styles, quantity and price of the ordered garments and sign a written agreement.

For sub-contract order, buyer delivers each and every material needed for production (fabric, thread and all other accessories for sewing and finishing the ordered goods). They also give the patterns of different sizes of the ordered garment for cutting fabric. This delivery is given after the agreement. Then the process of production starts.

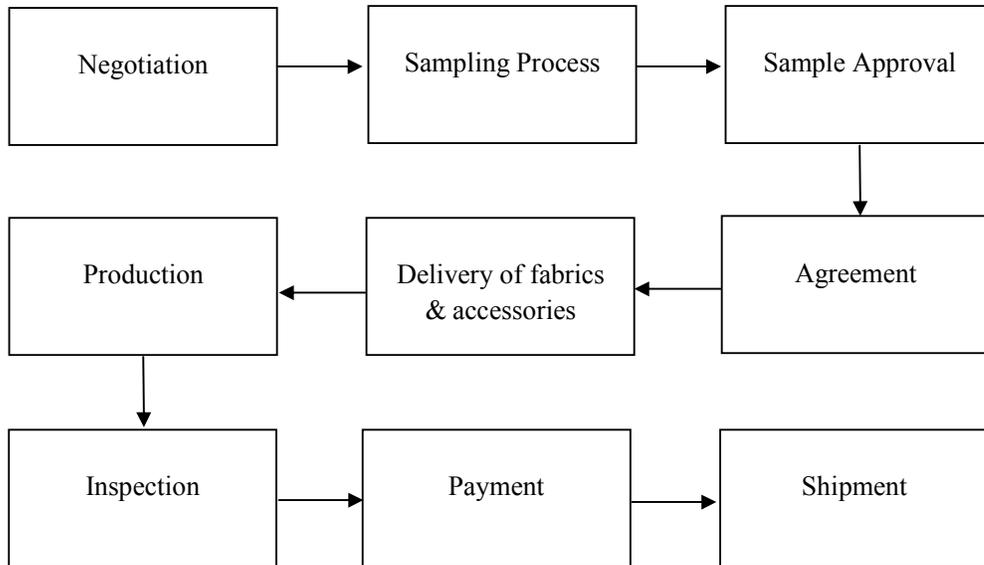


Diagram: Steps of sub-contract orders

The process of direct orders from the buyer is a bit complicated and lengthy. Here, first we have to contact the buyer and communicate with them about orders. Then, we visit buyer's local office in Dhaka for a formal meeting. Sometimes we have to go to the regional office situated in Hong Kong for the meeting. This is the negotiation part. If all goes ok, the buyer gives us tech pack for their each desired style. This tech pack is the technical sheet of a garment which contains all the information about a particular style. The sample is made on the basis of this tech pack. This sample is made by available fabric and accessories. There are different types of sample which we submit to the buyer. Fit sample is the sample which we make according to the comments of the first submitted sample. We have to make size set sample by which we get the sizes of the garments approved. Another one is the P.P (pre-production) sample which we have to make with the actual fabric and accessories and wash according to their requirement. We also have to send production sample. This sample is sent

to show the buyer how the production is going on. Some buyers ask for salesman sample. They ask this to show the upcoming garment to their customers.

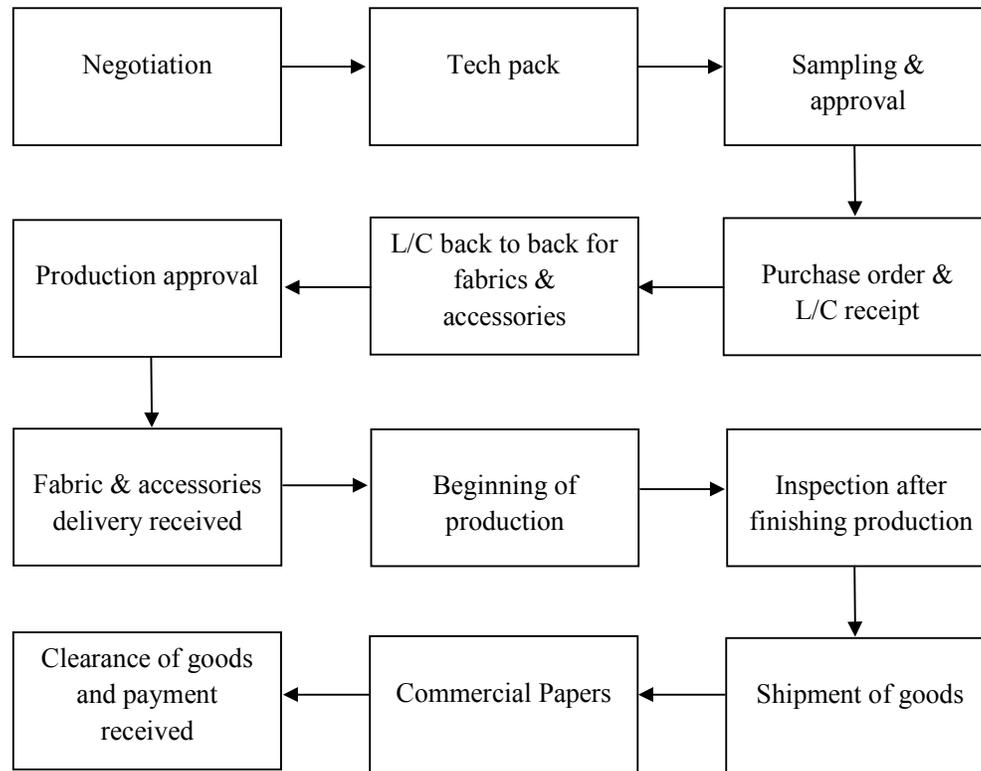


Diagram: Steps of direct order

During the sampling process, buyer issues the purchase order and L/C (letter of credit). The purchase order states the description of the goods, the total quantity of the goods and the size break down. We get this from the buyer by e-mail. But the L/C comes to the bank as it is a bank to bank document. As we receive L/C, we go for back to back. This means we take preparations for issuing L/C for the fabric, accessories and wash even if necessary against the received L/C. We can do back to back up to 75% of the L/C amount. As we don't get any cash for the L/C, bank issues 10% cash as Packing Credit to meet necessary cash expenses to complete the delivery. After this we receive the production approval. That means we can start

the processes of manufacturing the garments. Meanwhile, we receive all the ordered fabrics and accessories.

PRE PRODUCTION DISCUSSION

Before starting the production process, the managing director calls for a meeting with the senior staffs where all the technical matters are discussed. In the meeting, targets are given by the managing director and to achieve the target, the general manager and other responsible persons have to take necessary actions.

PRODUCTION

I) CUTTING:

The production process is similar for both direct and sub-contract orders. It starts from the cutting section. Here we do marker according to the patterns and then cut the fabric in different sizes. A marker contains each and every part necessary for sewing a complete garment and the marker is done according to the size ratio given in the purchase order. Usually, marker is done for 24 pcs (2 doz.), 18 pcs (1.5 doz.) and 12 pcs (1 doz.). Then, they put necessary (usually 100/ 150/ 200) layers of fabric and cut it along with the marker.

II) SEWING:

After cutting the fabric, they supply it in the sewing unit. Sewing unit is where the basic flow of information is utilized. This information flow is controlled and maintained by the senior production staff. Each and every senior production staff gets a technical sheet and a sample before starting production. A sewing unit or line is controlled or monitored by the line chief.

They have 2/3 supervisors working under the line chief. Before the cutting section delivers the parts for sewing, the line chief sets the machine layout on the basis of the sample. Layout is the process after process arrangement of the machines. Then, the place the operators and helpers according to his plan, brief them about the product and shows critical process to the operators. As soon as the cutting fabric is delivered, sewing begins. The quality manager place line quality in the critical points such as front panel, output table etc. Quality manager and quality controller monitors the production along with the line chief.

III) WASHING & FINISHING:

After sewing a garment, it is necessary to wash it. Washing instruction is also given by the buyer. There are different types of wash for different fabrics. We have to wash garments according to buyer's instruction. After washing, the garments are ready for finishing. Finishing is basically checking if the goods have and defects or not and then giving it a finishing touch before inspection. In finishing section, there are finishing checkers for checking the garments if those have any defects or not. If there are defects, finishing operators alter those and make those ok. Then the garments are ironed. After ironing, there are quality checkers checks the getup of the body. If they pass the garment, it is sent for packing. Packing is done according to the instruction of the buyer. This whole process is monitored by the finishing in-charge and finishing supervisor.

IV) QUALITY DEPARTMENT:

Quality department is responsible for both sewing and finishing section. Quality manager and controller roam in both sewing and finishing sections and ensure the quality of the products. The information flow is basically the co-ordination of these three sections (sewing, finishing and quality). The main utility of information flow in a garments factory is to maintain the

product quality. If they have smooth flow of information, the quality of the garments will be up to the mark and the target will be met in due time. Packing goods means those are ready for inspection. Inspection is done by the buyer authorized person only. If the goods pass the inspection, those are ready for shipment. If they don't pass, we have to re-check the goods and then go for inspection again.

v) SHIPMENT:

After passing the inspection, we ship the goods. In sub-contract order, the payment has to be received before the shipment. Processes of sub-contract order ends here. For the direct order, the factory ships the goods according to the L/C instructions. Sometimes buyer nominates their agent for shipping the goods.

vi) DOCUMENTATION:

After the shipment, the commercial process starts. For shipping the goods, we have to pass an EXP form from the bank. This form contains all the information (type, color, quantity, price etc.) including shipper and buyer details. This is the document for the export processing bureau. Passing this document means, notifying the authority that this goods are being shipped. After that, we hand over the goods to the forwarder. If buyer doesn't have any nominated forwarder, we can send the goods by any forwarder. After shipping the goods, we take preparations to submit all the shipment documents to the bank. Usually the following documents are required for shipment:

- Commercial Invoice
- Packing List
- Bill of Lading Copy (Airway Bill copy for air shipment)
- Certificate of Origin

- Beneficiary Certificate
- Inspection Certificate

As L/C is a bank to bank negotiation matter, we have to submit all these documents to our negotiating bank. After that, they will send it to buyer's bank. Bill of Lading is the main document for the buyer as this is used to clear the goods. A vessel takes around 3-4 weeks to reach its destination (Europe/America). When the vessel arrives, the buyer shows the document, pays the amount stated in the commercial invoice and clears the goods. The total process ends here.

There is another privilege which shipper gets from their bank. This payment process is a bit lengthy which takes about 3-4 weeks to get the money. The shipper can discount the L/C and collect the balance money after shipping the goods. That means the factory gets the money excluding back to back L/C amount and other charges just after shipping the goods if they discount it. But the amount of back to back L/C and other charges will be paid after buyer's payment.

vii) STORE:

Last but not the least; the store plays a crucial role in a factory's operations. It is one of the most important departments of a factory which only reports to the managing director. The store is responsible for every purchase a factory makes. That means, fabrics, accessories, machines or and other inventory is under the store. Store keeps track of each and every inventory of the factory.

CHAPTER 5: CONCLUSION

To sum up, I would like to say that lot of people works in a garment factory. But at the end of the day it is one production unit. Each and every person working here aims only at one thing, producing garments. Its operations are critical and run by highly skilled people in most cases. Every person in a garment factory works hard and tries their level best to add value to the pieces of fabrics. This sector has a huge potential and I have learned a lot through this time period which will help me in the future.

REFERENCES

- Company Profile
- Company Report on December, 2010
- L/C Copies and other documents of the factory