Unilever

Primary natural resource
Unilever origins in Port Sunlight

Creation and hard work

Sensitivity
Healthy and sparkling with energy

Paradise
Fragrance

Fresh ingredients
Blending flavours

Delicious-smelling food

Looking good

Nutrition
Freshness

Purity
Sea and fresh water

Love, care and health
Growing

Fresh laundry
Cleanliness

Science
Beauty and taste

Packaging
Internship report

On

“Logistics Efficiency Development in Distribution and Damage Control”

Prepared For:
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Date: 23rd January, 2012.
Letter of transmittal

January 23rd, 2012

Ms. Mahtab Faruqui
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Subject: Submission of internship report.

Dear Madam,

I would like to take the opportunity to thank you for the guidance and support you have provided me during the course of this report. I also want to express deep gratuities to Mr. Rezwan Hamid, Territory manager, Tejgoan territory for his cooperation and supervision.

In this report I tried my level best to provide authentic information. I also tried to reflect my experience driven learning and findings. I request you to excuse me for any mistake despite my best effort.

I also appreciate if you enlighten me with your thoughts and views regarding the report. Also, if you wish to enquire about any aspect of my report, I would gladly answer your questions.

Yours Sincerely,

Irfan Rafique
ID: 08104001
BRAC Business School
BRAC University
ACKNOWLEDGEMENT

Prosperous conclusion of any course requires support from various personal and I was fortunate to have support, direction and supervision in every aspect from my teacher, Unilever officials and friends.

I would also like to express my cordial thanks and gratitude to my supervisor of internship program Ms. Mahtab Faruqui, senior lecturer for farm encouragement as well as guidance in preparing this report. I acknowledge my gratitude to Mr. Rezwan Hamid for his guidance, cooperation and help.
Executive summary

Unilever is one of the largest FMCG companies. In Bangladesh Unilever’s operation is named Unilever Bangladesh LTD. UBL has approximately 1400 core taka yearly sales. It has managed to grow double digit for last six years. UBL has 21 brands with 300 plus variant, Unilever is the most trusted name in BD. Most of the brands have got very strong position in market. UBL has remarkably highly stand and in corporate governance, business ethics, products and deep commitment to environment and society. UBL run direct supervision of regional office located in India. Brand, customer development, supply chains are the main department.

I serve as an intern in customer development department. Ensuring availability and visibility of the product is the main task of Customer development department. As an intern I work for a project in warehouse management and damage control and I also serve as an acting territory manager of Tejgoan territory for 14 days. In warehouse management project I have implemented the global compliance factors in a local manner, and prepare the warehouses for the future.

I have serve as an acting territory manager for two weeks. During my period I have crossed the sales bar and put Tejgoan territory number one in Dhaka Metro in sales ranking. When I took the charge Tejgoan it was in number five.

Damage is a serious problem for UBL. Finding out the reasons of damage was a serious challenge for me. After analyzing all the reasons of damage and other things I found that UBL can reduce damage by taking few steps. If UBL just re-verify their fabric wash transit, manufacturing process system loss reduced by minimum 50%.
Chapter 1

Introduction To The Report

- Background of the report
- Origin of the report
- Objective of the study
- Scope of the report
- Methodology
1.1 Background of the study

Today very dynamic and competitive business environment efficiency and productivity of a company play a very important role. Warehouse management and deli vary efficiency is very important. At the same time minimum system loss ended up with higher profitability. In this study I show Unilever experience and work as a part of logic project. My research findings regarding logic efficiency all explain in this report.

1.2 Origin of the report

The report is a requirement of internship period if my BBA program. Topic has been assignment by the Unilever. I try my level best to make it a good one I have been serving this company as an intern of customer development department for three months.

1.3 Objective of the study

   General objective

   The main objective this report is to have an assessment about overall activities of customer development department how they ensure the availability visibility of their products in the market.

   Specific objective

   1. Understand the sales of UBL
   2. How CD work
   3. Find of the logistic inefficiency
   4. Find out the reasons of system loss

1.4 Scope of the report

The internship report covers all how UBL sales operation works and basic overview of other department. The report has prepared through my experience, extensive discussion with the customer, manager, logistic crews, production guys and my critical observation. It was a very good learning experience for me.
1.5 Methodologies

To make this report meaningful and presentable, I used primary and secondary source both. Most of the data come from my critical observation. Primary data come from my experience, observation, unstructured interview. On the other hand secondary data collected through internet, different journals year book regular reporting.
Chapter 2

Overview Of Unilever

- Unilever Global
- Unilever Bangladesh
- History of Unilever
- Mission
- Vision
- Key facts about Unilever
- How UBL works
- Brands of UBL
- CSR of UBL
Unilever:

2.1 Unilever Global:

Unilever is a British–Dutch multinational fast-moving consumer goods company. It is offering more than 400 brands include foods, beverages, cleaning agents and personal care products. Unilever is one of the world’s finest makers of packaged consumer goods and moves numerous products like deodorants, fragrances, soap, margarine, tea and frozen foods all over the world. The company sells products in over 150 countries and has annual sales of €44.262 billion (2010). Unilever controls subsidiaries in at least 90 countries and employs more than 163,000 (2010). Unilever is one of the world’s three largest food firms -after Nestle and Kraft- and the world’s second largest packaged consumer goods company –behind Procter & Gamble. Unilever has two billion consumers who use their product in a regular basis. Unilever is a dual-listed company consisting of Unilever N.V. in Rotterdam, Netherlands and Unilever PLC in London, United Kingdom. The current non-executive Chairman of Unilever N.V. and PLC is Michael Treschow while Paul Polman is Group Chief Executive. It was the 18th largest company on the FTSE, with a market capitalization of £27.3 billion as at December 2011.

2.2 Unilever Bangladesh:

Unilever Bangladesh Limited (UBL) is the largest FMCG Company in Bangladesh. It is the largest trusted brand name in skincare, hair care, fabric wash and dish wash. Unilever PLC own 60.75% and Peoples Government of Bangladesh own 39.25% of the total equity. They have their state of art factory in Kalurghat Chittagong. This is one of the most environmental friendly factory in Bangladesh and has a very efficient waste management system. UBL also has some factories in different places in Bangladesh of fabric wash, mixing and packaging. In these factories they produce basically the low end brands and same time for the high end brands they depends on internal trade. Besides these, there is a tea packaging operation in Chittagong and three manufacturing units in Dhaka, which are owned and run by third parties exclusively dedicated to Unilever Bangladesh. UBL has a sales approximately BDT 14 billion. UBL employed approximately 12000 people directly to run their operation. Currently UBL offering 21 different brands in the Bangladesh of home and personal care and food products.
2.3 History of Unilever

2.3.1 Unilever Global

Lever Brothers was founded in 1885 by great entrepreneur William Hesketh Lever. Lever establish soap factories around the globe, he stared to diversify his business into foods, acquiring fish, ice cream and canned food business. All time Unilever tried to use better technology than its rivals. The business grew and new ventures grew and new venture were launched America, Asia. The entrepreneurial spirit of founders and their caring approach to their employees and their dedicated community remain at the heart of Unilever’s business today.

Unilever business growth prosperity increases when they merged with Dutch margarine Company margarine ‘Unie’ merged with Lever Brothers. They started large scale marketing of household products and both used similar distribution channel. In a history that cross three centuries, Unilever’s success has been influenced by major events of the day-economic boom, depression, world wars, changing consumer lifestyle and advancing technology.

2.3.2 Unilever Bangladesh

Unilever Bangladesh is world one other fastest growing FMCG company with local manufacturing facility, reporting to regional business groups for innovation and business results.

Unilever Bangladesh started its glorious journey as Lever Brothers Bangladesh Ltd. On 25th February 1964 the eastern plant of lever Brothers Pakistan Ltd. was inaugurated at Kalurghat, Chittagong with a soap production capacity of approximately 485 metric ton. It was a private Ltd company with 55% share held by Unilever and rest by the government of Pakistan. After independence ester plant was declared abandoned. But on 5th July 1973 it was registered under the name of Lever Brothers Bangladesh Ltd as joint venture Company of Unilever Plc.
2.4 Mission

Unilever's mission is to add Vitality to life. They meet every day needs for nutrition; hygiene and personal care with brands that help people feel good, look good and get more out of life.

2.5 Vision

To make cleanliness a commonplace; to lessen work for women; to foster health and contribute to personal attractiveness, in order that life may be more enjoyable and rewarding for the people who use the products.

2.6 Key facts about Unilever Global:

- Products are sold in more than 180 countries.
- Launched more than 100 brands into new markets in 2010.
- Top 12 brands all have sales of more than €1 billion, and our top 20 brands account for 70% of our sales.
- Underlying volume growth in 2010 was 5.8% - the best we have achieved in 30 years.
- Operate in 11 product areas – and are global leaders in seven of them.
- Brands like Dove, Lux, Pond's and Rexona have made us global leaders in the deodorant and skin care markets – where our sales grew 7.9% in 2010.
- Lipton's and Brooke Bond, Ben & Jerry's and Heartbrand are among the brands that have made us global leaders in the ice cream and beverage markets – where volume grew 5.9% in 2010.
- More than 167,000 people work for Unilever.
- More than 50% of our business is in emerging markets.
- Unilever have more than 50 years' experience of working in Brazil, China, India and Indonesia.
- Our Sustainable Living Plan, launched in 2010, is helping more than a billion people take action to improve their health and well-being.
2.7 meaning of Unilever Logo:

The current Unilever logo was introduced in 2004 and was designed by the brand consultancy Wolff Olins. It is comprised of 26 icons woven together to create a U shape, with each icon representing one of the company's sub-brands or its general values. The brand identity was developed around the idea of "adding vitality to life." It tries to portray Unilever’s deep commitment to its consumers and environment. The whole meaning of logo is elaborately described in appendix 2.

2.8 Unilever Bangladesh

How Unilever Bangladesh Works:

Unilever Bangladesh takes different tactical and strategic moves to maintain it’s competitive advantage over its rivals and maintain sustainable growth. By adopting state of art technology upgrade the skills of employee through training and perform research and development faction for better product. In the case of low end brands Unilever tried to follow low cost leadership driven by economies of scale. Unilever Bangladesh is part of Unilever PLC all the way UBL has to follow the global standard. Unilever Bangladesh’s most of the brands are global brands which gives them extra synergy and strength. Some times implementation of global policy or strategy in a local way is big challenge. UBL is at present going for business diversification like they the launching new food brands like Knorr.

Ensuring sustainable growth is another serious challenge; it is growing 17% per year and which is near about double of our national GDP growth. Expanding its production capacity and increase is human resource to support its production expansion is a daunting task.

UBL falls under Southeast Asian region. On a more micro scale UBL is monitored by Hindustan lever Ltd. The chairman of Unilever is MD as well.UBL has five departments to carry out all the organizational functions. All the departments are led by the respective directors. Customer Development department is for basically sales. Brand and development Department works for promotion, research and find out the new opportunity. They are basically responsible understanding consumer behavior and rivals move and take necessary steps.
2.9 UBL’s responsibility to Environment and Society

Unilever’s logo expresses its deep commitment towards environment and society. UBL plants are very ecofriendly. They also go for any social aware news campaign like SHADA MONER MANUSH, where people with deep commitment and sacrifice to the society are rewarded. They also celebrate world hand washing day, where Unilever create awareness among people. Working with the Friendship charity, Unilever Bangladesh sponsored the complete transformation of a French oil-barge into a comfortable residential boat with proper amenities for medical procedures. Launched in 2002, the 38 meter Lifebuoy Friendship Hospital plies up and down the ‘char’ regions with a full team of medical experts and a well-stocked dispensary. UBL’s small step makes huge difference in these regions.

2.10 Brands of Unilever Bangladesh:

Unilever Bangladesh at present operating with 21 brands though Unilever Global has 400 brands. In Bangladesh Unilever’s Brands are categorized into four major categories.

In personal care there are skin and hair care. In skin care the Brands are Fair & Lovely, Ponds for female, Vaseline for man. In hair care, brands are Sunsilk, dove, Clear. Sunsilk shampoo and conditioner for women on the other hand Clear is the hair care brand for man last but not the least Dove is the premium brand.

In personal wash Close-up and Pepsodent are oral care brand. LUX and lifebuoy are regular soup brand and Dove soap is the premium brand. In personal wash there is also a liquid hand wash in this category.

In home care categories there basically two types of brands one is Fabricwash and Dish wash. In fabric wash Surf Excel is the premium brand and Wheel and Rin are regular fabric wash brand. And in Dish wash Vim is the only Brand in the market.

Though globally, Unilever has got very strong presence in food and Beverage but Bangladesh it has only Two Brand, one is Lipton Taaza and another is Knorr instant soup. This instant soup brand is very new in Bangladesh. In the appendix 3 the brand categories and the logo and major variants are provided.
Chapter 3

FUNCTIONALITY OF CD

- UBL customer development department
- Trade structure of UBL
- Channels of UBL
- Perouse of Customer development department
- How CD works
- My job responsibility as an intern
- Time line- First month
- Time line- Second month
- Time line- Third Month
CHAPTER THREE

3.1 Unilever's Customer Development Department

CD is basically responsible for overall sales and distribution. It serves as a bridge between company and the consumers. To make this happen CD have to ensure proper coverage, availability and visibility. To do so they have to explore new channels of distribution, ensure the visibility of brands through active merchandising, developing our distributors to improve our penetration and coverage. Customer development structure is added in appendix 4.

3.2 Trade structure of Unilever Bangladesh

Bangladesh is an emerging economy. The trade environment is changing very fast. Basically Unilever's trade structure is divided into few groups like General trade, Modern Trade, shopping complex etc. General trade is the life line on UBL. General trade contributes the highest, Approx. 800,000 outlets are covered by the general trade, 500000 directly and 300000 indirectly. Modern trade is self-service independent store basically located in urban areas. It has got a huge growth of annual 50%.

3.3 Channels of UBL

Channels are common group of point of purchase which provides similar service to similar types of customers with similar types of desire. Demography plays a huge role on channel. There are 800000 thousand outlets covered by 27 channels. Among them 9 have been formal and regular channel. The formal channel and its descriptions are given in appendix 5.

3.4 Purpose of the CD Activities for Unilever

Ensure exclusive visibility and all over availability of Unilever product. Manage higher value in shopper’s basket. Execute higher growth in different categories and maintain strong trade relationship with customers through the retailers and wholesalers.

3.5 Purpose of the CD's Activities to retailers

CD team ensures the retailers product availability. Unilever also provide merchandising material to specific outlets many cases Unilever also provide shop sign, panel branding, shelf taker and other merchandising material. The main objective of doing this is the increase sales by
ensuring visibility, availability. We basically do different types of trade promotion and consumer promotion

3.6 How Customer development department Works

Starting from the depot to reaching the products to the market, Unilever CD plays a very important role by doing proper indenting of products with focus on special brands and SKU by managing distributor’s money. CD also handles the products during the transit, trains distributors field force for their capacity building. They also involved with planning product placement and delivering news of brands to the remotest places. Make sure right thing is placed in right quantity. They also divide the target in among different team. CD guys also have to hire and manage contract merchandiser for merchandising. They also explore different display program and scheme.

3.7 My Job responsibility as an intern in Unilever

Time line

3.7.1 First Month

Monitor all activity of Unilever

First week was introduction to Unilever. I have visited different managers and departments to figure out how UBL works and how all the departments’ works. How Brands Supply chain, Brand, Customer Development are interrelated. As an intern of CD I had gone through CD activity in detail. How CD makes Unilever products are available in the market. How the reporting system works, what is chain of command etc. have report the summary to my line manager.

Basic sales

As we all know that basic of CD is selling. Sales teams in territory level are front line solder. For successful selling, ensuring availability and visibility of the products is prerequisite. To make this happen we have to place the product in right outlet, right place at right time. I have to visit market with sales officers to know how they work, how they communicate with the shop owner
and how they increase the sales, how they place slow moving SKU. All together they have some KPI called effective coverage, Strike rate, Lines per call. I have to visit the shops with our sales officer and communicate with the shopkeepers to find out their problem about Unilever products and I have to convey those problems to line manager. And by his consent I have to fix them. At the same time my duty was increase the sales. Unilever is growing very fast; its existing production capacity is not enough to support its growth. Unilever is expanding its production capacity. During expansion time existing production decline, so serious shortage incurred. For an example Unilever is number in household care. In dishwashing Vim is the market leader with more than 95% market share. Production was stop for couple of month due to production capacity expansion. There was serious shortage of Vim in the market. In that time we have to ration vim. I have to ensure proper rationing of Vim among our outlets. Delivery is equally important like order. Greatly order is collected by sales officer or senior sales officer on the other hand delivery and collection is conducted by the junior sales officers. In fact junior sales officers are responsible for delivery but they have team of vehicle driver and crew. I have to ensure the proper delivery and collection of a market. The main challenge was making issue vs. deliver percentage 0 and in gating order achieves the 100% target.

**Inventory Management**

In inventory management I have to work with warehouse. I have to find out the existing demand and our stock. To avoid shortage I have to inform the TM to synchronize the indent. At the same time I also work with product shortage. Product shortage is basically the carton shortage. Some product shortage is due to manufacturing fault but most of the product shortage is basically caused by pilfering. It can happen in many ends like in truck during transit, in unloading, from warehouse or in delivery. I used to work with delivery and warehouse pilfering. My main duty was like watch dog. My main duty was minimize the pilfering.

**Distributor Management Software**

DMS plus is the name of distribution management software used by UBL. I have stay whole day is It room and learn how the DMS work. How to generate different reports related to sales, employee performance and incentive. In that time I also help my line manger to count physical stock. Matching physical stock and DMS stock is regular activity.
**HR management in Distribution Point**

Sales forces are not direct Unilever employee but the performance of sales force is monitor by the Unilever and their performance incentive is given by the Unilever. In every distribution point there is HR co-coordinator. I have to work with his for couple of days to know the HR activity in a distribution point. HR plays a very important support role in sales. I have to learn all the HR activity and present my learning summary to my line manager.

**Damage claim and other claim**

Unilever pay for Damage and shortage of product to the distribution point. Unilever withdraw damage, date expire product from the distribution point. Damage claim is passed by the TM. I have to cross check the damage and shortage before the claim passed.

**Monitor the warehouse and Delivery activity**

I have to stay on the warehouse to figure out all the activity in warehouse. At the same time I have ensure proper delivery support by the warehouse.

**3.7.2 Second Month**

**Get the project:**

In the very beginning of the second month I got my project related with warehouse management. The main objective of the project was make the Ensure the warehouse meet up Unilever global guide line like fix up all the structural issues, regular execution of Unilever norms in all distributor houses (FIFO, Staking norms, damage policy), Efficiency in loading & unloading, Delivery efficiency, Ensure proper accounting Minimize the warehouse loss to closer to ZERO. The main goals of this project were Warehouse norms implementation: passing the 3rd party Audit, Last dispatch & last receipt (10.00 am & 7.00 pm), Damage %: Lesser than first half, 2011, Loss in warehouse: Less than .001% against turnover. At the same time I get some papers to relate to warehouse management and the aspects of Audit.
**Setup the guideline for warehouse:**

Warehouse at distribution points are not previously monitored by the UBL. They just provide some basic guidelines but which is not implemented by the Unilever. We also know that in Bangladesh real estate price is sky rocketing. It’s a daunting task to get warehouse with sufficient space in Dhaka metro. I also set some regular guideline with the help of my line manager and Regional sales manager and other related guy. The whole guideline is in appendix 6 and a summary is there. In this guideline except the structure all other things are day to day practice and maintenance. I strongly believe that warehouse is the heart of distribution. So it should be maintained efficiently. Mismanagement in warehouse can be a major cause of failure for a distribution process. A proper distribution house requires adequate space to handle the stocks efficiently. There is two processes through which we can maintain inventory at warehouse. One is “First in first out (FIFO)” and the other is “Last in first out (LIFO)”. LIFO on the other hand items which have expiration should be maintained FIFO method while stocking. Unilever business is growing at a double digit rate in last 6 years which has been the accumulated result of distributors’ individual growth. In this consequence distributors stock cover is increasing in every year which in turn require more space in warehouse. But reality is cost of real state is increasing massively in last few years which is affecting the investment of our distributors. In this circumstance we need to think something new to manage the inventory in a better way without involving huge cost. Space optimization becomes the most urgent action to overcome the crisis. To optimize the space and improving the efficiency at ware house we need to implement the TPM process. At the same time we have tried to basic safety standard like active fire extinguisher, concealed cable, insufficient light, and gangway and aisles. Bean card is maintaining for FIFO and other things like height marking and shelf are important for reducing damage and space optimization.

**Visit All 10 distribution points of Dhaka Metro and Implement TPM:**

Unilever is growing very fast by 2015 the company size will be double. Warehouse and delivery management is the backbone of any distribution. Capacity building and increasing efficiency is a big challenge. At the same time we can’t expand our warehouse space as per our requirement due to the real state price hike. So we have to optimize the existing warehouse space and ensure best efficiency in the warehouse. This TPM thoroughly implemented first time. When I visited theses
warehouse in that time they are in miserable condition. Most of them don’t have active firefighting system, don’t have proper damage keeping system, proper lighting, moist proof floor, unconcealed cable, proper gang ways, stack height marking, floor marking is missing. Most of the warehouse is not up the mark. To cover these warehouses up to the mark is serious challenge. But best part was all the respective territory managers and distributors are very cooperative. Few of problems photo are attached in the appendix. Most of the cases the problems are very common like floor marking is missing, do not have proper ventilation, exhaust fans are out of service are very common type of problem. I have fixed up all the problems and increase the usable space in warehouse in warehouse. I also attached the main checklist sheet with the report. After my fixing there was a third party audit in all Dhaka metro warehouses. All the warehouses of Dhaka metro passed in all KPI. Which is considered to a excellent performance by Dhaka metro team.

**Ensure the proper link between warehouse crews:**

Warehouse performance is highly dependent on the performance of crews. Warehouse keepers are solely responsible for the all inventory of the warehouse. If any inventory is missing from warehouse, warehouse keeper is responsible for that. So warehouse keepers have be very aware in this regard. In warehouse for loading and unloading daily labor works JSO received product for delivery. Here my duty was find out the inefficiency, reduce system loss, pilferage. So I have to stay throughout the day in warehouse. I used to talk with everybody of warehouse and tried to figure out the main problems. At the same time passed huge time for a very close observation about damage. This time I come up with some findings and recommendation will describe it in findings and recommendation part.

**Awareness campaign among warehouse keepers:**

In distribution level warehouse products are lifted totally manually. Most of the labors are contractual and they are compensated according to the number of sack or carton lifted. They don't care how they are lifting it; they just care at what number they are lifting. So all the inventories are highly mishandled and ended up with huge damage. Especially the sacks of fabric wash are treated as the sacks of rice. They throw them like anything. At the same time they are not aware of staking norms and FIFO method. If the entire inventory are not tactically placed
its very difficult to maintain FIFO. Inventory supposed to be paced side by side according to shipment so it will be easy to maintain FIFO. I found that it’s the training and awareness campaign that would make the difference. So I ask my line manager for training. I have conducted an on job awareness campaign and training for the lifting crews. After that it was easy to maintain the FIFO and damage in fabric wash reduced remarkably.

3.7.4 Third Month

Increase the number of perfect store:

Perfect store is strategically important for Unilever Bangladesh. An ideal perfect store photo is added in appendix. Unilever is spending millions of BDT for perfect store basically the display program. All distribution points have target to increase the number of perfect store. I have find the prospected perfect store from all the list of all stores. And I also get a team of three, two of them are contact merchandiser and one is sales officer.

In perfect stores Unilever basically conduct display programs. Our team was able to add 16 new perfect stores. At the same time, we also used to go for policing existing perfect store. That is in our all perfect store right quantity products are displayed in right place. Unilever pay a handsome amount of money to shop keeper for display.

Relationship development with wholesalers:

Wholesalers play a huge role in Unilever growth. The growth of wholesalers is higher than the growth of general trade. Now Unilever's products are reaching very remote places of Bangladesh. Basically the wholesalers of Moulavi Bazar and Karwan Bazar sell most of the inventory to them. Good relationship with wholesalers is very important. Conventional distribution can cover 70% but rest of 30% is covered by the wholesaler. There is special program for wholesalers named DostirSholanana. I also meet with the wholesalers and try find out their problems, help them to achieve target. Every year for every region there is a program for dosti members. I also work for arranging this program for Dhaka metro.
Serve as an acting territory manager:

In the absence of Territory Manager (TM) of Tejgaon, I served as a TM. Tejgaon is the UBL’s largest Distribution point of Bangladesh. During this time I have run a sales team of 250 members which was a very challenging task. In this time I have to manage the whole distribution process. In this time my first challenge was that in front of them prove that for now I am not an internee rather I am the responsible person. For that I had conducted separate meeting with all the team leaders and convince them to execute my plan. After that, at the very first day I called a TM’s assembly and bring all the people there. During these days my main taget is make my team number one in Dhaka Metro. I motivated all my team members to run for an extra mile and put their best. During this period I got a challenge of a ‘sales bar.’ A sales bar is a distribution point has to cross a benchmark of 44% of its monthly target by second week of the month. If any distribution point misses that sales bar then whole distribution point get penalized by not paying incentives for their performance irrelevant to whatever is the performance at end of the month. We put our best on this and optimized our existing inventory and we successfully crossed the sales bar. After that we came to know that only three out of nine distribution points of Dhaka Metro have successfully crossed it and rest of them failed. For crossing the sales bar and increasing the sales volume, I personally visited two different sales hubs like Moulavi Bazar and Karwan Bazar. We conducted spot selling in all wholesale points and big retailer outlets. Conventionally UBL takes the order in the day before delivery but we deliver the product in the same day. I personally monitored our urban hunter who is responsible for corporate selling. I also talk with few of our corporate client personally.

After crossing that bar I set a new target for my team that Tejgaon distribution point should be the number one among all the existing territories of Dhaka Metro. During the time I took over the territory it was on number five in ranking of performance in the Dhaka Metro. Regional Sales Manager make this ranking based on target versus achievement percentage. During that time I have to make regular indent and all other regular sales report and also have to manage my distributor’s working capital. I had to use my merchandising team to ensure very good visibility of our products in the market because there is a visibility audit in the third week of every month and I had to deal with it during my period of assignment. I also had to maintain the DMS and
make sure it’s giving proper support to my operation. I ensured a very efficient inventory management to support my sales plan. In addition to that I had to take care of distribution correction also. After doing all this I made my territory number one in Dhaka Metro during my assigned period in general trade.
Chapter 4

Functionality of CD

Research, Finding and Recommendation

- Significance to the company
- Significance to the employee
- Significance to the Distributor
- Significance to the Customer
- Research design
- Methodology
- Target Population
- Element of the population
- Sampling Unit
- Sample size
- Sample Technique
- Limitations
- Data presentation and Analysis
- Findings
- Recommendations
Background of Research:

Warehouse management, damage control and efficient delivery management is very important part of distribution system. Especially warehouse management is tactically and strategically important for control damage and better delivery. Now-a-days, damage is a serious problem for UBL. In Bangladesh UBL’s damage is on an average 0.05 percent to 0.07 percent of its entire production. This damage is basically incurred by manufacturing fault, during transit, in warehouse or in delivery. At the same time carton shortage is also taken as damage. It directly or indirectly declines the overall productivity of distribution system followed by the profitability of UBL. As per policy UBL has to call back its damages and destroy it. Though those are damaged inventory but it incurs all cost from raw material to delivery of product and also the production vat as other undamaged product does and due those inventories need to be call back there also an extra cost incurs. Again those inventories stuck the distributor’s working capital and also hamper the company image to customers.

In this competitive and dynamic business environment efficient delivery system is the prerequisite for survival and growth. We all know that our retailer’s working capital is limited and to get a good share of retailer’s working capital we have to compete with BATB, Nestle, Transcom, AbulKhair and Akij etc. Managing a big enough portion of retailer’s working capital is important to increase the sales and it is said in the industry that ‘If you miss today’s sale, it is missed forever.’ So to grab a big portion of retailer’s working capital we have to make sure that our sales person reaches them before any of our competitor as well as the delivery van and to achieve that they need full support from the IT department and the warehouse as well. So, in this research I tried to find out the way how UBL can minimize its damage and maximize its efficiency of sales.

4.2 Research Objective

Find out the main reason of damage and its ways to minimize it at the same time find out the ways of increasing warehouse efficiency
4.3 Significance to the company

Company loses millions of BDT for damage. According to the system of national board of revenue VAT is allocated to the whole production so for the damage company has to pay VAT. At the same time this incurs extra distribution cost and according to company policy UBL has to withdraw them from the market. After withdrawing from the market UBL destroy them. So, entire process is cost incurring and counterproductive.

4.4 Significance to the Distributor

Damage is very important thing for distributor. Biggest problem with it is, it stuck huge amount of working capital. UBL withdraw the damage on monthly basis and give compensation according to it.

4.5 Significance to the Retailers

Damages stuck the working capital, precious space of the retailers. As we know retailers have very limited working capital, if the portion of the working capital gets stuck as a form of damaged good then they faces different difficulties.

Research Design

Research design is a framework for conducting the logistic research. It details the procedures for obtaining the required information. Research design involves defining the format of collecting data and also questionnaire design, and defining whether qualitative or quantitative research is needed for the research.

Here, the research will be exploratory which will precisely define the variables needed for conducting the research and designing the appropriate scales to measure them. The objective of exploratory research is to explore or search through a problem or situation to provide insights and understanding. The goal of exploratory research is formulating problems more precisely, clarifying concepts, gathering explanations, gaining insight, eliminating impractical ideas, and forming hypotheses.
4.6 Target Population

To complete this study target research population represents three groups. First group is the logistics crews and the Staffs of UBL’s of the Tejgaon territory. Second group is the retailers and wholesalers of the Tejgaon territory. Final group is the damaged products of the distribution center of Tejgaon.

4.7 Sample Size

Here I worked with different types of population. Though they are interring related but their characteristics are different from one another. For damage pack I took 100 samples. For crews and other management in many cases I took the whole population in some cases I took the portion of the population.

4.8 Limitation

— Sample size is very small compare to the to the entire population

— The research is confined to the Dhaka metro

— Lack of technical expertise

— Lack of manpower and other resource constrain

— Inadequate excess to information which disrupt the scope of analysis.

— Due to the limitations many aspects are not discussed in the report
4.9 Data collection Method

Data was collected through previous documents, archival records and highly dependent on observation. Main source of data is open ended interview and observation. For find out the system loop hole and inefficiency have to stay hours after hours with the warehouse crew and sales officer.

**Primary Data:**

I have collected primary data from the workers, different managers, analyze damage physically and visit the factory of wheel.

**Secondary Data:**

Internal documents, periodicals, website, guide book etc.

4.10 Data and other facts presentation and Analysis:

**Main Damage Incurring SKU:**

If we analyze the all the list of we will the fabric wash, dish wash and tea is the main damage incurring SKU. It is increasing very fast which is higher than the last year. After analyzing the damage list of first half of the last year we see that most damage incurring SKUs are from the fabric wash and dish wash. That means all the washing powder which is packed in plastic packets and bulk in sacks. Here we give the top ten damage incurring SKU of Tejgaon territory..
The damage growth of UBL is higher than the growth of Business which is very alarming.

Here comparative damage analysis 2010 and 2011 are provided.
SKU wise contribution to the systemloss

If we analyze the whole damage data on basic categories, we can see that most damage is incurred by the fabric wash and household care. We see that in the total damage represents fabric wash damage 70%, household care damage 5%, skin care damage 4%, Hair care Damage 5% and rest damage is other damage.

![SKU wise contribution to the systemloss](image)

So we can say from the chart,

- Fabric wash category is the most critical area as far as damage is concern
- 9% damage come from Skin Care (SC) and Hair Care(HC) category.

**Damage on the market**

In market we collect the damaged products which are returned from the market. In this analysis

From following pie chart we can see the whole damages includes 1% shortage, 65% damage in transit and 34% manufacturing fault. Here we only take the total damage of wheel washing powder to draw the pie chart.
4.11 Observation based findings:

In the critical observation and different unstructured interview I have found that huge amount of damage incurred during the transit. The transit took place in two phases. First phase is bulk shipment from factory to distribution point. In the factory most of the loading and unloading tools are contractual. They load in the truck in a haphazard manner just one by one according to their convenience, not the sensitivity of goods. Responsible person in the central warehouse only monitor the amount of carton loaded but they don’t monitor where the carton is loaded. So, in worst case scenario sometimes for example they put heavy packets of Vim bar on the sensitive carton of Sunsilk mini pack.

In the distribution point when they unload from the factory. In that time, they also use contractual labor to unload who is not aware what inside in the carton. So they use to throw the carton as like anything and use to treat the sack of washing powder like sack of rice.

In Dhaka metro, this loading and unloading took place at the night. They unload bulk shipment done after midnight. In that time one single person count the amount of carton. They don't care about how the cartons are treated. They are not aware of the sensitivity of the sack. They just consider them like rice sack. For finish the movement fast they used to through the sacks, drag them for a long distance. I even see they through the sack from higher than 5 feet.

Improper Load management in the truck:
These things happen in both times when UBL lift the product from factory to distribution point or distribution point to market. They are not at all aware of the load management. They place the cartons or sack according to the convenience. In the big cargo van they drag the cartons and sack on the vans still floor

Manufacturing Fault in the factory:

1. In order to cut cost of production UBL outsource their production facility to third party. However, these third parties do not treat or monitor products properly. These third parties just go for final mixing. In the appendix part few photos are provided. This mixing and manufacturing system is almost manual. It is very difficult to maintain claimed weight.

2. The packets are sealed totally in manual order. After sealing they throw the packets about 3 feet to the floor. During this time the seal remains hot, that why throwing packets may weaken the seal.

3. Due to the manual packaging some unexpected air left occurs on packets. Some extra pressure can bust the packets.

4. Just after manufacturing, hot washing powders are packed. Sometimes hot washing powder louse the packet joint.

5. When they accumulate the sack for bulk carrying in that time they are counted manually and just one time. It is very obvious that the packet shortage will incur.

6. At the same time the packets are placed haphazardly. When the packets are filled in that time sack looks cylindrical shape but when we see in the end they are rectangular. Due to huge outside pressure they change their shape. During those changes many damage incurred.

In warehouse the summary sheets are set as per SAP code not brand wise which is time consuming.

In UBL taking order automatically by providing PDA’s to the sales officer. But in real scenario there is not sufficient number of PDA for sales officers. So the process takes too long as those sales officers who didn’t get the PDA yet they had to wait until any other PDA of some other
sales officer get free. PDA’s are important for all as the order get updated in central database every day. The orders taken by the officers are taken on the PDA and then transmitted to the central database.

4.12 Recommendation:

Top ten Damage incurring SKUs all are FW’s SKUs. If We stop shortage and damage of Wheel, Rin, Surf-Excel and Taaza we can reduce our system loss, other opportunity cost and inefficiency related with it. By taking some preventive measure we can do it.

1. Shortage with wheel and Rin washing powder is a very common phenomenon. The packaging system of them is fully manual and labor intensive. In the factory gate we can cross check the weight of sack automatically there will be very minimum shortage. So no sack with shortage can come out from the factory.

2. Ensuring proper handling of vulnerable SKUs. It must be handling with care.

3. Ensuring proper packing of them. In market I have found 50% of damage wheel SKU’s are not properly sealed which is a manufacturing defect.

4. Ensuring proper storage.

5. During transit the load management should be proper supervised by a person.

6. During the time of distributing products to JSO the goods are denoted according to SAP code, not as a brand name. That’s why it becomes inefficient to distribute those products.
4.13 Methodology

Primary data as well as secondary data will be needed to conduct the research which will be collected from the survey. GP users have been given a questionnaire where they gave their opinion by answering the questions. Sampling has been used to define identified respondents from the population. The main focusing point is research will need to be conducted on GP users of BRAC University students, residents of Dhaka cantonment.

Conclusion:

Intern in Unilever Bangladesh Ltd was a life time experience for me and as an intern I strongly believe that I also add some extra value in Unilever Bangladesh Ltd
Appendix 1

**SWOT analysis of Unilever Bangladesh:**

<table>
<thead>
<tr>
<th><strong>Strength</strong></th>
<th><strong>Weakness</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Very strong brand value</td>
<td>- For high end Brand Unilever Bangladesh have to totality depend on import</td>
</tr>
<tr>
<td>- Most trusted name in very household</td>
<td>- For many low end brand, existing production capacity is not sufficient enough to support market demand</td>
</tr>
<tr>
<td>- State of art plant and comparatively most strongest marketing team than its rival</td>
<td>- Don't have enough skilled human resource and production capacity to support growth</td>
</tr>
<tr>
<td>- Very good strategic presence in media and excellent visibility an availability in market</td>
<td>- In policy making and decision level UBL is highly dependent on regional HQ</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Opportunity</strong></th>
<th><strong>Threat</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Bangladesh's emerging economy and increasing standard of leaving</td>
<td>- Entrance of regional and global FMCG brands</td>
</tr>
<tr>
<td>- Unilever food and beverage has got very good prospect in BD</td>
<td>- Price of dollar increase which decline the profitability</td>
</tr>
<tr>
<td>- In washing powder economies of scale driven locost leadership can make UBL monopolist</td>
<td>- Due to high inflation people losing their purchasing power.</td>
</tr>
<tr>
<td>- Unilever can launch its high-end brands in BD</td>
<td>- Very high competition on hair care and herbal skin care Brands</td>
</tr>
</tbody>
</table>
Appendix 2

Detail Meaning of Unilever Logo:

In 2005, Unilever decided to change their logo to represent their new theme of energy. The new logo was also planned to match with the 75th anniversary of the company. The new logo tells the story of Unilever and vitality. It brings together 25 different icons expressive Unilever and its brands, the idea of vitality and the benefits Unilever brings to consumers. The icons are represented below.
<table>
<thead>
<tr>
<th><strong>Sauces or spreads</strong></th>
<th><strong>Bowl</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Represents mixing or stirring. It suggests blending in flavours and adding taste.</td>
<td>A bowl of delicious-smelling food. It can also represent a ready meal, hot drink or soup.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Spoon</strong></th>
<th><strong>Spice &amp; flavours</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>A symbol of nutrition, tasting and cooking.</td>
<td>Represents chilli or fresh ingredients.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Fish</strong></th>
<th><strong>Sparkle</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Represents food, sea or fresh water.</td>
<td>Clean, healthy and sparkling with energy.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Bird</strong></th>
<th><strong>Tea</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>A symbol of freedom. It suggests a relief from daily chores, and getting more out of life.</td>
<td>A plant or an extract of a plant, such as tea. Also a symbol of growing and farming.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Lips</strong></th>
<th><strong>Ice cream</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Represent beauty, looking good and taste.</td>
<td>A treat, pleasure and enjoyment.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Recycle</strong></th>
<th><strong>Particles</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Part of our commitment to sustainability.</td>
<td>A reference to science, bubbles and fizz.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Frozen</strong></th>
<th><strong>Container</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The plant is a symbol of freshness, the snowflake represents freezing. A transformational symbol.</td>
<td>Symbolises packaging - a pot of cream associated with personal care.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Heart</strong></th>
<th><strong>Clothes</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>A symbol of love, care and health.</td>
<td>Represent fresh laundry and looking good.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Wave</strong></th>
<th><strong>Liquid</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Symbolises cleanliness, freshness and vigour.</td>
<td>A reference to clean water and purity.</td>
</tr>
</tbody>
</table>
Appendix 3

Categories of UBL Brands of Unilever Bangladesh
Appendix 4

Customer Development Department Structure
Appendix 5

Types of Chanel

Urban Channel

Priority channel

Rural channel

UBL Chanel

Urban general Store

Urban Neighborhood Grocer

HPC Tong

Urban wet market Grocer

Rural wet market Grocer

Rural Neighborhood Grocer

Emerging Chanel
Appendix 6

Channels of Unilever Bangladesh Limited
Appendix 7

TPM Guideline

TPM at Warehouse

Background

Warehouse is a heart of a distribution house. So it should be maintained efficiently. Mismanagement in warehouse can be a major cause of failure for a distribution process. A proper distribution house requires adequate space to handle the stocks efficiently. There are two processes through which we can maintain inventory at warehouse. One is "First in first out (FIFO)" and the other is "Last in first out (LIFO)". LIFO is a typical stocking method for items that have no 'sell-by' date associated with them. On the other hand, items which have expiration should be maintained FIFO method while stocking. Unilever business is growing at a double digit rate in last 6 years which has been the accumulated result of distributors’ individual growth. In this consequence distributors stock cover is increasing in every year which in turn require more space in warehouse. But reality is cost of real state is increasing massively in last few years which is affecting the investment of our distributors. In this circumstance we need to think something new to manage the inventory in a better way without involving huge cost. Space optimization becomes the most urgent action to overcome the crisis. To optimize the space and improving the efficiency at warehouse we need to implement the TPM process.

What is TPM?

TPM is a maintenance process developed for productivity. Goal of TPM is continuously improve all operational conditions, within a process, by stimulating the daily awareness of all employees. TPM will provide practical and transparent ingredients to reach operational excellence.

Objective of TPM at warehouse

1. Create warehouse within warehouse
2. Efficiency improvement
3. Better management of FIFO method
4. Damage control
5. Pilot period:
August – October 2010 in must win geographies (Area Head Quarters)

TPM at Warehouse

Warehouse condition

Structure
The warehouse should preferably be constructed of RCC. The floors of the warehouse should be made of concrete or cement and be very smooth. The walls and the floors should be moisturizer proof and wooden palate should be out on the floor, so that the products do not get damp.

Exception
If for any cause, the walls get dampen, then wooden partition have to be put up between the wall and the stock so that the products do not get damaged, and the products have to be stored at least 6 inches distance from the wall.

Ventilation & Lighting
Warehouse should be a well ventilated building with exhaust fans and lights. The vents should have wire mesh for insect protection. The exhaust fans must be on during the night and throughout the day during monsoon. Ventilation is preferred on the upper half of the wall and the vents should be covered with mesh to stop insects from flying in. Warehouse should be well illuminated during working hours and minimally illuminated at night.

It has to be seen that rain water does not seep in through the ventilation.

Exception
If it is not possible to install exhaust fans in the warehouse, then ceiling fans should be put up to keeps air circulating within the warehouse.
Electric Cable

All electrical wiring must be concealed. There should be no loose hanging wires.

Exception
If it is not possible for the electrical wiring to be concealed, then wires should be sealed using PVC pipes.

Aisles and Gangways

The products should be stacked by creating separate aisles and the aisles should be properly marked. There should be free pathways within the warehouse so that the stocks can be kept and brought out without other products being removed/ relocated.

Warehouse Markings

Floor Plan Board

A floor plan should exist on a board, and placed on the outside wall of the warehouse, for everybody to understand and operate. A floor plan will definitely facilitate storage retrieval and make a newcomers life easier.
Stack height marking

There should be two marking indicator on the walls for easy understanding to maintain the standard height. There should be green marking at 1.6m and a red marking at 2.15m height. Under no circumstances the red marking should be crossed.
List of damaged stock and Stacking Norm
List of expired and damaged stock should be hung in the warehouse along with the stacking norms

Brand Area marking
Stickers should be hung in the wall stating the brand/SKU that should be stacked.

No smoking marking
There should also be no smoking markings on the wall to deter smoking.

Fire fighting equipment and fire exits
There should be clear marking indicating the fire exits or exit for emergencies. The place where the fire fighting equipment is kept should be marked.

The list of the fire extinguisher maintenance schedule should be hung with the fire extinguisher and maintained as per the predetermined schedule.

Floor
On the floor each row and pallet should be numbered to help in stocktaking as well as to follow FIFO. The floors should be marked for proper placement of pallets.
**Bin card**

Bin cards are absolutely essential. A bin card should consist of the following information: Brand/SKU name, quantity, date of entry into warehouse, and indication if multiple SKUs are there in the same stacks. The date of entry will help to maintain FIFO.

**Cleaning Chart**

On the wall, there should be a cleaning chart which is to be signed by the house manager after regular maintenance is done.

**Boxes/Buckets for delivery return products**

The boxes and buckets that are carried to the market for delivery returned products must be marked with the name of the brand and SKU for which it is to be used.

**Warehouse Cleanliness**

The walls of the warehouse should be clean and seepage should be kept in check. The warehouse should be white-washed every year. The following table shows the tasks to be carried out to keep the warehouse clean:
<table>
<thead>
<tr>
<th>SL</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>To sweep floor – Daily</td>
</tr>
<tr>
<td>2.</td>
<td>To clean windows, louvers, walls &amp; doors for removal of dust/cobwebs- Weekly</td>
</tr>
<tr>
<td>3.</td>
<td>To clean floor with detergent solution and mop with 10% bleaching powder solution- weekly</td>
</tr>
<tr>
<td>4.</td>
<td>To spray walls with 10% bleaching powder solution-Monthly</td>
</tr>
<tr>
<td>5.</td>
<td>To spray walls with 200 PPM available chlorine solution of Sodium Hypochloride once in a year.</td>
</tr>
<tr>
<td>6.</td>
<td>To get pest control use insecticides –Quarterly.</td>
</tr>
<tr>
<td>7.</td>
<td>To stack / store raw and packaging materials on dry pallets / racks and not directly on floor.</td>
</tr>
<tr>
<td>8.</td>
<td>To clean dust from stacks daily</td>
</tr>
<tr>
<td>9.</td>
<td>To stack / store FG 6 inches away from the Wall and each stack must be 6 inches away from the adjacent stack</td>
</tr>
<tr>
<td>10.</td>
<td>To store / handle FG following the UBL supplied stacking norms.</td>
</tr>
<tr>
<td>11.</td>
<td>Deep clean: washing the walls with detergent – Quarterly</td>
</tr>
<tr>
<td>12.</td>
<td>During delivery, each vehicle should be checked to ensure that it is clean &amp; dry. If the any vehicle is not properly clean then it will not be used.</td>
</tr>
</tbody>
</table>
**Stacking Norms**

The maximum height for stacking is 1.6m (5ft 3inches). The stock must be stacked with a minimum distance of 6inches from and the wall and the minimum distance between two stacks of different SKU must also be 6inches.

**Product Stacking**

Products should always be stacked upright. This preserves the best quality of products and prevents leaks and bursts. Products should also be stacked in a honeycomb manner so as to facilitate air movement within stacks. While stacking the products should not come into direct exposure to sunlight.

![Correct Stacking Method](image1)

![Incorrect Stacking Method](image2)
Stock Handling Protocol

FIFO
All the distributors have to maintain First in First Out (FIFO) while distributing the stock. It means to ensure that the products that came first to the distribution point, is delivered first to the market. FIFO will ensure fresh product to the trade, thereby reducing the trade return and claims, which in turn means better ROI for the distributor.

Stock Issue and Market return process

Damage Products
Keep buckets/ boxes to keep the damaged or returned products. The damaged products should be kept separate from other products.

Order Return
Carry separate buckets or boxes with the delivery van while delivering products. If there is any discrepancy between order and delivery, the excess products which are not delivered should be kept in the bucket or box, so that there is no damage.
Maximizing Warehouse Space

Racks

Install racks to maximize the warehouse space. Racks would multiply the space used. However care must be taken not to overload the racks. Also due care must be taken for storage and retrieval.
Safety Rules

Occupational SAFETY and Fire requirement: Distributor WAREHOUSE

<table>
<thead>
<tr>
<th>SL</th>
<th>Risk</th>
<th>Items to be checked</th>
</tr>
</thead>
</table>
| A  | FIRE      | 1. **Electrical cable, fittings, switch, cutoff to be checked for perfection.**  
• Loose wiring to be replaced with conduit / concealed wiring.  
• Lamps to be covered.  
• Emergency cutoff and circuit breaker to be installed at the entrance of the warehouse.  
  
2. **Flammable waste.**  
• Accumulation of flammable waste to be avoided.  
• Waste bin to be installed at out side corner of the warehouse to collect waste.  
  
3. **Fire fighting equipment. (minimum requirement at first stage)**  
• Two-bucket stands with 3 water and 3 sand buckets in each stand.  
• Primary fire education for the supervisors and workers.  
• Smoking practice to be fully restricted inside of the store.  
• NO SMOKING sign boards to be installed in all suitable locations. |
| B  | HYGIENE   | 1. General house keeping standard.                                                                                                                                                                                 |
|    | HOUSE     | 2. Frequency of sweeping and mopping.                                                                                                                                                                              |
|    | KEEPING   | 3. Sanitation and pest control.                                                                                                                                                                                     |
4. Adequate ventilation

5. No Leakage on the roof

6. No presence of insects, vermin, birds

| C. STORAGE AND HANDLING | 1. Distance from wall (6 inches).
|                         | 2. Distance from each stack (6 inches)
|                         | 4. Mix up of product to be avoided.
|                         | 5. FIFO to be maintained.
|                         | 6. Distance from roof (1 m).
|                         | 7. Maximum safe height (1.6 m) |

| D. LOADING/UNLOADING | 1. Manual loading/unloading over 25 kg is prohibited |

| E. OTHERS | 1. Condition of the pallet to be monitored for any damage and materials to be stored on good pallet.
|           | 2. Outer pack quality (damage, open, dirt, wet) to be checked regularly. |
**Must do’s**

- The warehouse must be accessible from a road and trucks should be able to have easy access
- Warehouse floor must be made of concrete and be very smooth
- Walls must be white-washed at least once a year
- Warehouse must have proper functioning exhaust fans and vents.
- The vents must have wire mesh for insect protection
- The exhaust fans must be on during the night and throughout the day during monsoon.
- Floors must be kept neat and clean by sweeping
- Dusting of stacks must be carried out twice per week
- Warehouse must be well lit working areas during the day
- Always ladder/steps must be used for climbing
- All electrical wiring must be concealed
- Maximum Stacking height is 1.6 meter (5 ft 3 inch)
- Minimum Distance between wall and stack must be 6 inches
- Minimum Distance between two stacks of different SKU must be 6 inches
- Food must have separate space and far away from detergent category
- POS Materials must have separate place to store
- Products must always be stacked upright
- The warehouse must have sufficient fire extinguishers
- Use of Palette is a must no matter how good the condition of the floor is
- FIFO must be followed
- Damage/Expired products must be kept in a separate place

**Don’ts**

- Do not store food products with other products
- Do not smoke inside the warehouse
- No food or drinks should be allowed inside the storage areas
• One should never use product stacks for climbing purposes
• There should be no loose hanging wires. Unconcealed and loose wires may cause electrical wires and also present physical danger to persons working inside
• Do not exceed the maximum stacking norm
• Do not keep two stacks at a distance less than 6 inches
• Do not stack products directly on the floor
• Do not stack FBCs upside down
• Do not store damaged products with other products
• Do not store merchandising units with the products
• Do not keep hazardous material in the warehouse

KPI

1. Real execution
2. 90% compliance in Audit by RSM/Cross function/3P (attached criteria)

Challenges

1. Cost involvement
2. Maintenance on regular basis
3. Warehouse size may create obstacle to install rack

Benefit

1. Increase capacity of warehouse
2. No rent for extra space
3. Reduce time of vehicle loading
4. Reduce Damage
5. Easy stock mobilization
Here fully manually WHEEL is manufactured
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