

Internship Report
On
Operation Management of Zhen Natural Limited, a
sister concern of Rangs Group



Course ID: BUS 400

Submitted To:

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Letter of Transmittal:

Subject: Submission of internship Report on study on organic and natural food.

Dear Miss,

I am delighted to let you know that I have successfully completed my internship report on Zhen Natural, a sister concern of the Rangs Group, under the supervision of Ms. Azzama Rabbi, Managing Director, Rangs Group. The topic of my internship report is Operation Management at Zhen natural, a sister concern of Rangs Group, which covers my entire internship experience at Zhen Natural. Since the beginning, I have been learning and acquiring certain skills required for a start-up company and also gaining experience by working in various departments. These have all been a fruitful addition throughout this year. On an ending note, I am extremely grateful to you for your guidance and co-operation regarding the completion of my report.

Regards

Saqif Rahman Gazi

Acknowledgment:

To begin with, I would like to thank the Almighty for bestowing blessings upon me to successfully complete this internship report.

Next, I would like to express my immense gratitude towards my advisor, Ms. Tanzin Khan, for her constant guidance and supervision in every part of the report where I required help.

I have been fortunate enough to work closely with certain individuals at Zhen Natural, whose guidance and support has helped me significantly in this report and helped me gain a lot of practical experience. I would firstly like to thank my supervisor, Ms. Azzama Rabbi- Managing Director. She has been my direct supervisor and has been assigning me most of the work from overseas on a regular basis. Next, I would like to thank Shawkat Ahmed Sidikky- Marketing Head, Ripon Sarker- Supply chain Manager, Rafiful Islam- Supply chain executive, Arifin Islam Tipu- Marketing executive, Sonjib Dash- Marketing Executive, Zaman Chowdhury- HR head. These individuals have looked upon my daily work and helped me since the beginning of my job, especially in the absence of my supervisor. They have helped learn and co-ordinate works which have been difficult to grasp.

Lastly, I am extremely fortunate to have had the guidance of all the faculties all through my 4-years Bachelor of Business Administration program at BRAC University, which has shaped my perspective for dealing with real world career challenges, besides helping me prepare a fruitful report.

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Executive Summary:

This report has been prepared on the duties and responsibilities I was given in operation management and marketing. This report covers the details of my work as an operations manager for a period of ten months. Chapter one covers the origin and objective of the report along with some of the limitations I faced as an employee of Zhen Natural Limited. In chapter two i have tried to give an overall idea of the company and it clearly explains what kind of products we offer and what our core business plan.

Chapter two also covers the company organogram and talks about the vision of the company which is about how Zhen wants to change the current market scenario of Bangladesh by giving consumers a widely variety of organic and natural product and drive away products which are chemically altered. Chapter three talks about the different job descriptions and responsibilities I have such as looking after finance and dealing with our foreign suppliers. In this chapter I have also mentioned what are the current drawbacks of the company in my view and what can be done to resolve them.

Chapter four talks about a market research, which was carried out by me to help understand the perception of organic food in Bangladesh. The report included all data like what consumers think about organic food, What they want to see in the market. The research on organic food helped Zhen Naturals understand what out future pipeline is going to be, what products the Bangladeshi consumers prefer and what are their major concerns regarding food items. This report also helped us realize that a lot of knowledge needs to be distributed among consumers regarding Organic food as many are unsure about what Organic stands for. And lastly chapter 5 ends with the References which were used to help make this report

Chapter 1: Introduction

1.1 Origin of the report

The study has been conducted on the operation management aspect of Zhen Natural Limited, a sister concern of Rangs Group, which is one of the leading companies in Bangladesh, diversifying in various sectors. Moreover, this report contributes towards the completion of the internship program, which is a requirement to obtain the Bachelor of Business Administration degree from BRAC Business School (BBS) at BRAC University. After finishing all the required courses for major/minor, students are placed in various companies to gain a professional work experience, which completes their undergraduate progression at BRAC University. Students have to go through thorough selection process in the companies. I began my internship at Rangs Group and was later recruited as an employee to work for their start-up, Zhen Natural Limited. I have been handling the operations of the entire start-up since then.

1.2 Objective of the report

- 1) To have the basic understanding about how a motor company works
- 2) To have an in-depth understanding about how a start-up works
- 3) To provide an analysis of the works, learnings and experiences regarding operations management
- 4) To relate theoretical work with practical work

1.3 Methodology

All the information in this report has been collected via primary and secondary sources:

Primary Source:

- Interviews and face-to-face conversations regarding relevant information
- Observations at work

Secondary Source:

- Company websites
- Company documents
- Online articles

1.4 Scope

Operation management is an integral part of a company, especially crucial for start-ups since it helps determine control over various other aspects and departments; all the works are interlinked. This report gives an overview on how operation management effects other departments and helps build a general insight on how each division of a food sector based company works.

1.5 Limitations

Although I have received ample co-operation and supervision from my supervisor and all the associated employees, it was difficult to obtain proper documentation of the works since Zhen Natural is a start-up. We had to work from scratch and make decisions on our own in some cases which led to some mishaps and confusion in the provision of accurate details. Due to such concerns, it was not much possible for me to include sufficient amount of images related to my work in this report. Also, due to confidentiality issues, I have not been able to provide more data to enrich this report. However, despite the challenges faced, I have tried to complete this report with as much accuracy as possible for the completion of my undergraduate degree.

Chapter 2: Introduction to Zhen Natural Ltd.

2.1 Overview

Zhen Natural Limited is a sister concern of Rangs Group. Zhen is a distributor of high-quality food and health and wellness products from brands that uphold the values of health, sustainability and premium quality. The Managing Director/ Owner of Zhen Natural is very passionate about bringing healthy products in Bangladesh and to erase genetically altered products once in for. Zhen Natural is an FMCG company where they plan to bring in products especially organic from all parts of the world. Zhen has reached few of the best well known brands like Bob's Red Mill and Natures Path. They believe by joining up with the most trusted brands in the world Zhen can provide customers an option to go healthy and improve the overall standard of living.

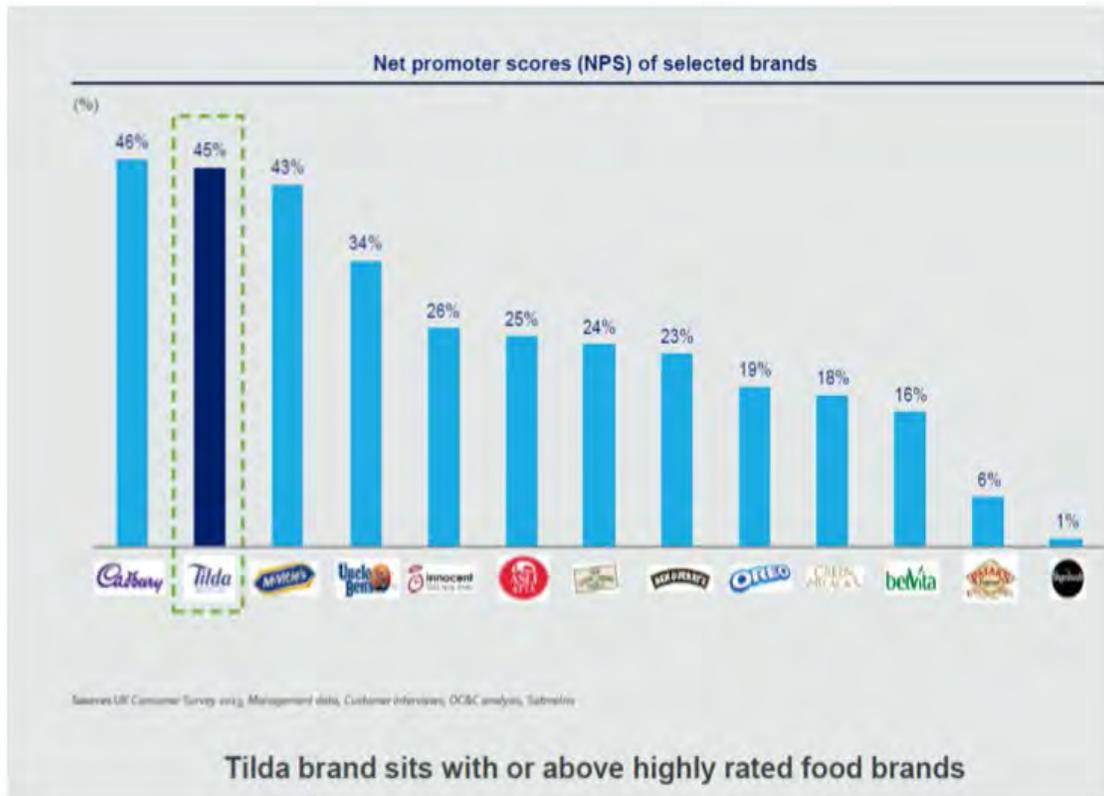
Zhen Natural is currently working with the following Companies.



The story of Tilda is one of unbroken success. Tilda was the first company to bring Basmati to the Western World over 40 years ago and has become an international food brand selling in over 50 countries. The company started its business selling Basmati to the Asian community who immigrated to the UK in the late sixties and early seventies. To this day Tilda is by far the favourite Basmati brand within this discerning rice-eating community. Basmati remains at the very heart of Tilda. We are committed to only selecting the finest Basmati for all our products. Indeed, Tilda refuses to blend with inferior grains. We have for many years worked hand-in-hand with the Basmati farming community and taken on the mantle of guardianship of this precious grain. In our quest for the very best Basmati, Tilda employs the latest DNA fingerprint technology and checks every batch of rice for purity. To this day Tilda is proud of its reputation for uncompromising quality and a commitment to sustaining the legendary status of Basmati and the Tilda Basmati brand worldwide.

Even though Tilda was never marketed in Bangladesh before it is pretty well known by many customers as it has a very strong brand presence abroad.

STRONG BRAND LOYALTY



The above graph shows how strong the brand loyalty is for Tilda.

Even though Tilda has a huge variety of Basmati Rice we are only bringing in two variance.

Even though Tilda has a huge variety of Basmati Rice we are only bringing in two variance.

2.2 Product/Service Offerings

Tilda Pure:



Tilda Pure is the most premium Basmati Rice in Bangladesh. Even though Tilda is an UK based company Tilda is manufactured in India. Compared to its competitors Tilda has reasonable pricing. It is not priced lower than any other Basmati rice but is at the same level with Mehran. The current Tilda MRP is BDT 256 per kg. The unique Selling point of Tilda is that it has a sweet aroma, longer grains and is extremely white and soft. Tilda Pure is the clear favorite when it comes to people with higher purchasing power.

Tilda Wandaful:



Much like Tilda Pure Wandaful has similar unique selling points but the main difference is that Wandaful rice is much harder which makes it ideal for biryani. Unlike Pure Wandaful does not have any sweet taste or aroma but has longer and harder grains.

Bob's Red Mill:



Bob's Red Mill is dedicated to the production of natural foods in the natural way. With all the sophisticated knowledge of recent times, no machinery has yet been developed that grinds grain into flours quite as well as the flint-hard quartz millstones used by millers since Roman times. Bob's Red Mill products are still ground this way. Bob's Red Mill Natural Foods, Inc. mills all

common grains and many unique grains into healthful flours and meals, cereals, bread mixes, pancake and waffle mixes, and muffin and quick bread mixes. Its 400-plus products sell through 70 different distributors in both the natural food class of trade and the specialty grocer class of trade throughout the United States and Canada as well as through the company's onsite retail store. The company only purchases organically grown and Identity Preserved seed grown commodities.

Currently we are working with following BRM products:



Bob's Red Mill Gluten Free 1-to-1 Baking Flour makes it easy to transform traditional recipes to gluten free. Simply follow your favorite baking recipe, replacing the wheat flour with this extraordinary blend. It is perfectly formulated for baked goods with terrific taste and texture—no additional specialty ingredients or custom recipes required. It is ideal for making cookies, cakes, brownies, muffins, and more.



Thousands of years ago, chia seed was a staple in the diets of ancient Mayans and Aztecs. The word chia is derived from the Mayan language, meaning strength and Aztec warriors relied on chia seed to boost energy and increase stamina. Today this tiny seed is a favorite of athletes, especially distant runners who tout it as an endurance enhancing super food.

We are also coordinating with BRM to bring the following products in our pipeline.



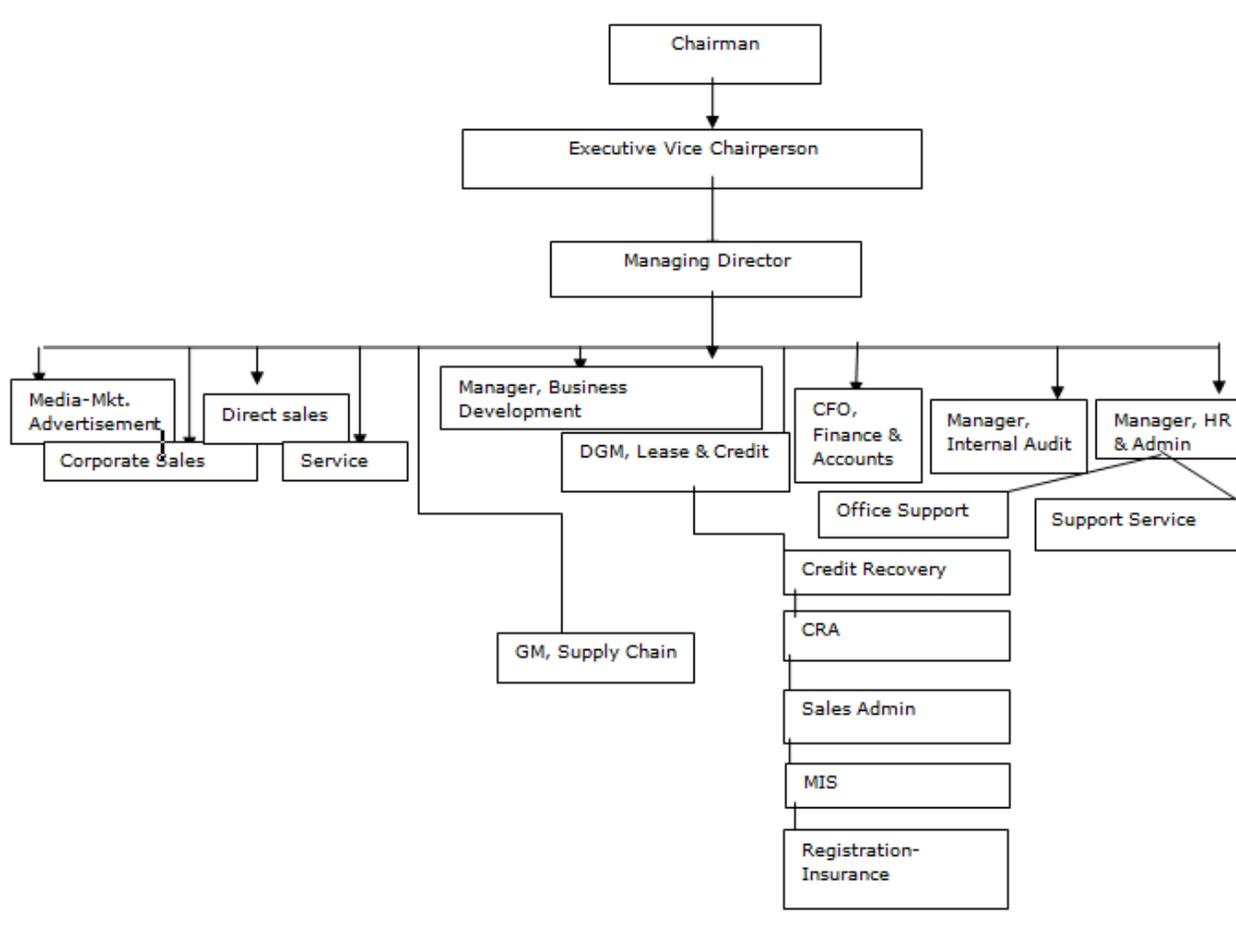
By the end of this year we are also trying to bring in the above products.

Along with Tilda and BRM we are also trying to partner up with the following companies.



2.3 Operational Network Organogram

ZHEN NATURAL LIMITED



Zhen Natural Limited is consisting of 15 departments and each department is interconnected with each other. Core functional work is mainly done by the sales and credit recovery department and they have been supported by the finance and HR department. Marketing and media department is associated with event management, bill board and light board activities. Customer relationship department is complying to maintain a good relationship with existing customer,

new customer and potential customer and they have been supported by service management. And internal audit department is associated with to look after all the workshop activities, money flows and so on. Finally each department head have to provide all the update to the Managing Director of the company.

2.4 Visions for the future

The company's main aim is to educate Bangladeshi consumers on the health benefits of organic and naturally produced food. Zhen slowly wants to change the consumption trend into healthier option which is organic. In the next 3 years Zhen wants to partner up with all the modern Trade stores like Agora and Meena Bazar and have a separate corner for health section where only organic and naturally produced products will be available. Zhen believes if we can provide an wide variety of healthy options at an affordable rate then all consumers will slowly change their dietary habit and have a healthier way of living. Also Zhen hopes to manufacture organic products in Bangladesh and not only act as a distributor. Zhen is already on the lookout for production plants where they can start planning to make organic and fully natural products.

Chapter 3: Description/Nature of the job/s

I was hired by Zhen Natural Limited (A sister concern of Rangs Group) as a senior executive of Marketing department. Ms. Azzama Rabbi who is the managing director of Zhen Natural Limited was the one who took my initial interview through skype and trusted me with this position. Zhen Natural Limited is a new wing of **RANGS** group which means it was basically a startup. Like most startup companies Zhen Natural Limited did not have a solid structure. Most employees of Zhen were involved in all departments and had a total idea about the overall operation. During my 11 months working with the company I was involved in Supply chain, Human resources, Finance, Marketing and business development team. It gave me an opportunity to gain vital knowledge on how each department works and what are the challenges that comes with it. Some of my job description includes the following.

3.1 Job Description

Dealing with Principal companies: Before we bring in any product from our foreign suppliers we sit and discuss about what terms and policies both parties agree on. And communicate with the principal to understand the guidelines we have to follow to market their product.

Supply Chain Management: Once the purchase order is fixed I had to carry out the LC procedure and gather all the necessary documents that is required from our principal like pro-forma invoice and any other product related certificate that is required by customs.

Gather Market Information: In my first month I had to gather market information about our different competitors so that we can understand who were our major competitors, what was the market demand, what were the market rates and most importantly we had to figure out what kind of price we needed to penetrate the market.

Making reports: Since the Managing director of Zhen Natural lived in Singapore it was up to me to keep her updated about day to day operation and progress.

Acquiring clients: Zhen natural is an FMCG which means most of our products are sold through Modern Trade superstores like Agora & Shwapno. Once we establish our credibility as reliable suppliers we provide samples of our product line which is then reviewed by their top

management. Once the product is approved by management we again sit in a meeting to discuss our trade price and what the margin is going to be.

Finance: I had to monitor and keep track of how much money is being withdrawn from the Zhen Natural account to pay bills and to carry out the overall operation of the company. Before any expenses are made I had to get the expense approved first by the company directors.

Promotional Campaign: Any kind of promotional activities to increase sales is implemented by me like organizing the sales team and giving them proper training before the promotion.

Communicating with Vendors: In order to have a successful promotional campaign, we have to get add designs, fliers, X banners ready for the promotion. I have to order promotional material and make sure we have the necessary materials on time.

3.2 Specific Responsibilities & different aspects of the Job

Some of my main job responsibilities are as follows.

Maintaining proper liaison with Principal: Once the management decides the quantity of Purchase order (PO), it is my responsibility to contact with the principal and send them a purchase order in a proper company format. Once the principal receives the PO they send me a Proforma Invoice which i have to cross check with the work order and discuss with them the approximate time of delivery and which port will be used for example Benapole or Chittagong port. Sometimes we need our product to arrive in certain packaging so I have to make sure that is being conveyed to them. Once the product is on route I have to be constantly in touch with the principal to keep getting updates. After the product reaches the warehouse i have to give our Principal a report on how many damaged products we have received and what can be done to avoid it in future. For example In one of our first consignment we realized the cartons our principal was using was too soft and it was not strong enough to keep the products from being torn. After reporting to the principal i have to the assist a surveyor from the insurance company and give the actual report of the stock received so that we can plain money from the insurance company. After the survey is complete we send out the products to the retail markets and superstores.

Getting import permission and opening LC : Once we have the pro-forma invoice at hand I have to gather all the company legal documents like Trade license, Vat, IRC and apply to Bangladesh Food authority for an Import License. An import license usually takes 4 four days to be issued. After I receive the Import license one copy is sent to the principal and another copy sent to the bank to open LC. The bank makes a draft copy of the LC and sends it to me which i then forward to our principal. The principal informs me if any changes are needed in the LC draft and once it is finalized the consignment is ready to be shipped. The image below shows a sample of Import Permission (IP) which is needed for importing any products and opening LC.



GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH
MINISTRY OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL EXTENSION
Plant Protection Wing
(Plant Quarantine)

IP No. 12.11.0000.012.39.026.16-2706

জন্ম/Date: 01-09-2016

আমদানি অনুমতিপত্র/IMPORT PERMIT

পূর্ব সূত্র/Reference: আপনার আবেদনপত্র নং/Your application No. Nil] তারিখ/Date: 29-08-2016

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার কর্তৃক অনুমত "ক্ষয়সাধক পোকা-মাকড় ও রোগ-বান্ধাই এন্ট, ১৯১৪ (নং-২)"-এর ক্ষমতাবলে এতদ্বারা জনাব/মেসার্স কেএ শর্ভ সাপেক্ষে নিম্নলিখিত উদ্ভিদ/উদ্ভিদজাত দ্রব্য আমদানি করার অনুমতি দেয়া হইল/In exercise of the powers conferred by the "Destructive Insect and Pests Act, 1914 (II of 1914)" as adopted for Bangladesh, permission is hereby granted to M/s Zhen Natural Limited, to import the plants and plant material mentioned below under the following conditions:—

| দ্রব্যের নাম/Name of materials | পরিমাণ/Quantity | বহানিকারী দেশ/ Name of exporting country | উৎপাদনকারী দেশ Country of Origin | প্রবেশ পথ/Point of entry |
|--------------------------------|--|---|--|--------------------------|
| Basmati Rice (Non Seed) | = 20500 Kgs. (Twenty thousand five hundred Kgs) | India | India | Benapole, Jessore |

* শর্তাবলী/Conditions :

- আমদানিকৃত দ্রব্যের উৎপাদনকারী/বহানিকারী দেশের উপযুক্ত কর্তৃপক্ষ কর্তৃক প্রদত্ত এই মর্মে উদ্ভিদ স্বাস্থ্য প্রমাণপত্র থাকিতে হইবে যে, উক্ত দ্রব্য সম্পূর্ণরূপে ক্ষতিকর পোকা-মাকড় ও রোগ-বান্ধাই মুক্ত বা কার্যকরী ব্যবহার করা যুক্ত করা হইয়াছে/The consignment should be accompanied with a valid Phytosanitary Certificate issued by the proper authority from the country of origin declaring the plants and plant materials are free from injurious insect pest and disease or rendered so by effective treatment.
- আমদানিকৃত দ্রব্য দেশের অভ্যন্তরে প্রবেশের পূর্বে প্রবেশ পথে নিয়ন্ত্রিত অত্র বিভাগীয় কর্মকর্তা কর্তৃক পরীক্ষিত হইবে এবং প্রয়োজনবোধে বিশেষ শোধন প্রক্রিয়া পর ছাড়পত্র প্রদান করা হইবে। উক্ত প্রক্রিয়ার যাবতীয় ব্যয় আমদানিকারককে বহন করিতে হইবে/On arrival of the consignment it will be examined by Plant Quarantine official stationed at the point of entry and will be released after treatment/fumigation, if required. All relevant expenses for such treatment will be born by the importer.
- এই অনুমতিপত্র অনুমোদনের তারিখ হইতে ৩ মাস পর্যন্ত বলবৎ থাকিবে/This permit will remain valid for three months from the date of issue.

অতিরিক্ত শর্তাবলী/Additional conditions: Please see overleaf.

M/s. Zhen Natural Limited,
117/A, (Level-4) Old Airport Road,
Bijoy Sharani, Tejgaon, Dhaka.



Dy

DIRECTOR

MD. MD. ABU BAKAR
Quarantine Officer
Plant Quarantine Wing
Department of Agricultural Extension
Government of Bangladesh

অনুমোদন প্রাপ্তকের নাম ও ঠিকানা/Name & Address of Permittee

No. IP-12.11.0000.012.39.026.16-2706(3) Date: 01-09-2016.
অবগতির জন্য প্রতিলিপ প্রেরিত হইল/Copy for information and necessary action to:

- ১) তঞ্চলি/উপ-তঞ্চলি নিয়ন্ত্রক/তঞ্চলি তত্ত্বাবধায়ক/The Collector of Customs/Deputy Collector of Customs/Asstt. Collector of Customs/Superintendent of Customs -Benapole, Jessore.....
- ২) সপ্তমনিরোধ কীট-তত্ত্ববিদ/Quarantine Entomologist,
(৩) উপ-পরিচালক /Deputy Director, Quarantine Station, Benapole, Jessore

স্বাক্ষর-২০১১/১২-০১২০ কস/সি-২০/০০,০০০ জপি ২০১১

Collecting Market data: I have to instruct our sales officers to gather certain information from the market like what imported brands are out there in the market, their rates, names of different suppliers and distributors and any promotional activities that is done by them. Once we receive all the vital information we can decide on what price point we should use in the market and what profit margin we can gain. Also by researching all different market it helps to decide which category of products have a high demand in the market which helps us to decide what will be our future product pipeline.

Looking after operation: One of the most important roles I have is to keep my MD updated about day to day activity. I have to make sure employees are achieving their goals and working efficiently. Each week I have to collect sales and inventory data from all my sales officers and area managers and create a report to keep our directors updated. If the operation comes to a halt for any reason it is first notified to me and then I contact the directors for guidance and approval. Also when employees have certain wants or complaints they notify me which I then escalate to the higher authority.

Business Development: Initially when I joined Zhen Natural i had to prepare a business plan for the company which showed our goals and mission for the company. Then we had to go and meet many Superstore procurement managers and present our company so that they will let us be partners with them and allow us to sell our products at their retail outlets at a acceptable margin. Moreover I had to negotiate on enlistment fees and marketing cost. For example in order to business with Unimart they charge 1 lakh taka enlistment fee. It was up to me and our team to minimize the amount as much as possible and also to give us more shelf space. Furthermore in times of promotional activities we again had to negotiate on marketing cost as all super stores charges a lot of money to do any sort of promotional activity for eg: Hanging banners, keeping brand promoters and putting up x banners.

Branding and market plan: Initially before doing any kind of market activity we always try to create a marketing plan which is normally done by higher management. Once a budget is set the marketing team have to make a presentation on what kind of ATL or BTL activity we can do. After the marketing activities are finalized i have to sit with designer team to create add for newspapers and magazines such as **The Daily Star, Lifestyle, Ice today** etc. Normally we create at least 3 designs and present it to the board. After the board decides on a particular design it is

sent for printing. But before the design is presented to the board there is one vital thing which i have to do which is to communicate with our principal and show them the design or content for approval. Since we are dealing and marketing a product which belongs to a foreign company i have to make sure the add does not carry any content which goes against the principal company and gives them a negative image. Failure to do so can lead to possible legal implications and the principal can even stop funding for marketing as well. Once all the above protocols are handled i also have to look after all the plans are implemented under the given timeline and keep our directors updated.



The above picture shows how some of the designs are finalized. Normally we provide three or four designs which is then picked by the board.

Tilda showcased in ICE TODAY magazine

Cover Page **Before Recipe page** **After Recipe Page**

Tilda
Legendary Rice

Once approved such ads are placed in newspaper and magazines.

Communicating with Vendors and media agencies: Implementation of advertisements is solely carried out by me. Here i have to talk with the marketing team of different newspapers and magazines to decide on a rate and what facilities they can offer me. Now I am working with The Daily Star and Sokaler Khobor as we are using these platform to advertise Tilda Basmati Rice which is one of the first product we bought into Bangladesh. Also I have to compare quotations from different vendors to compare their prices and the quality of work they provide.

I have also worked with Nielsen where they were hired to carry out a market research for us to help us understand what perception the people of Bangladesh have on Organic product. Also, I have to work with different digital marketing agencies where they boost our products and carry out many online campaigns.

Maintaining Finance: Another of my key roles involve my approval of any amount of money that will be withdrawn from the company. For any kind of expenses I have to get the amount approved first through mail. Once the director approves the amount by replying back i write up a check with the exact amount approves. Along with that I also disperse salary through pay orders and money transfers. Once I receive the salary statement I write a salary transfer application to the bank and they transfer the salary to the designated employee accounts.

3.3 Critical Observation

Zhen Natural Limited is a sister concern of Rangs Group. As mentioned before Since Zhen is still a start-up it relies on Rangs Motors Limited on a lot of matter. Currently Zhen is using a lot of RML resources like the Supply chain team. RML supply chain team has a good connection and power over customs and is equipped with highly experienced employees. This allows Zhen to get expert advice and freely bring in imported goods. And the same things goes for Finance and Marketing team as well, from the very start Zhen and Rangs Motors Limited has been working as a team. By sharing such resources Zhen is able to reduce their operating cost significantly and have a price cutting edge in the market as they do not have to hire additional experienced employees. However even though sharing resources are saving a lot of operating cost it does have its drawbacks.

The members of RML team are never able to give their hundred percent to Zhen as they already have a huge work load of Rangs Motors Limited, therefore Zhen does not get priority. Which means decision making and implementation of certain actions takes longer to do. An employee is not able to work for Zhen when they do have a lot of RML work left. This creates a lot of delay and is a prime cause of missing deadlines. Moreover, employees of both Zhen Natural and RML are badly affected by this policy. The RML employees feel that they are given more work without any increase in pay and therefore unfair and a burden to them. Whenever they do work for Zhen Natural they do not spent sufficient time therefore the outcome is usually negative as not much thought was put into the matter. Also since this is treated as extra work by RML employees the end result of the work is normally not that great and lacks in quality as they feel they are not liable for such work and does not concern them. This overall policy creates demotivation among employees and often leads to conflicts between the two companies. And most

importantly decision making is badly hampered as employees are never fully updated about the current market situation and therefore they cannot react quickly.

3.4 Recommendations

The above mentioned problem can be easily rectified if certain steps and policies are implemented. First as Zhen in time will keep getting bigger they need to hire dedicated professionals for the Top Management like CEO and CFO. They cannot rely on the top management of RML to make their decisions for them. RML can always provide advice and give guidance but they should not be heavily involved. Secondly if they plan to keep implementing RML resources then all employees should be given added incentive, meaning all RML employees should be paid for any extra work they do for Zhen Natural limited. Also a specific time can also be allocated for extra work. Implementing the mentioned recommendation can help employees be more motivated, efficient and ultimately will result in better work quality.

Chapter 4: PROJECT

4.1 Summary

Rangs group is an established business organization of Bangladesh that has various business segments. It was started over three and a half decades ago in Bangladesh. With diversification and a rich variation of products it has earned repute among Bangladeshi people as a distributor of premium and quality brands and services.

ZHEN NATURAL Ltd. Is a concern of Rangs group that is in its initial level. It has an aim to introduce their line of organic & natural food in the market of Bangladesh.

For this purpose we needed to capture clear understanding on consumer insight, perception and attitude towards organic and natural food as we were planning to bring a whole basket of products to Bangladesh.

Through a thorough research we summarized the following points.

- Organic food market in Bangladesh is still in its early stage of product life cycle.
- Illegal usage of chemical and pesticides in foods is reason behind generation of concern on organic food among consumers nowadays.
- High price and lack of authority to verify organic food quality created some negative reaction among consumers.
- As People are more concerned for their children than their self they are more interested to provide organic foods to their children.
- Fruits and vegetables are more expected to be organic.
- Ensuring food safety and affiliating the organic food providing organization with responsible government bodies will increase credibility.
- Awareness creation on organic food, focusing on benefits of organic foods and on problems of inorganic foods should be communicated to consumers as much as possible.

4.2 Description of the project/Research approach

Qualitative approach was followed for the study to strengthen and support Quantitative findings. Quant explored percentage of target group aware about the category, brand preference, factor they consider, willingness to purchase etc. Then, Qual findings (10 In depth Interview) explored consumer insight on natural & organic food including awareness, perception followed by consumer preference etc.

Respondents who met the selection criteria (SEC A and/or A+ having household income at least 100,000, regularly purchase baby food, has decision making power etc.) were recruited based on snowball sampling method. As this target group were not figured out without having any reference.

Face to face interview of individuals were taken with semi structured questionnaire.

Competitive analysis was done by exploring current market players in the category, their offerings to consumers, price etc. Interview of industry expert i.e. key resource person/s of the current players in the market was also interviewed to understand market nature, awareness of people, future of this category etc.

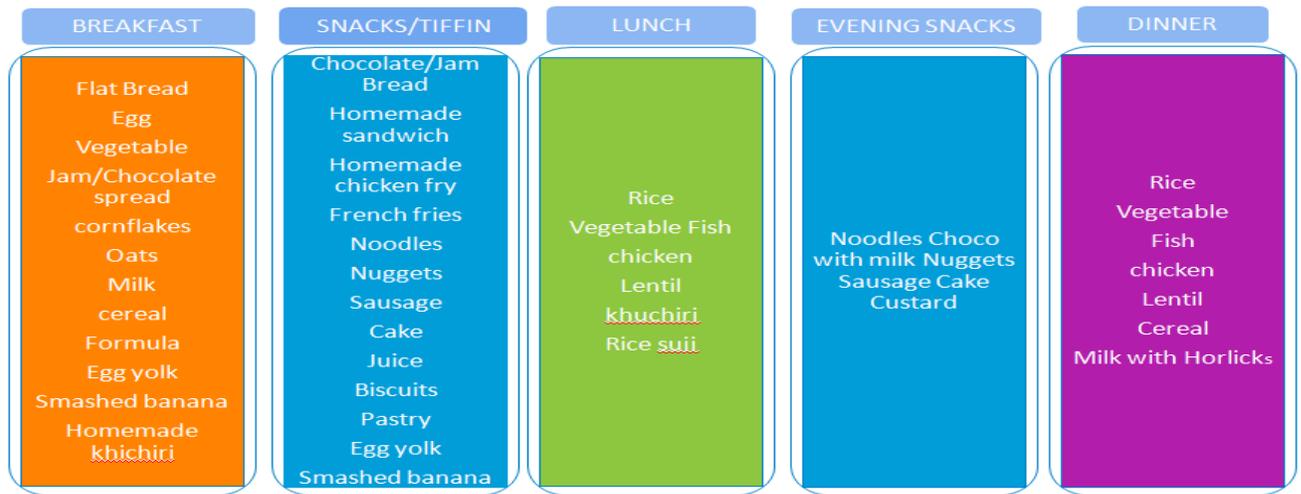
4.2.1 Objective of the Project

- Consumer insight (awareness) on natural and organic food for Baby(newborn-12months), Toddlers(2-3 years old) and kids(4-9years old).
- Consumer insight on natural and organic ingredients. (awareness & perception)
- Consumer insight on available food in the market under the category. (awareness & perception)
- Brand preference (local vs. international)
- Factors considered to select brand, Intention to buy and willingness to pay
- Overall, a strategy to go in the market.

4.3 Results and discussion

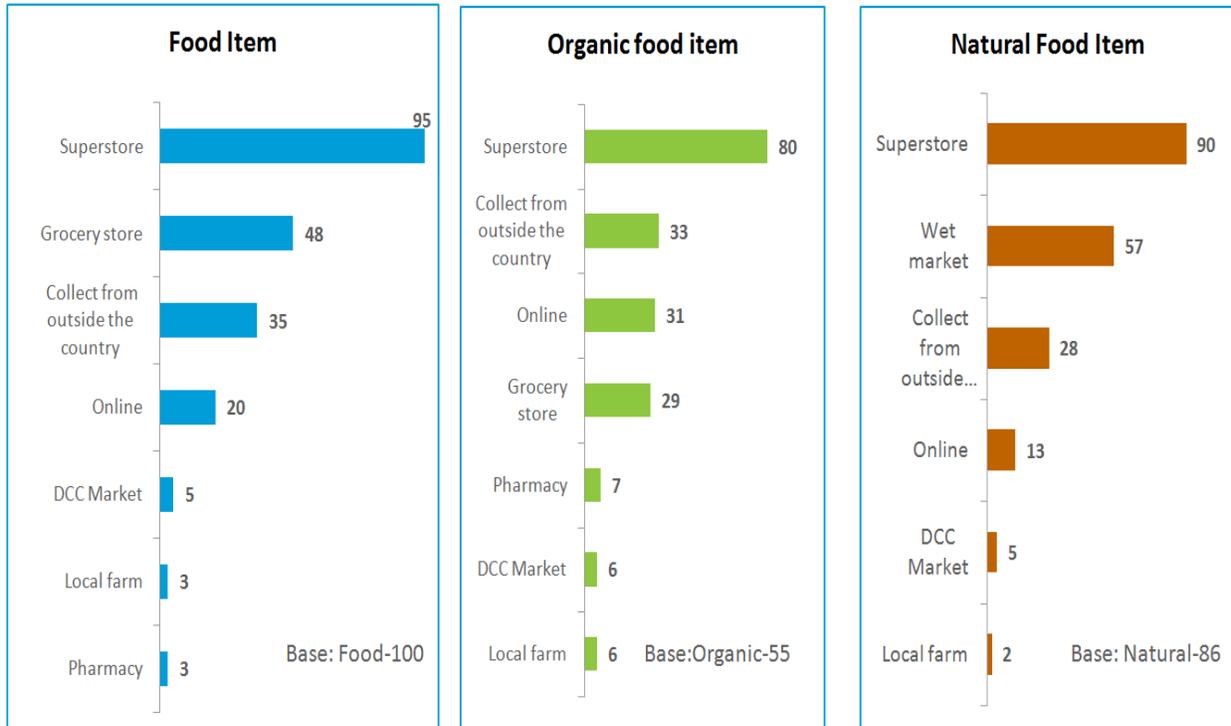
To start off we decided to check the daily food pattern of children. It was seen mothers prefer to make easy breakfast which takes less of a time. In the research findings it was seen mothers mostly preferred instant breakfast for their children because of the heavy rush and lack of time to prepare the food. Even though parents made sure that adequate amount of protein was given to lunch and dinner it was seen that they relied heavily on readymade food for evening snack and tiffin.

FOOD CONSUMPTION PATTERN OF CHILDREN



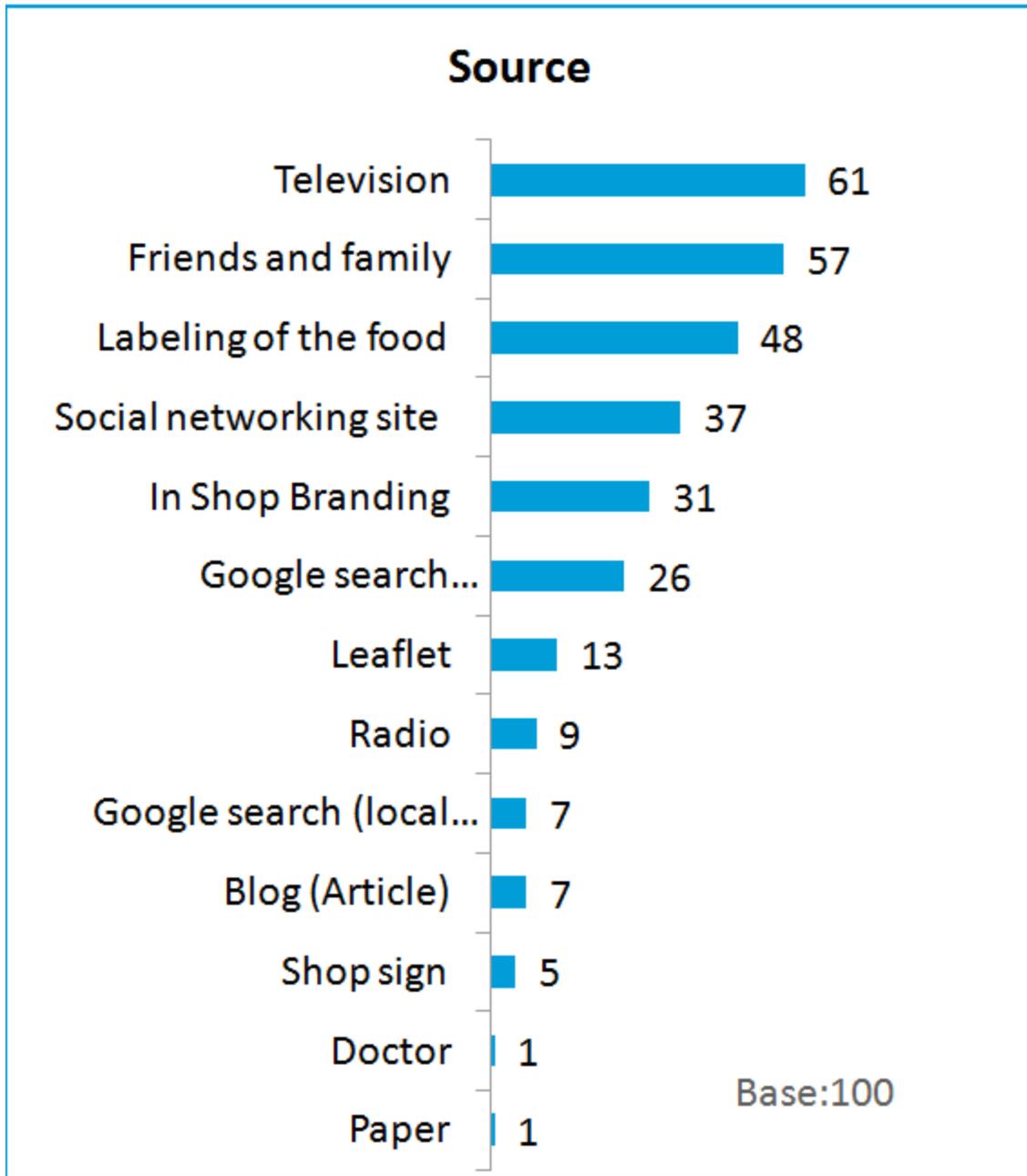
Food consumption pattern for children

A research was also done to understand which store people prefer to go to buy different kinds of food. According to the finding it was concluded that most people bought organic and baby food from the super shop while they bought natural food from the wet market.



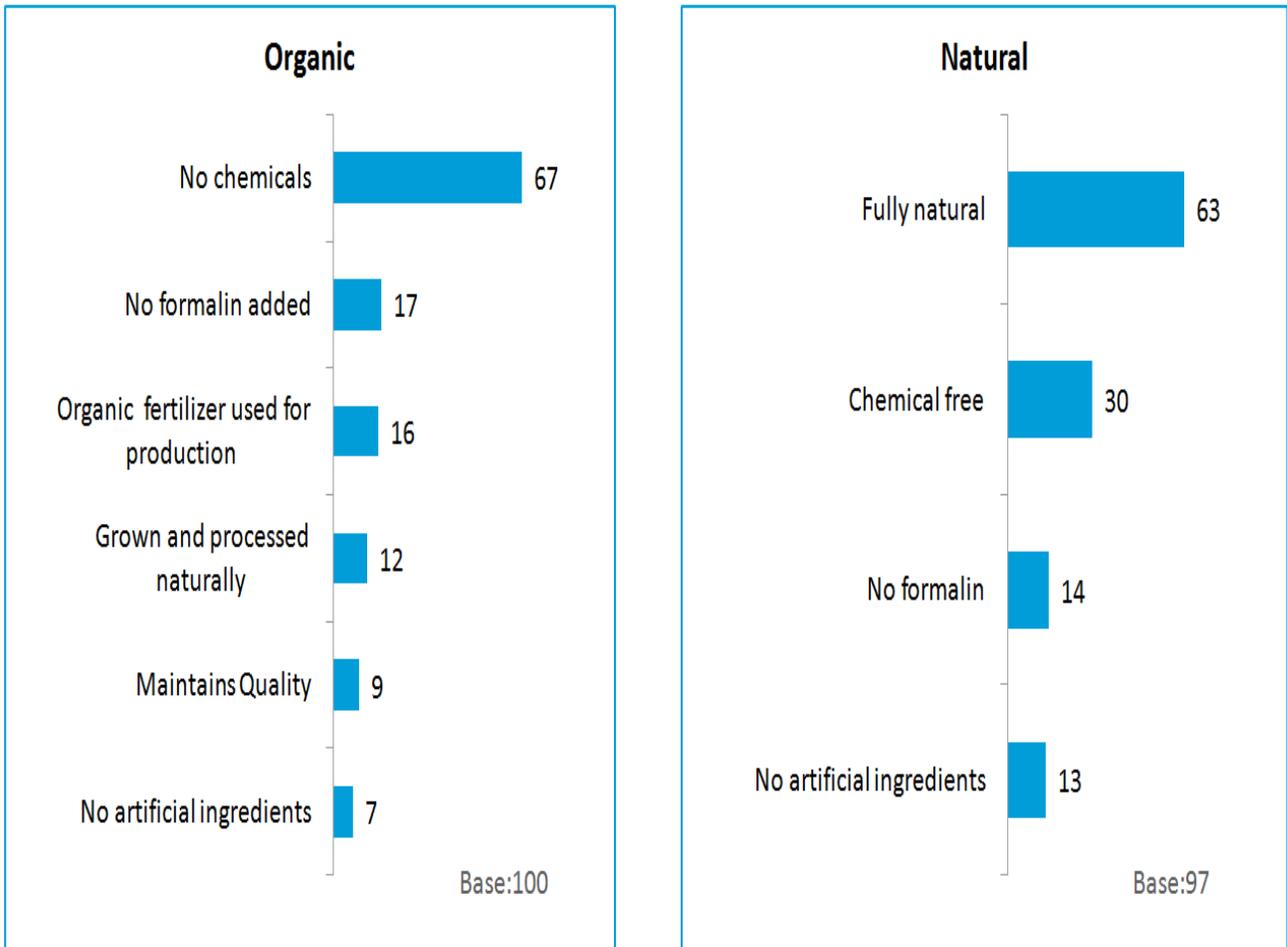
Places where people prefer to buy Organic, Natural and everyday food items

We conducted another test where we wanted to find out the source of awareness on Organic food. From quantitative findings we have seen they had awareness regarding organic food from TV at prompted level. However, when we made a deep dive to understand, we found that people mainly get to know about organic food from internet, acquaintances, superstores and product labels and from particular TV channels such as TLC, Fox travelers and Discovery.



The above image shows through which media people were learning about organic food.

The next figure shows the perception of consumers on Organic and Natural foods.



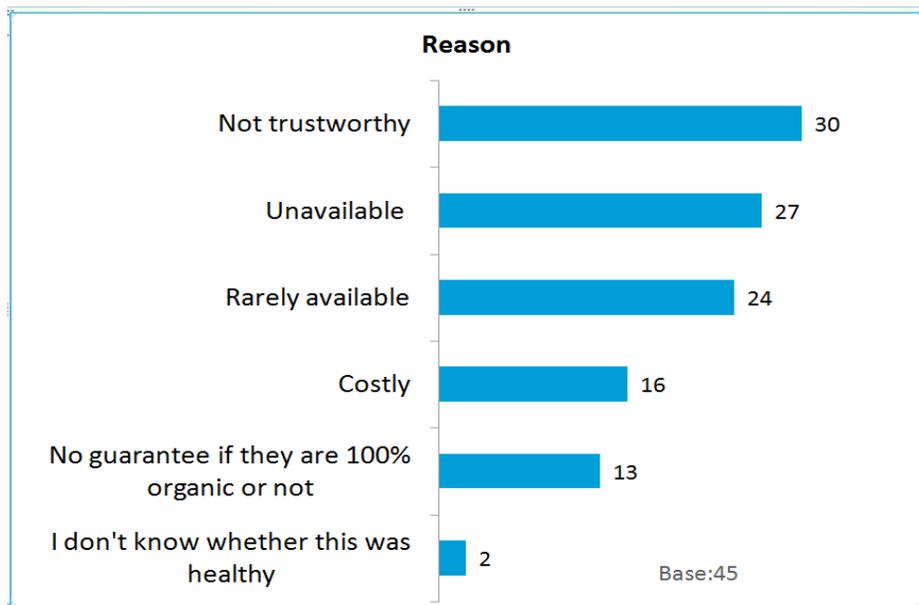
According to the above graph almost all consumers think that Organic and Natural products are pretty much the same thing. However a lot of people seem to know that organic production requires organic fertilizer too.

We also wanted to know what motivated consumers to buy organic and how their thought process works. The below diagram explains that most consumers prefer to buy organic food because they believe it is healthier and has no chemical added. However most of consumers do not know why exactly organic food is considered healthy.



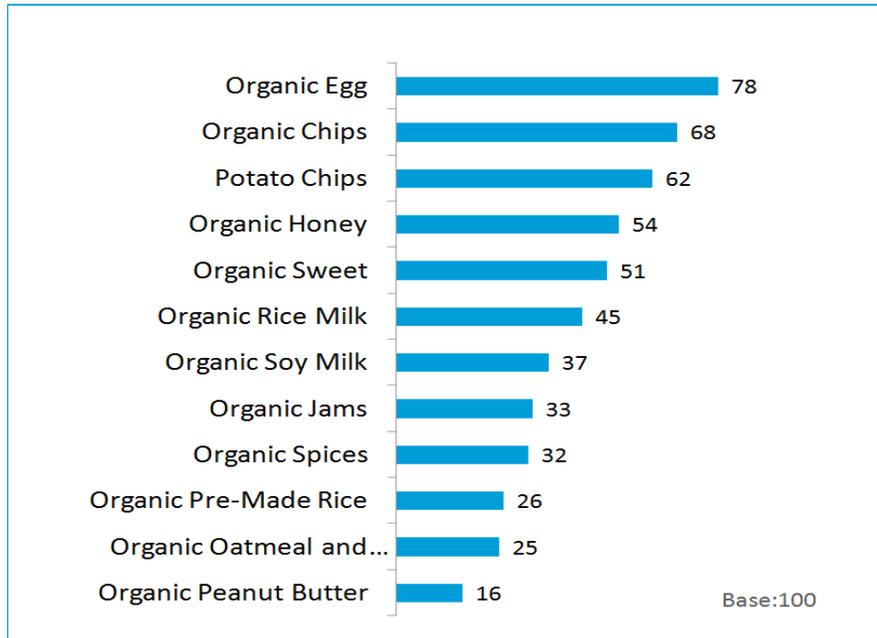
Motivating Factor to buy Organic Food

After knowing the motivational factors we also wanted to figure out what causes consumers to not buy Organic products. The main reason behind people not buying Organic is trust. Majority of the people in Bangladesh believes that most suppliers lies about organic and the practice of making organic product is almost non existence.



Reason Behind Not trying Organic

Our next step was to figure what kind of organic product consumer are interested in and wants to be made available. We realized that organic egg was the item that consumers seemed most keen in.



Products of Interest

4.4 Conclusion of the report

- Homemade foods are more preferred by mothers as they are more trusted considering the food safety. However working mothers also tends to go for packaged foods available in the market. They are in a transition mode where they want to provide home made foods to their children but due to their time constraint they are compelled to give packaged food to the kids
- Packaged foods are mainly preferred for their convenience. However, they are not as trustworthy as homemade foods
- Trust worthiness, reputation, manufacturing company, country of origin are the factors considered to choose brands.

- For both organic and natural food, consumers have almost same perception. They couldn't differentiate much between these two types. Consumers spontaneously associate organic food with sound health & peaceful mind
- Those who didn't try organic food mainly don't try because of lack of trust on the products.
- For consumers, contaminating perishable foods such as seasonal baby food, fruits, vegetables & dairy products are more preferred organic foods.
- Consumers are interested to pay around 6-16% more for different categories of organic foods.

Chapter 5: References

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