

2017

# MEASURING PERFORMANCE BY SALE OF M/S. RAJIB STEEL AGENCY

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MEASURING PERFORMANCE BY SALE OF  
M/S. RAJIB STEEL AGENCY

**SUPERVISED BY:**

DR. SUMAN PAUL CHOWDHURY  
Assistant Professor, and  
Coordinator, MBA Program  
BRAC Business School  
BRAC University

**SUBMITTED BY:**

MD. AL-RAJIB  
BRAC Business School  
Master of Business Administration  
ID: 14364026

**Date of Submission: 09th April, 2017**



Inspiring Excellence

# LETTER OF TRANSMITTAL

09<sup>th</sup> April, 2017

To,  
Dr. Suman Paul Chowdhury  
Assistant Professor, and  
Coordinator, MBA Program  
BRAC Business School  
BRAC University

Subject: Submission of an assignment focused on 'Measuring performance by Sale of M/S. Rajib Steel Agency'.

Dear Sir,

I am glad to submit my report on the topic as you have assigned me to prepare an internship report on "Measuring performance by sale" as a partial requirement of the course BUS-699. Now I am looking forward for your kind appraisal regarding internship report.

You would be glad to hear that I have given my best effort to prepare the report with relevant information that I have collected from M/S. Rajib Steel Agency and from other relevant sources during my work with the report. It is meaningful to mention that the knowledge I have gathered during the working period, will help me in practical field of professions.

In spite of various inadequacies I have tried to cover all the relevant affairs. It is quite worthy to mention that without your kind hearted guidance and cooperation it would not be possible for me to authenticate this paper. I will be pleased and grateful to you to answer any sort of query you think necessary.

---

**MD. Al-Rajib**

ID No: 14364026

BRAC Business School

Master of Business Administration

BRAC University

# CERTIFICATION OF THE SUPERVISOR

This is to clarify that Md. Al-Rajib, MBA(Major in Finance), ID:14364026 is the student of MBA Program of BRAC University who has completed his internship program called "Measuring performance by sale" at Mirpur under the supervision as the partial fulfillment for the award of MBA professional course.

He has done his work according to my instructions. He has tried his best to make it a good one. I also certify that I have gone through the draft report thoroughly.

He is sincere, honest, hardworking and energetic. I wish his prosperity and best of luck.

I wish him success in the future.

## **Supervisor**

---

**Dr. Suman Paul Chowdhury**  
Assistant Professor, and  
Coordinator, MBA Program  
BRAC Business School  
BRAC University

# DECLARATION

I, Md. Al-Rajib, student of MBA program of BRAC University, Major in Finance, do hereby declare that the internship report has been carried out by me and has not been previously submitted to any other University / College / Organization for an academic qualification / certificate / diploma or degree.

The work I have presented does not breach any copyright.

I further undertake to indemnify the University against any loss or damage arising from breach of the foregoing obligations.

.....

**MD. Al-Rajib**

ID No: 14364026

BRAC Business School

Master of Business Administration

BRAC University

## A CKNOWLEDGEMENT

I have given efforts in this report. I would like to take this opportunity to express my deep sense of gratitude to all those people without whom this report could never been completed.

I thank my ALLAH for providing me with everything that I required in completing this project.

I am highly indebted to the advisor **Dr. Suman Paul Chowdhury** for his guidance and constant supervision and also for his support completing the project. I remembered with gratitude my beloved **parents** and their blessings, which inspired me, grown me confidence and put me a deep concentration to carry on my course work and even reached me at the end with great excellence.

I would like to express my special gratitude and thanks to my **organization persons** for giving me such attention and time.

My thanks and appreciations also go to my **university mates** in developing the report and to the people who have willingly helped me out with their abilities.

Lastly, I Would like to express my appreciation to the BRAC University and I eventually grateful to the University and its excellence that works for education encourages me and creates knowledge, as knowledge is power.

# EXECUTIVE SUMMARY

With the promise to serve to the community by making a strong and sustainable presence in the ever competitive Steel Industry M/S. Rajib Steel Agency realizes that this is high time to evaluate its overall performance. Although there is some established retail store here but M/S. Rajib steel Agency is formed to this country with new ideas. One unique proposition of M/S. Rajib Steel Agency is that it is growing rapidly and establishing their retail store in most of the major steel hubs of the capital. Yet, it is facing fierce competitions from fellow retail stores, roll mills and other wholesale and retail competitors. The competition is also coming in huge amount from the direct importers. In this paper, I have enlightened the relative position of M/S Rajib Steel Agency in the market. I found that the last year saw a decrease in both the gross margin and the net profit of the business. I have tested statistically some hypotheses to come up with some findings and recommendation. I have conducted a survey amongst the customers with the variable like pricing, promotion, distribution, product, service quality, customer relations etc. I believe that this study will help foster the business to stay in the right track.

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**CHAPTER – 1**  
**INTRODUCTION**

## **CHAPTER – 1**

### **INTRODUCTION**

#### **1.1 Background of the Study**

This internship report will be prepared as a fulfilment of the partial requirement of the academic program of Master of Business Administration, BRAC University. The primary goal of the internship prospectus is to provide on the job coverage to the student and an opportunity for translation of theoretical conceptions in real life situation.

The performance evaluation of business has taken high profile in the climate of micro economic reform in the recent past. The real wealth of Bangladesh can be increased by increasing the inputs available to the country. That is by discovering new resources and using the existing resources more efficiently.

M/S. Rajib steel Agency is imbued with a forward looking vision to acquire a global perspective and become a first rate business conglomerate. M/S Rajib steel Agency has a track record in distribution of all kinds iron product and construction industry in Bangladesh since decades. My topic for this internship report is “Measuring Performance by sale”.

## **1.2 Scope of the Study**

M/S Rajib Steel Agency is one of the reputed organizations. The scope of the study is limited to the local area and different schemes. The report will cover the organizational structure, background, functions and the performance. In this report, I will use the recorded data along with secondary data.

## **1.3 OBJECTIVES OF THE STUDY**

### **1.3.1 BROAD OBJECTIVE**

The broad objective of the study is to analysis overall performances of M/S Rajib Steel Agency.

### **1.3.2 SPECIFIC OBJECTIVES**

- To provide an overview of the activities of M/S Rajib Steel Agency.
- To analyze the performance of M/S Rajib Steel Agency.
- To analyze and understand the growth of sales.

## **1.4 METHODOLOGY**

The study is based on qualitative research methods. Data have been collected from different sources depending on the requirements. In order to prepare this report I have collected data and information both from primary sources and secondary sources.

- For the analysis part, data collected from different annual report of organization.
- The data collection method to study consists of both of primary and secondary sources. But majority of the information collected from secondary sources.

## **1.5 LIMITATIONS**

There are also some limitations of this report. During the report work I faced several problems. There are less information, which may not provide due to security and other organization obligations. There is a lack of previous experience in this concern and many practical matters may be written from my own.

**CHAPTER – 2**

**OVERVIEW OF M/S. RAJIB**

**STEEL AGENCY**

## **CHAPTER – 2**

### **OVERVIEW OF M/S. RAJIB STEEL AGENCY**

#### **2.1 BACKGROUND OF M/S. RAJIB STEEL AGENCY**

In 1994, the founder of The M/S. Rajib steel Agency, Mr. Al-hajj Md. Belayet Hossain started his first integrated construction business, selling of iron related materials in Taltola, Begum Rokeya Sarani, Dhaka, Bangladesh to sell structural section de formed- bar, Angle, Z-bar, Square- bar, Flat- bar, And gradually it has achieved customer satisfaction in Dhaka steel market.

In the year of 2014, Al-hajj Md. Belayet Hossain, Founder of The M/S. Rajib steel Agency suddenly became ill. During that time he became unable to perform for all company affairs but he is always acting as a principal person in this organization till now. In that situation, me, Md. Al-Rajib took over the overall responsibility and expanded the business and added three more business wings. SUTARANG Housing limited (Developing) in 2015, Warlern limited (IT) 2016 and Rajib Enterprise (Roller rent) 2014.

With timely growth I experienced the present market, analyzed the future business prospect and buying the latest upgraded technology products from steel manufacturing sector.

## 2.2 VISION & MISSION

- **VISION**

Distribution choice of resellers and workshop in country product presence.

- **MISSION**

### **OUR PURPOSES**

To be a partner with industry by distributing products and services that meets the customer's expectations of quality in service, productivity and cost.

### **OUR OBJECTIVE**

To provide a consistent level of excellent products and service that will earn a reward consistent with our investment, risk and results.

To develop a partnership, founded on trust and respect that has been earned through consistent delivery of quality services.

### **OUR PHILOSOPHY**

Respect the rights of each individual and treat everyone fairly; employees, customers and reseller alike.

Our most important responsibility is the health and safety of our employees, the community and the general public. We are committed to operating our business in a responsible manner that will protect the environment.

### **OUR COMMITMENT**

We are committed to continuous improvement of our services by maintaining an atmosphere that encourages creativity, interactive participation and self-improvement.

## 2.3 VALUES

We have laid our foundation of the organization on strong values, which inspire us to drive the goal and continuously remain focus on our vision.

**Customer first:** we help our customer to buy, by timely responding to customer needs and proactive servicing.

**Passion:** We all are passionate to take the company to the next level by timely responding the market.

**Team work:** We encourage our employee and labour to work as one team by working towards our common goals.

**Integrity:** Worship honesty and practice fairness to maintain the spirit of integrity in every action and words.

**Knowledge:** We encourage new ideas and thought that can create the difference to serve our partner and help us to keep redefining our goals.

**Trust:** Respect all individual with similar attitude, color or religion by building trust and equality amongst with our customer, Employee and re-seller.

## 2.4 PRODUCT LINE OF COMPANY

**DEFORMED BARS:** Deformed bar is used in a range of residential, commercial and infrastructure applications from concrete slabs to prefabricated beams, columns, cages and precast products.

We are engaged in offering our prestigious clients a very highly premium quality range of Industrial Steel Bars. Our range is known for its excellent quality, robust range and durable in nature. Our range is available at market most leading price. We have an offer of TMT bars which is made of best quality raw materials BDS ISO 6935-1:2006 at the developers' site which ensures reliable performance, optimum tensile strength and long service life. This range of products is available in various sizes, shapes, and other specifications to suit diverse requirements of the clients.

BDS 1031:2006

### **FEATURES:**

Durability

Corrosion resistance

Sturdy construction

And available in 500 TMT bar from 10 mm - 40 mm bar diameters. Always consult with an engineer before choosing the bar.

**IRON ANGLES:** We are engaged in offering a very highly premium quality range of Iron Angle. Our range is highly recognized and appreciated by the client in all over Dhaka city for its excellent quality and superior performance. Our range is available at market leading price.

**CHANNEL:** We are engaged in offering our prestigious clients a very highly premium quality range of Industrial **Mild Steel Channels**. Our **Mild Steel Channels** range is known for its excellent quality, robust range and durable in nature. Our range is available at market most leading price.

M/S. Rajib Steel Agency are leading supplier, trader and whole seller of wide range of Mild steel channels are known for their strength, durability, corrosion resistance, temperature resistance and longer service life. The range finds extensive usage in construction of bridges, buildings, industrial sheds, structures and automobile industry.

Standard sizes

75 mm, 100 mm, 125 mm, 150 mm, 175 mm, 200 mm, 250 mm, 300 mm and 400 mm.



**TYPE:**

Plain channel

Lipped channel

Universal channel

**INDUSTRY:**

Automotive industry

Construction industry

Heavy machinery industry

Real states

**Z-BARS**

Z-Bars are commonly used as Framing, Supports, Reinforcements, and Stiffeners for PVC-Rails, Slides, Tracks, and many other uses. They are used in many industries, such as: Construction, Mezzanines, Metal Buildings, Garage Doors, Fences, PVC-Door & Window Frames, Displays & Store Fixtures, Tool Boxes, Metal Furniture, Enclosures, Cabinets, Storage Bins, Racks, among many other industries. Z-Bars, Z-Channels, Zees, & Purlins are all terms that describe the same type of Profile.

**SQUARE BARS**

Square Bar is available in a wide variety of sizes manufactured in Bangladesh.

**TYPICAL USES**

- Engineering Construction
- Residential Construction
- Non-Residential Construction
- Mining Infrastructure
- Transport and Storage
- Manufacturing

## FEATURES

- Available in a wide variety of sizes.
- Exceeds the minimum requirements of (BDS 1031:2006).
- Up to 20% stronger for improved strength to weight ratios.
- Requires no special pre-heating for welding.
- Additional grades available on request.

## FLAT BARS

Flat bars are a flat, rectangular section with square edges varying in sizes. This cost-effective steel product is suitable for a wide variety of applications and is distributed into the construction, engineering, manufacturing, mining, grating, fabrication and many other industries. The flat bar's versatility is the main reason it is usable throughout various industries, along with the excellent strength and formability combination of steel.

## STEEL PIPE

**Structural Steel Pipe** is a welded steel tube with an internal weld seam that is measured in nominal size unlike DOM or Welded Round Tube. A500 Steel Pipe is an economical structural grade pipe with a smooth bare finish that has slightly higher mechanical properties than standard pipe. Our Steel Pipe is a tested pipe that can be used for structural or pressure applications and may have a black coated finish.

BDS 1031:2006

## TYPICAL USES

- Engineering Construction
- Residential Construction
- Non-Residential Construction
- Mining Infrastructure
- Transport and Storage
- Manufacturing

**CHAPTER – 3**

**ANALYSIS OF PRESENT**

**PERFORMANCE**

## CHAPTER – 3

### ANALYSIS OF PRESENT PERFORMANCE

#### 3.1 FINANCIAL PERFORMANCE OF M/S. RAJIB STEEL AGENCY

A Performance measure is the specific quantitative representation of a capacity, process, or outcome deemed relevant to the assessment of performance. Performance measurement is the process whereby an organization establishes the parameters within which programs, investments, and acquisitions are reaching the desired results. (**Journal of Politics & Governance, Vol. 1, No. 2/3, September 2012**)

In this section I have been discuss the overall performance of M/S. Rajib Steel Agency operation. Here shown the performance of of M/S. Rajib Steel Agency in Bangladesh operating from 2014 to 2016.

The following graph indicates the highlights of Net Profit margin for the FY 2014 to 2016. In 2016 the organisation was in a bad position, they had loss in income because of decreasing sales rapidly every year.

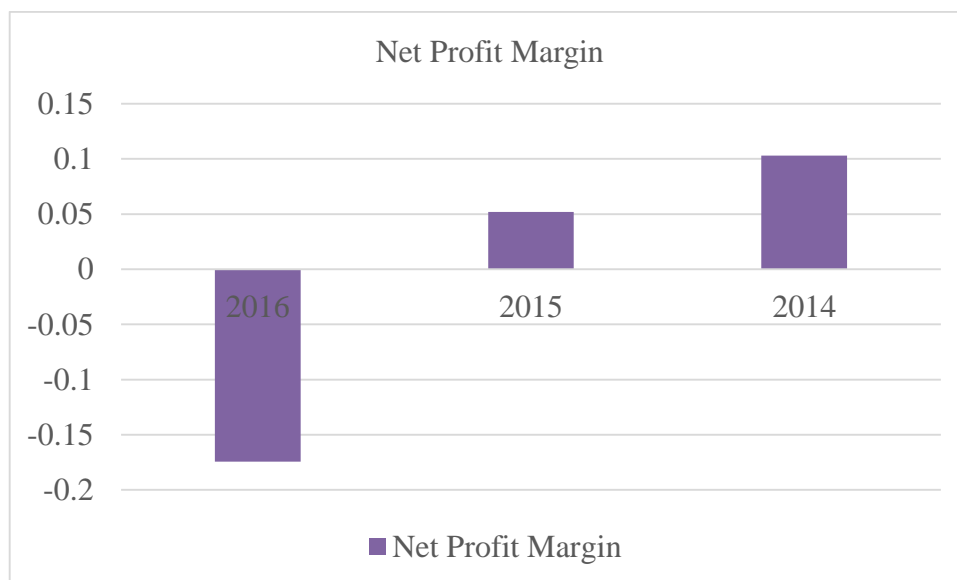


Figure 1: Net profit margin

The following graph indicates the highlights of gross Profit margin for the FY 2014 to 2016. In 2016 the organisation sales had decreased.

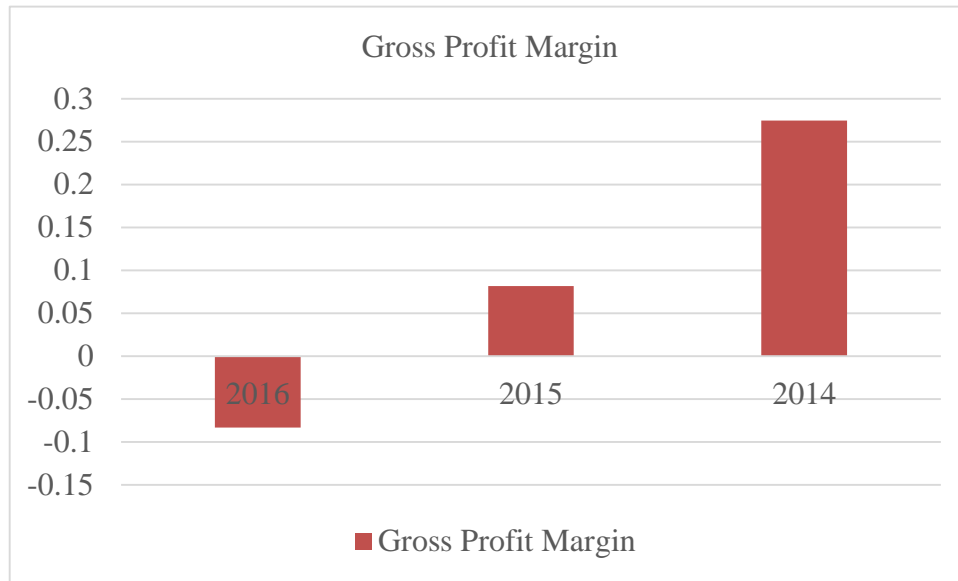


Figure 2: Gross profit margin

As you can see, organization only has enough current assets to pay off of his current liabilities. This shows that M/S. Rajib Steel Agency is highly leveraged and highly risky. Banks would prefer a current ratio of at least 1 or 2, so that all the current liabilities would be covered by the current assets. Since M/S. Rajib Steel Agency ratio is so high, it is unlikely that he will get approved for his loan.

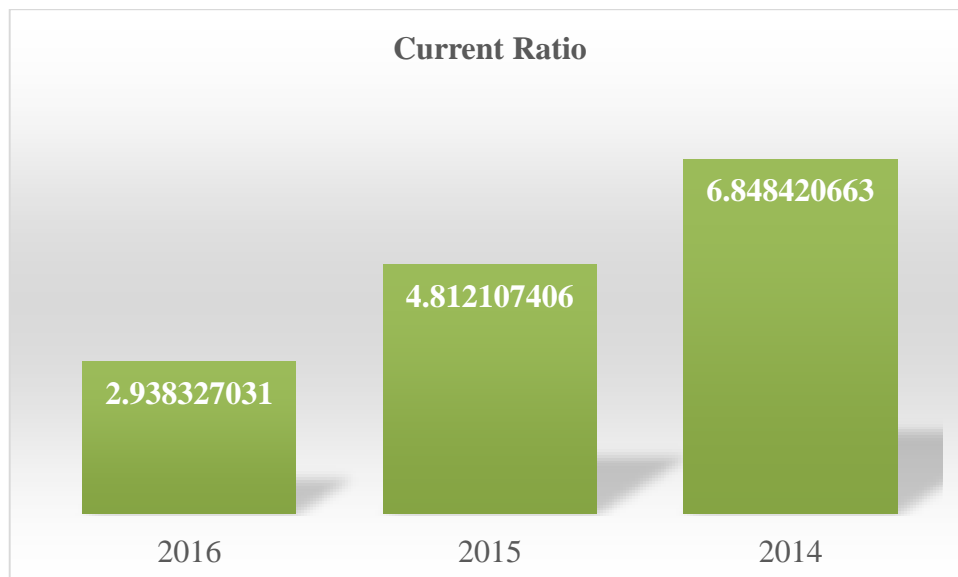


Figure 3: Current ratio

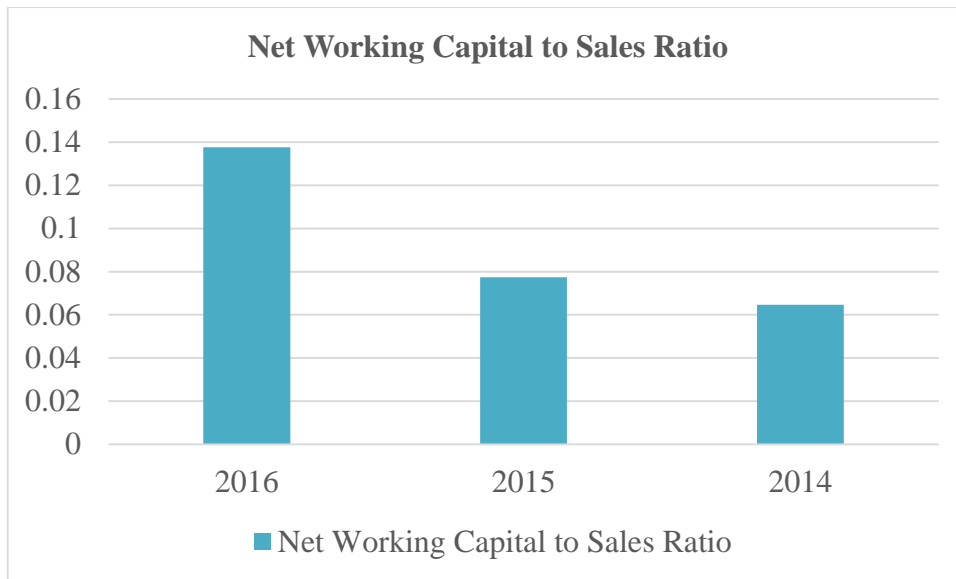


Figure 4: Net Working Capital

Assets are economic resources. Anything tangible or intangible that is capable of being owned or controlled to produce value and that is held to have positive economic value is considered an asset. The aggregate of all debts an individual or company is liable for is called liabilities. In these graph organizations total assets is higher than the liabilities. Graph also showing that every year assets had increased as well as liabilities.

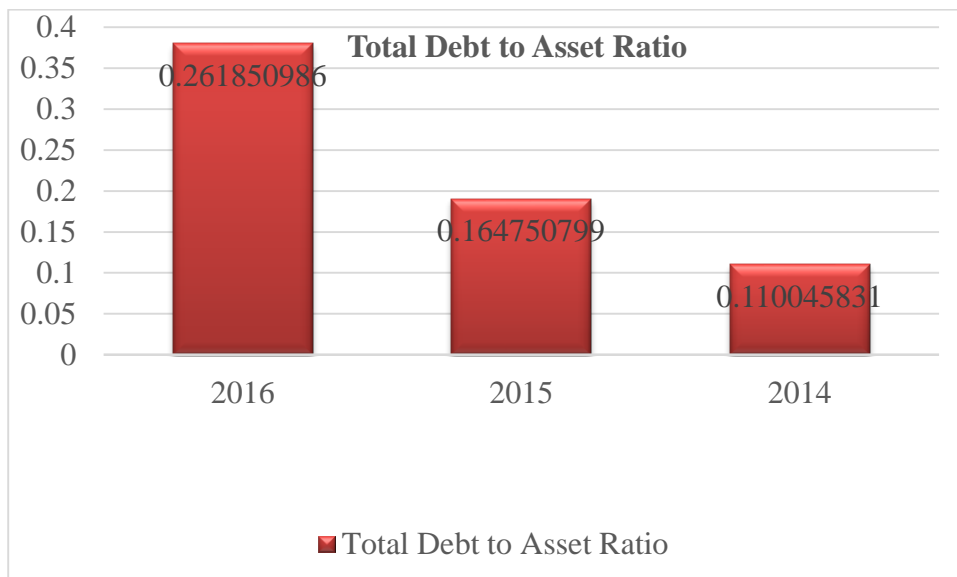


Figure 5: Total Debt to Asset ratio

## 3.2 Present Sales Scenario

- Gross profit margin & net profit margin had decreased in 2016.
- M/S. Rajib Steel Agency is able to expand their business by crafting and executing a low-cost leadership strategy.
- Ability to pay liability was increased gradually.
- Made more investment return, assets.

## 3.3 HYPOTHESIS

### **HYPOTHESIS DEVELOPMENT**

With a view of fulfilling the objective some relevant hypothesis have been formulated for this study:

1. HA: M/S. Rajib Steel Agency need to advertising to increase their popularity.
2. HA: Offering seasonal discount can increase their sales volume.
3. HA: More quality full product can increase retail store sales volume.
4. HA: Use more effective price policy M/S. Rajib Steel Agency can increase sales volume.
5. HA: If we open some new branches in suitable places, it would increase sales volume.

### **Methodology**

#### Sources and collection of data

The data of this study has been collected through questionnaire interview. For the secondary sources different journals, internets have been also reviewed.

#### Sample frame

The sample frame of this study has considered customer to M/S. Rajib Steel Agency. A total 40 surveys have conducted. The stratified probability sampling approach has selected for this study. The population has defined as a person who is the regular customer of M/S. Rajib Steel Agency. The collection of data survey was conducted in 15<sup>th</sup> December, 2016 – 25<sup>th</sup> February, 2017.

## Analysis of Data

I have used Microsoft excel and Microsoft word to analyse the data. To entry data, coding option has used at the initial stage. The measure of dispersion, correlation co-efficient and index number are applied.

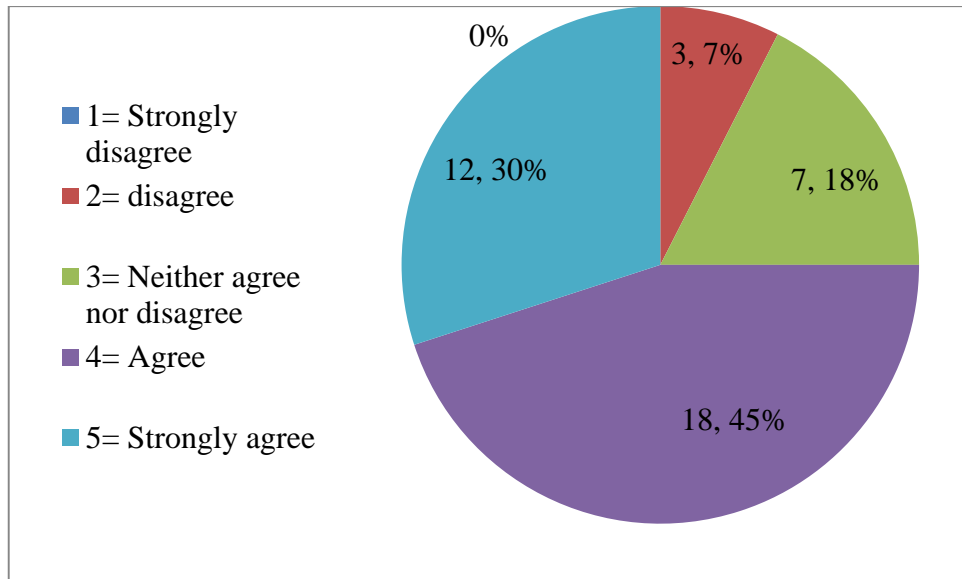
### Hypothesis testing

	H1	H2	H3	H4	H5
1= Strongly disagree	0	0	1	0	0
2= disagree	3	0	3	0	0
3= Neither agree nor disagree	7	2	2	0	10
4= Agree	18	21	14	15	18
5= Strongly agree	12	17	20	25	12
Total	40	40	40	40	40
Standard Deviation	7.17635005	10.173	8.5147	11.511	7.874

**Figure 6: Hypothesis Testing**



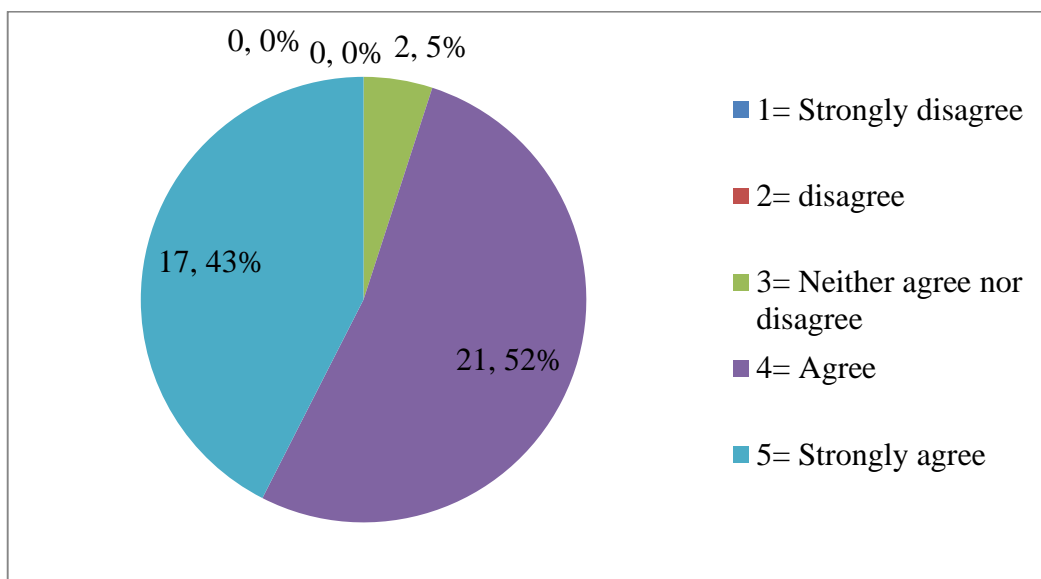
- H0 - M/S. Rajib Steel Agency needs advertising to increase their popularity.  
 HA - M/S. Rajib Steel Agency does not need advertising in increase their popularity.



**Explanation:** From the graph, it is seen that 18.45% respondents are agree, 12.30% strongly agree, 7.8% are neutral with this statement, 3.7% disagrees and no one strongly disagrees.

**Comment:** We can say that M/S. Rajib Steel Agency needs advertising to increase their popularity.

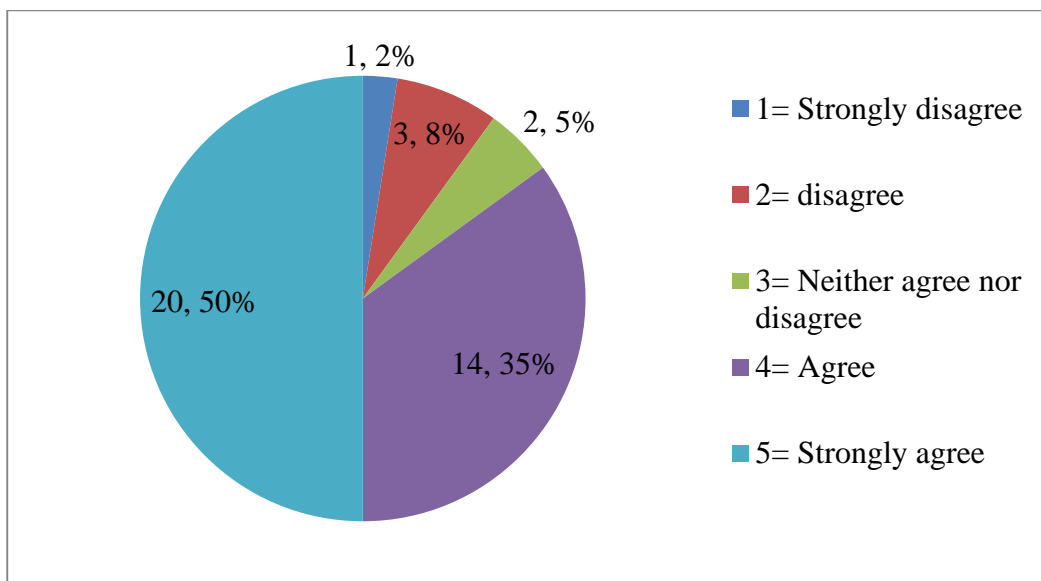
- H0 –Without seasonal discount offer M/S. Rajib Steel Agency cannot increase their sales volume.  
 HA - seasonal discount offer in Retail store can increase their sales volume.



**Explanation:** From the graph, it is seen that 21.52% respondents are agree, 17.43% strongly agree, 2.5% are neutral with this statement but no one disagrees or strongly disagrees.

**Comment:** We can say that seasonal discount offer in Retail store can increase their sales volume.

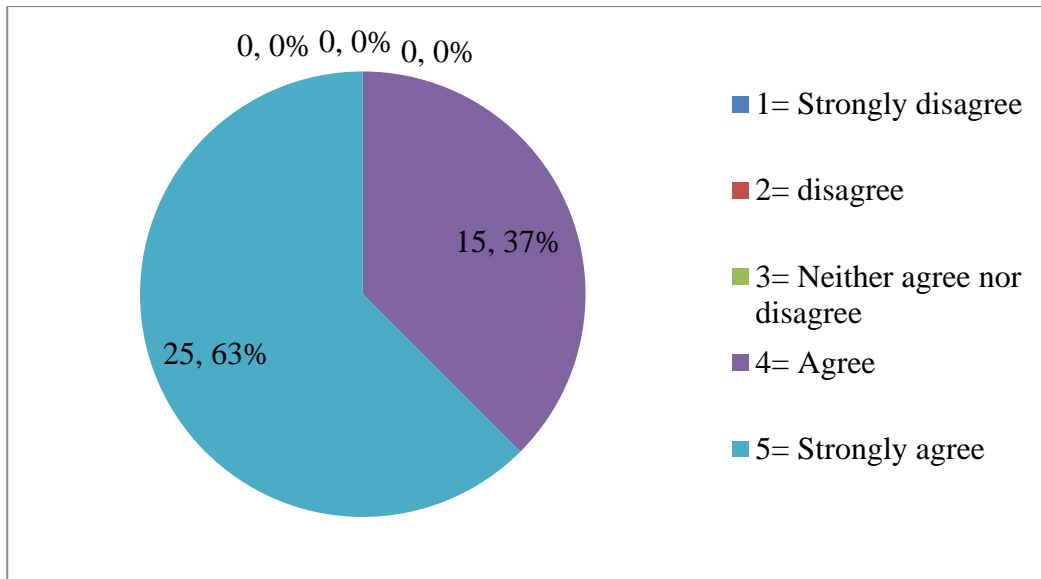
3. Ho- More qualityful products can increase sales volume.  
HA- More qualityful products cannot increase sales volume.



**Explanation:** From the graph, it is seen that 14.35% respondents are agree, 20.50% strongly agree, 2.5% are neutral with this statement, 3.8% disagrees and 1.2% strongly disagrees.

**Comment:** We can say that using more effective price can increase their sales volume.

4. H0- using more effective price cannot increase their sales volume.  
HA- using more effective price policy can increase their sales volume.

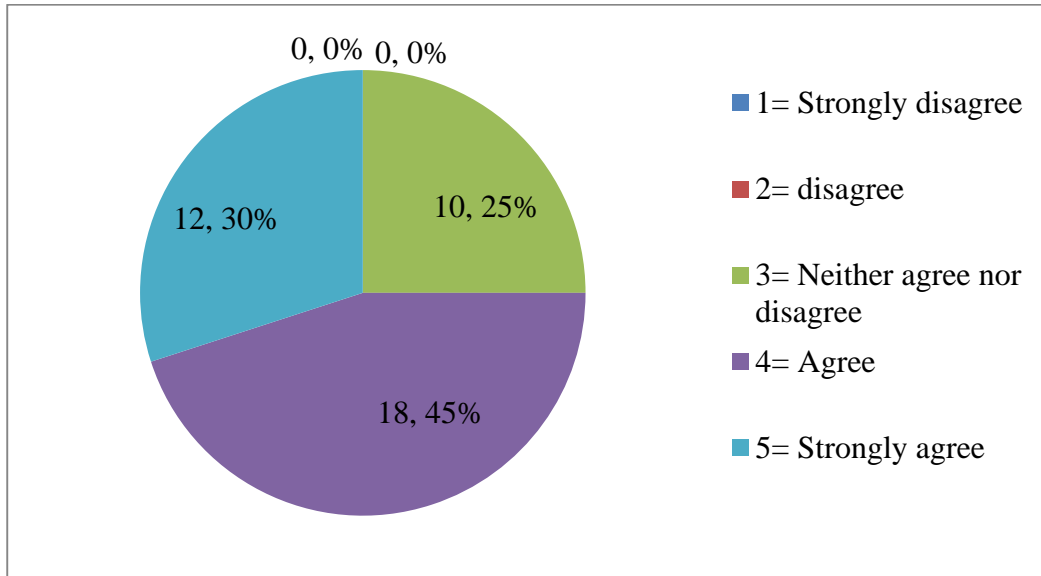


**Explanation:** From the graph, it is seen that 15.37% respondents are agree, 25.63% strongly agree but no one neutral, disagrees or strongly disagrees.

**Comment:** We can say that using more effective price cannot increase their sales volume.

5. H0- If M/S. Rajib Steel Agency opens some new branches in suitable place; they would not increase sales volume.

HA- If M/S. Rajib Steel Agency opens some new branches in suitable place, they would increase sales volume.



**Explanation:** From the graph, it is seen that 18.45% respondents are agree, 12.30% strongly agree, 10.25% are neutral with this statement but no one disagrees or strongly disagrees.

**Comment:** From the figure we can say that opening some new branches in the suitable location would not increase sales volume.

### 3.4 SWOT ANALYSIS

#### STRENGTH

- Decisions are taken through communicating with the employee.
- Large diversification of products (deformed bars, Angle, Channel, Square bars, Flat bars).
- Owned business place.
- Strong Supply System around Dhaka city (24/6).
- Diversified and balance product mix.
- Low cost Provider.
- Strong management Team. They are professional and well trained.
- Strong supplier relationship.
- Employee oriented (equality, empowerment etc.)

#### WEAKNESS

- Financial problem due to Organization expansion and huge sale on credit.
- Discipline was becoming harder.
- Customer's preference changes. Like they are using square bars instead of using Flat bars.
- Inability to expand market outside in Dhaka city.
- Lack of advance technology.
- Under educated employee.

#### OPPORTUNITIES

- New and better recruitment can help.
- Expand business through acquisitions in emerging market.
- Expansion through acquisition new place and open another.
- Reduce cost through improvement of R&D.
- Looking for new customers. Need to give extra facilities to the new customer.
- In this market huge capital is required to enter.
- There is no need to provide rent so it minimizes the product costs.

## THREATS

- Due to metro rail construction there are dusts everywhere and the road is digger by contractor. Health concern increasing and the products are damaging.
- Increase competition in local markets. Interest rates remain same.
- Ups and down of market.
- Decreasing sales.
- Environmental issues.
- Theft issue.
- Security issues.

**CHAPTER – 4**

**FINDINGS AND**

**RECOMMENDATION**

## CHAPTER – 4

### FINDINGS AND RECOMMENDATION

#### FINDINGS:

Now days there are a lot of retail store in Dhaka city who has already capture the market. So it is hard to capture the market. If M/S. Rajib steel Agency wants to increase sale they have to main following works:

1. M/S. Rajib Steel Agency spent less on the advertisement.
2. Seasonal discount offer is not frequent in M/S. Rajib Steel Agency.
3. M/S. Rajib Steel Agency sells quality full products.
4. M/S. Rajib Steel Agency charges the industry average prices.
5. New brunch of M/S. Rajib Steel Agency is not profitable.
6. Every year sales are decreasing because some customers already left the business, some of them change the market and some of them are buying directly from re rolling mills.
7. Competition is so high.
8. Good quality products should be kept in the showroom.
9. Sales in and out are maintaining in written book. It is a waste of time. Technology should be used which will be helpful to determine every A/C in a matter of time and also available the inventory information anytime.
10. Most of the customer wants fewer prices. So that I have to purchase in huge amount of those items, whom sales can be made every day.



## **RECOMMENDATION:**

- 1) By offering the best product at the lowest possible price will increase the sales and profit of the organization.
- 2) Low cost is the best way to attract customer to increase sales.
- 3) Proper inventory management system must be followed; we should try to keep the most demanding product on the store house.
- 4) Inventory need to increase by huge amount.

## CONCLUSION

In this modern days when entrepreneurship is in a very difficult competitive mode of our country are fighting to mark their self as best to the customer. So everyone is trying to modernize their self as much they can. So organizations are taking steps to digital their system and operation. In this digital systems are reducing our old way of systems.

As I talk about on the report regarding measuring performance by sale. M/S. Rajib Steel Agency is trying to develop their sell and services.

So that I can say if M/S. Rajib Steel Agency has to survive on this competitive market they should develop as much they can.

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