



**INTERNSHIP REPORT
ON
Budgeting of Winter Program of Square
Food and Beverages LTD.**

SUBMITTED TO:

Adiba Naoshin
Lecturer
BRAC Business School
BRAC University

SUBMITTED BY:

Nurunnahar Ahmed
BRAC Business School
ID: 13304024
BRAC University

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MS. Adiba Naoshin

Lecturer

BRAC Business School

BRAC University

Madam,

I would like to thank you for giving me the opportunity to attend as an audit intern at Square Food & Beverage Ltd. (SFBL), which is based on “Budgeting of winter program of Square Food and Beverages Ltd.” It was appointed by Office of Career Services and Alumni Relations-OCSAR to me as a prior course which leads me to the completion of my under graduation.

I put my preeminent labor for the preparation of this report. Any troubles or imperfections may emerge as due to my learning angles. I shall wholeheartedly acknowledge any proposals or input with respect to my report. Your help in such manner will be very much valued.

Sincerely yours,

Nurunnahar Ahmed

Student ID: 13304024

BRAC Business School

BRAC University.

Acknowledgement

As a matter of first importance, I want to thank Almighty Allah that he has given me much strength to complete my internship report on “Budgeting of winter program of Square food and Beverages Ltd.”

I, pass on my genuine gratitude and respect from the bottom of my heart, to my academic supervisor, Ms. Adiba Naoshin, Lecturer of BRAC Business School, BRAC University. Without her direction it would not be conceivable to make my report effective. Her guidance for every single strides has molded greatly.

I would like to thank my colleagues from Square Foods and Beverages Ltd. as they have helped me a lot from the very beginning till the end.

Finally, I would like to express gratitude towards everyone from whom I had seek refuge regarding the preparation of this report.

Table of Contents

Letter of Transmittal	1
Acknowledgement	3
Executive Summary	6
Introduction	7
Limitations	8
About Square Foods and Beverages Ltd.	9
Mission Statement	11
Objectives	11
Milestones Achieved	11
<i>Year 2001</i>	11
<i>Year 2002</i>	11
<i>Year 2005</i>	11
<i>Year 2009</i>	11
<i>Year 2010</i>	12
Global Presence	12
Retail Network	12
Quality Assurance	14
<i>Finest ingredients</i>	14
<i>Technology</i>	14
<i>Manufacturing Unit</i>	14
<i>Quality Certification</i>	14
Brands of ‘SFBL’	15
• ‘RADHUNI’	15
• ‘RUCHI’	15
• ‘CHASHI’	15
• ‘CHOPSTICK’	15
Sister Concerns of ‘SFBL’	16
Methodology	17
<i>Primary source:</i>	17
<i>Secondary source:</i>	17
Purpose of the ‘winter program’	17
Ways to accomplish	17

Financial Information	19
Findings	22
1. Overestimation	22
2. Emphasizing on small amount of slabs	22
3. Prioritizing on bigger areas	22
Recommendations	26
Conclusion	23
References	24

Executive Summary

This report is based on “Budgeting of the winter program of Square food and beverages limited”. The report starts with a brief introduction about Square group and its subsidiaries. In addition to that their retail network and quality assurance process is discussed. The report continues with their product portfolio. The main part of the report consists of the information about the winter program of Square food and beverages limited, information about the budgeted revenues and costs of the winter program as well as the actual revenues and costs, the differences occurred between the budgeted and actual figures and findings. All the supporting data are gathered from Dhaka, Chittagong, Mymensingh, Sylhet, Khulna and Rajshahi areas. The purpose of the winter program is to increase their sales by a significant number. Though it’s a strategy to increase the revenue, but at the same time they keep the distributors satisfied as well. After compiling all the actual and budgeted sales figure together, a difference between the reality and expectation is observed. Overestimation of sales is the main reason behind the failure to achieve the target. Emphasizing on small amount of slabs, and prioritizing on bigger areas, i.e. Dhaka, Chittagong, Mymensingh rather than Sylhet, Khulna Rajshahi is also responsible for creating the difference. At the end of the report, some recommendations are provided to minimize the spread between the actual and expected sales figures. Following the figures of previous operations, equally emphasizing on all their operating areas can be helpful to make the actual sales figures close to the expected figures.

“Budgeting of winter program of Square Food and Beverages Ltd.”

Introduction

Square Food and Beverage Limited, an independent company under Square Group started its journey in 2000 with the introduction of Radhuni, which have drawn attention of modern housewives those who have a latent demand for convenient and time-saving cooking. Square Group has already passed 59 years in the Bangladeshi market. From the commencement in 1958, the company today, has become one of the top line companies in Bangladesh. Thinking of a prosperous businessman in Bangladesh, the very first name that comes into mind is Samson H. Chowdhury who started the company with a very small amount of money. That is now a true icon of the Bangladesh business sector due to his hardship and natural leadership quality. The Square Pharma, listed in DSE 30 holding a very strong leadership position in the pharmaceutical industry of Bangladesh since 1985 and is now on its way to be a global player. Square Toiletries, another flagship company of Square, taking care of women, men, and even babies since 1988. Senora, Jui, Meril are some very preferred brands for women. Square has also Textiles, Knit Fabrics, Fashions, InformatiX, and Hospitals. The publicly listed diversified group of companies is today employing more than 28,000 people. The current yearly group turnover is 616 million USD as of 2016. Square holds a mission to produce and provide quality and innovative products for people, maintain stringently ethical standard in business operation and ensures benefit to the society at large.

It will be hard to get people who are not known with the products of Square group since most of the citizens of Bangladesh use the products and these products are available accorross the country. Square do not compromise its quality which is the best thing about them. People have been using their products for years and they have trust on Square.

Limitations

There were limitations regarding the preparation of this report, but I have put my fullest effort to make this report a perfect one. The limitations that I have faced in this regard are:

- *Time limitation:* The time allocated for the internship and making of this report is very low from my point of view. I think more time should be allocated since there are a lot of things to learn. I had a rush to make this report in time to keep my impression unharmed. If I had more time, then I would go in depth and bring out more information regarding my report.
- *Concealment of information:* Most of the companies do not provide their information to general public by understanding the risk of disclosure of their secrets. Square is not unlike the others. So, this is also a limitation against the preparation of this report.

About Square Foods and Beverages Ltd.

Samson H Chowdhury had started a small pharmacy at his village which is about 160km off capital Dhaka in the North-west part of Bangladesh. He then had ventured into a partnership pharmaceutical company with three of his friends in 1958. He had been asked that why they chose the name 'SQUARE' and he remembered that they had named it SQUARE because it was four people who started this company and also because it indicates accuracy and precision meaning quality since they had been committed towards manufacturing quality products. Now that small company from 1958 is a publicly listed diversified group of companies which is employing more than 28000 people and their current yearly group turnover is 616 million USD. Samson H Chowdhury died in 2012.

Square Consumer Products Limited, had begun its voyage in 2000 as a discrete from Square Group, the main communal house in Bangladesh. Inside an inadequate ability to focus time, it has possessed the capacity to make a solid a dependable balance in the market through its quality items and client administrations. For its fixation on quality administration, the company had gotten the worldwide quality standard ISO 9001 in 2005. Solid sense of duty regarding quality, selection of cutting edge innovation, weight on human asset advancement, concentrate on constant change and presentation of new items for the developing markets have given the company a conclusive position in the business. In 2010, the company accomplished ISO 22000 for its food wellbeing administration framework. Over 10 years after the fact, in first September 2014, it was reinvented as **Square Food and Beverage Ltd.**

Square Food and Beverage Ltd. has offered four predominant brands in the market by names of Radhuni, Ruchi, Chashi and Chopstick. Radhuni is the leading brand of the company. Soon after its appearance, Radhuni drew the attention of housewives who wished for comfortable and efficient cooking. The item scope of Radhuni is advanced with essential flavors, prepared blends, oats and heartbeats based items and consumable oil. Then again, Ruchi is providing prepared to-eat snacks like Chanachur, Fried Dal, Potato Crackers, Muri, Jhalmuri, Sauce, Ketchup, Jhuribhaja, Chutney and Pickles. Ruchi has won the core of the youths for its solid, top notch and inventive worth mentioning items. Chashi is the point of interest of those items which are gathered straightforwardly from the agriculturists having the original material and freshness. The most recent expansion in the brand portfolio is Chopstick, which has been driven with a guarantee of giving top notch, nutritious noodles in the market. Chopstick Instant Noodles is having any kind of effect in the market as the main

tasting salt free noodles in the class which is uncommonly created with the health concern of children.

This company promises to take care of the expanding demand for quality items both at home and abroad. The items with worldwide models are being sent out to 30 nations. Devotion to quality, imaginative items, client benefit and sensible cost has given Square Foods and Beverages Ltd. an outstanding position in the food business.

Mission Statement

Square Foods and Beverages Ltd. wants to be a world-class food items company in Bangladesh by guaranteeing essential quality foods and consumer facilities with state-of-the-art expertise and enthused teams.

Objectives

This company has a few objectives to be accomplished, which are:

- To continue providing the very best of the products which are wanted by the consumers
- Exploring the expanded segments of the market and cater to those
- Continue assuring intrinsic quality of hygienic food products
- Improving consumers standard of food habit
- Ensuring availability of products to consumers
- Enhancing the strength and skill of the company which will contribute to company's progress, both in international and inland markets

Milestones Achieved

Square Foods and Beverages Ltd. has accomplished a remarkable number of feat since its arrival in the market.

Year 2001

Presented Radhuni and Ruchi in July in the market. Products at the time of introduction were Chile Powder, Turmeric Powder, Coriander Powder and Ruchi Chanachur (Regular).

Year 2002

Started exporting to South Korea

Year 2005

Attained ISO 9001:2000 certification for its Value Management System. SME Reward 2005 for Best Intermediate/Corporate Company.

Year 2009

Introduced their 3rd brand 'CHASHI' in July.

Year 2010

Obtained ISO 22000 certification for food safety management system requirement for company in the food chain.

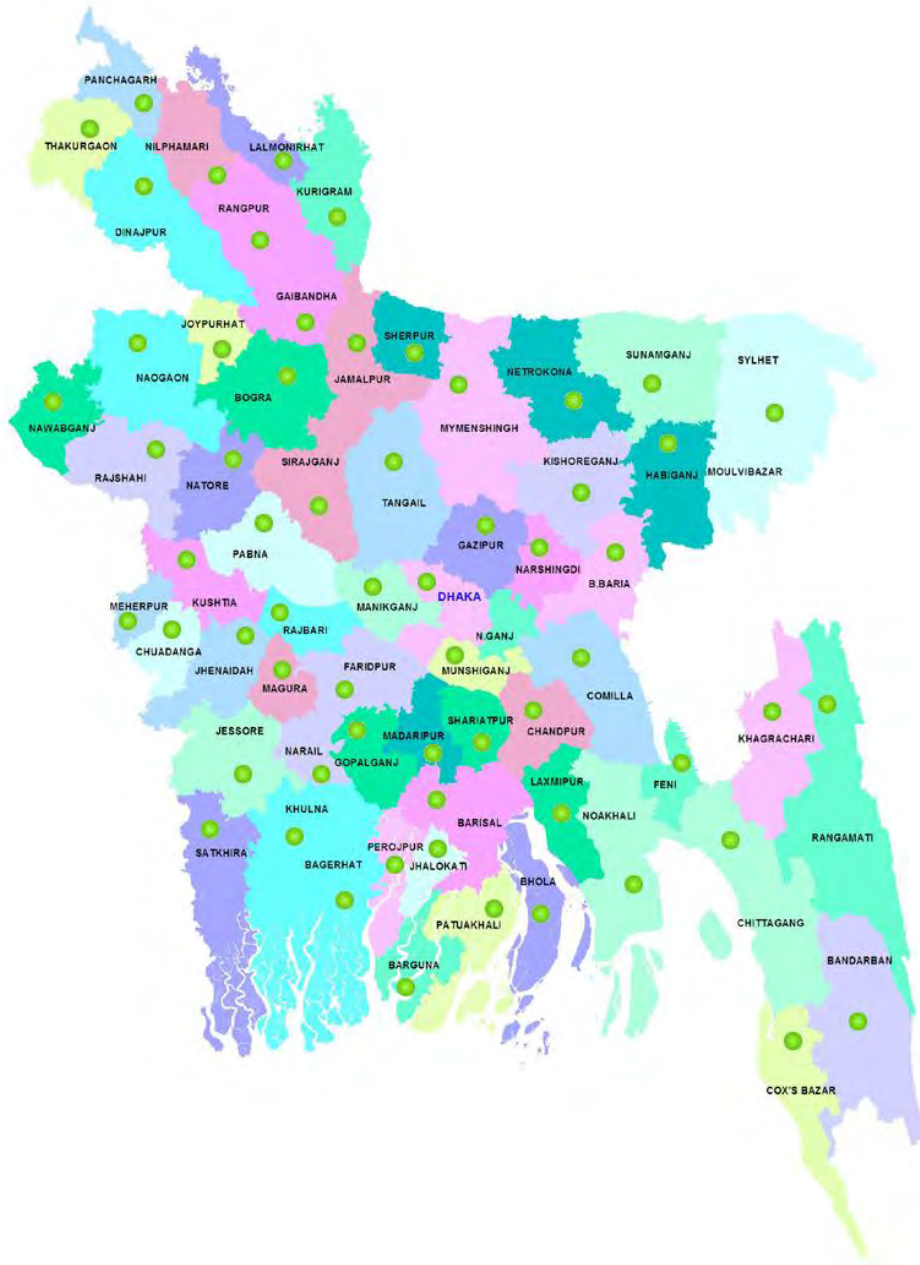
Global Presence

Square Food and Beverage Limited is fortifying its fare operations to end up remarkably a high performing universal player by providing quality food items at levelheaded cost. Its items follow universal phyto-sterile inevitabilities. Beginning its initial export to South Korea in 2002, the company is as of now trading the items with universal norms in 30 nations around the globe which incorporates Australia, Europe, North America, Africa and Asia.

Specialized capacities in preparing, post-reap taking care of, keeping up Good Manufacturing Practice (GMP) and present day granulating innovation have given Square Food and Beverage Limited a solid forceful verge in the business.

Retail Network

This picture below shows the retail network of the company throughout Bangladesh



Quality Assurance

Square Foods and Beverages Ltd. is a member of the prestigious Square group of companies and thus it maintains finest quality and provides according to the requirements of its consumers. This company cares about its consumers and this is why it has been reaching greater heights. Let's find out how it maintains its quality.

Finest ingredients

Ingredients are the most important thing for a final product and SFBL knows that very well. They do not compromise their quality and that is why they find out from where they can extract the finest ingredient for a precise product and this is how they uphold the authenticity of their final food products.

Technology

Flavors have a long and old history, mainly in our subcontinent, where they are a piece of life and legacy. In any case, with change of time the flavors handling innovation has additionally been changed. Square Foods and Beverages Ltd. gives shoppers those flavors which are produced using the choicest crude materials keeping up the most elevated handling measures. They utilize the 'State of art' technology for manufacturing process. The low temperature Grinding invention ensures all basic unpredictable oil in place alongside suitable pummeling. The assembling plant of the company has a hi-tech laboratory where the quality check is done. The company uses completely robotized bundling framework which guarantees zero introduction to peripheral vulnerability.

Manufacturing Unit

It is situated at Pabna, the northern part of Bangladesh, which is distinctive for horticultural items and along these lines it is helpful to source particular assortment of crude materials. This gives the company the chance to create food items from the best quality crude materials. Square Food and Beverage Limited's assembling units are condition benevolent and are furnished with present-day hardware. Specialized capacities in preparing, post-gather taking care of, keeping up Good Manufacturing Practice (GMP) and present day crushing innovation have given Square Food and Beverage Limited solid focused edge in the industry.

Quality Certification

Because of the incredible quality administration agenda, Square Food and Beverage Limited attained ISO 9001 in 2005. Also, the company has achieved ISO 22000 for its food security administration agenda. Solid responsibility regarding quality, reception of cutting edge

innovation, weight on human asset advancement, concentrate on nonstop change and presentation of new items for the developing markets has given the company a conclusive position in the industry.


Square Food and Beverage Limited endeavors to fabricate and pack every one of the items following the necessities of CODEX, HACCP and FDA keeping in mind the end goal to meet the prerequisite of the consumers of home and abroad. The special areas of concern of this company are:

- Attention on consumer
- Management skill of the staffs
- Association of individuals
- Development method
- System approach to administration
- Frequent enhancement
- Accurate approach to judgement
- Equally favorable retailer affairs

Brands of 'SFBL'

 'RADHUNI'

 'RUCHI'

 'CHASHI'

 'CHOPSTICK'

Sister Concerns of 'SFBL'



Methodology

By observing task process and working strategies, I have gathered the information regarding the preparation of this report.

Primary source:

Data of the lineups are collected from experience, rules and regulation and manual process.

Secondary source:

These data are collected from the company and its annual report.

Winter Program

Winter program of 'SFBL' is a target to reach their expected sales limit within a time period of 60days. They provide their distributors some gifts to complete selling a fixed amount of products.

Purpose of the 'winter program'

The purpose/objective is to increase their sales by a significant number for motivation to work harder in the nearest future. It also creates a competition among the distributors.

Ways to accomplish

To accomplish this objective, SFBL is offering gifts, prizes for their distributors on fulfilling the goal of reaching target sales. This is perhaps a strategy, adopted by the company, to increase their sales but at the same time keeping the distributors satisfied as well.

Prizes allocation is shown in the table below:

<i>Prize Ranking</i>	<i>Prizes</i>	<i>Target slabs</i>	<i>Time allocated (Days)</i>
1 st	Walton 20" LED TV	300000	60
2 nd	Walton 19" LED TV	250000	60
3 rd	GFC Stand Fan 18"	200000	60
4 th	Pure it (Unilever)	150000	60
5 th	Diner Set 22pieces	100000	60
6 th	National Table Fan	75000	60
7 th	Bedsheet(HomeTex)	50000	60

8 th	RFL Plastic Chair	40000	60
9 th	Curry Bowl 2 Piece	30000	60
10 th	Rice Plate 2 Piece	20000	60

Except these gifts, there is another gift, a ‘100CC HERO Splendor Motor Cycle’, which is considered as a special one and it will be given to that distributor, who will exceed the targets of reaching the slabs to be sold.

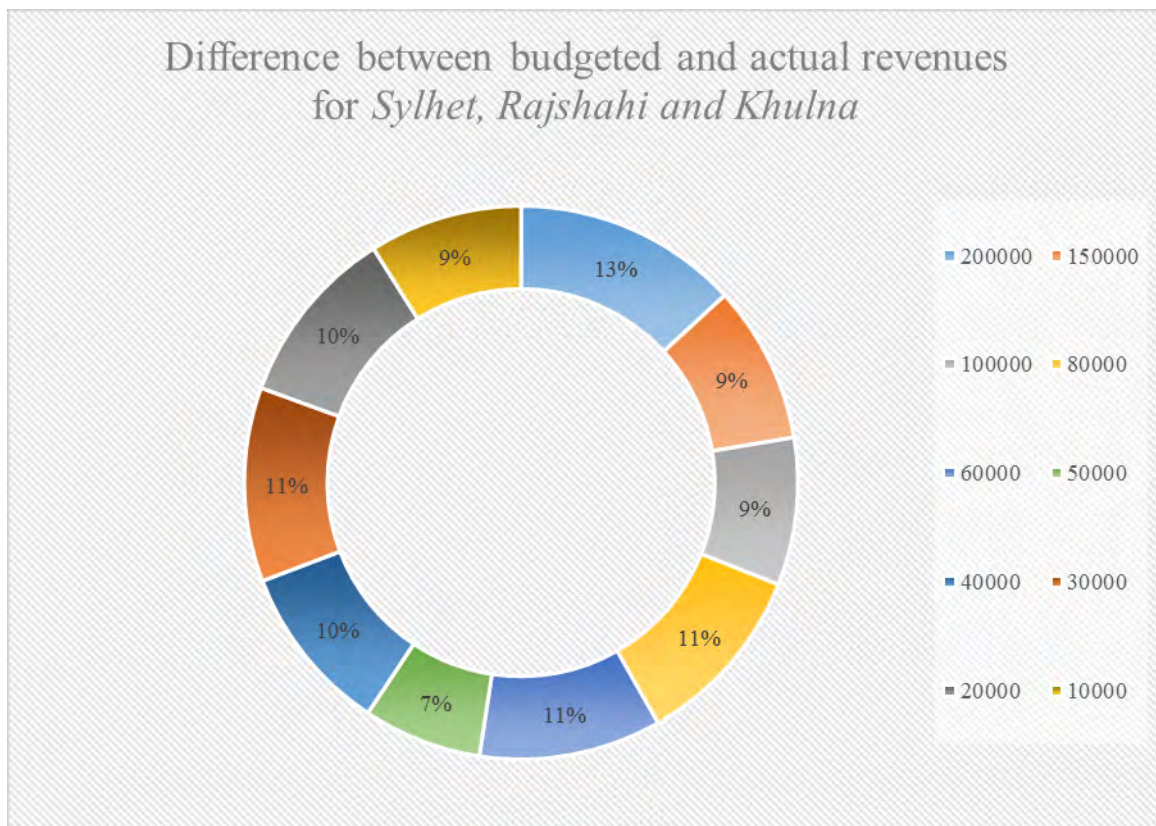
After collecting the data, I have compiled them all together and shaped them in order. What you will find below, is the financial information regarding the winter program of SFBL and it contains the expected and the actual outcomes of cost and revenues and also the differences between the actual and budgeted revenues shown in percentages.

Financial Information

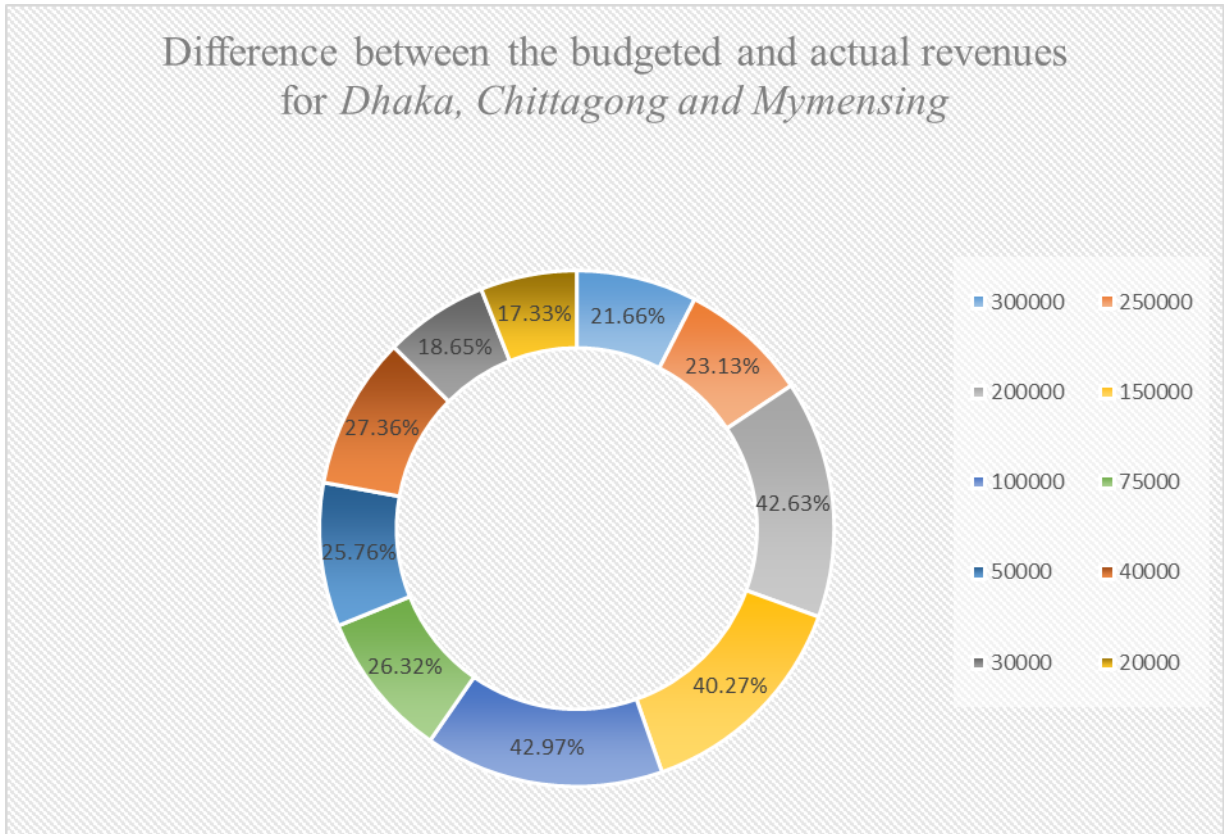
Dhaka, Chittagong, Mymensingh								
Slab amount	Slab Quantity			Revenue		Cost		Cost/slab
	Budgeted	Actual		Budgeted	Actual	Budgeted	Actual	
300,000	60	47	78.33%	18,000,000	14,100,000	750,000	587,500	12500
250,000	160	123	76.88%	40,000,000	30,750,000	1,680,000	1,291,500	10500
200,000	320	190	59.38%	64,000,000	38,000,000	1,120,000	665,000	3500
150,000	750	448	59.73%	112,500,000	67,200,000	2,175,000	1,299,200	2900
100,000	1400	998	71.29%	175,000,000	99,800,000	2,575,000	1,721,550	2100
75,000	1667	1228	73.68%	125,000,000	92,100,000	2,875,000	859,600	1725
50,000	2550	1893	74.24%	127,500,000	94,650,000	1,785,000	785,595	700
40,000	3000	2179	72.63%	120,000,000	87,160,000	1,245,000	828,020	415
30,000	3500	2847	81.34%	105,000,000	85,410,000	1,330,000	754,455	380
20,000	4000	3307	82.68%	80,000,000	66,140,000	1,060,000	876,355	265

Sylhet, Rajshahi, Khulna								
Slab amount	Slab Quantity			Revenue		Cost		Cost/slab
	Budgeted	Actual		Budgeted	Actual	Budgeted	Actual	
200,000	35	26	74.29%	7,000,000	5,200,000	367,500	273,000	10500
150,000	50	41	82.00%	7,500,000	6,150,000	350,000	287,000	7000
	95	79	83.16%					4300

100,000				9,500,000	7,900,000	408,500	339,700	
80,000	400	316	79.00%	32,000,000	25,280,000	720,000	568,800	1800
60,000	500	396	79.20%	30,000,000	23,760,000	525,000	415,800	1050
50,000	650	562	86.46%	32,500,000	28,100,000	585,000	505,800	900
40,000	1700	1372	80.71%	68,000,000	54,880,000	799,000	644,840	470
30,000	2000	1557	77.85%	60,000,000	46,710,000	830,000	646,155	415
20,000	2450	1948	79.51%	49,000,000	38,960,000	612,000	486,602	250
10,000	2500	2063	82.52%	25,000,000	20,630,000	375,000	309,450	150



Difference between the budgeted and actual revenues for *Dhaka, Chittagong and Mymensing*



These two tables show the data related to the operation of SFBL and there are two tables because I have differentiated the areas into two parts, bigger and smaller areas. Dhaka, Chittagong and Mymensingh are the bigger areas to conduct the operations, considered by SFBL. Sylhet, Khulna and Rajshahi are smaller areas in this regard. In these two tables, information about the budgeted and actual costs, revenues and number of slabs are found. These information have helped me finding out the problem with the gap of their estimations and actual outcomes.

Except the tables, there are two Pie Charts which illustrate the differences between the actual and the budgeted revenues for both the smaller and bigger areas. These differences are shown in percentages so that they are easily understandable. As you will notice, in case of the smaller areas, which are Sylhet, Rajshahi and Khulna, the differences are not that much but in the bigger areas, the differences are unexpectedly huge.

Findings

Question may occur, “Why the gap has occurred between expected and actual budget and how to reduce that gap?”

1. Overestimation

Square has been getting different results unlike their estimated ones. They have been overestimating the figures. If they had been estimating figures close to the previous actual figures then these different outcomes would not come. For example, they budgeted revenues of 40000000 but the actual revenues were 30750000.

2. Emphasizing on small amount of slabs

They have been emphasizing on small amount of slabs, they rather should emphasize on greater amount of slabs to get the results they want actually. For example, in the smaller amounts, the differences are not that much if you look closely, but in the greater number of slabs, the gaps are significantly bigger. This has occurred as they have emphasized more on the smaller amount slabs than the bigger ones.

3. Prioritizing on bigger areas

The data chart evidently signifies how noticeably Square is prioritizing the bigger areas (Dhaka, Chittagong and Mymensingh) rather than the smaller areas (Shylhet, Rajshahi and Khulna). They must prioritize both bigger and smaller areas in a parallel scale. Since they are segregating, that is why the consequences are unlike the expectations.

Recommedations

- To decrease the gap between actual and expected figures, they should follow the results of previous operations that would give them a result similar to their estimation to some extent.
- In addition to that they should emphasize and put their eyes on everything equally to get rid of the differences they are getting. They need to stop discriminating between their slabs in order to be in peace later, if not, they will again face this problem in the nearest future.
- Moreover, they have to keep their eyes on both small and big areas so that they get the desired outputs from every area they step in.

Conclusion

Apart from the problems that Square food and beverages ltd. has faced, this company is quite good at what it does and that is why it has been in the top for these years. Square does not compromise its quality and that is why people love their products and are buying them every day. Since this report was about the ‘winter program’ of the company, so it has all the information required and it shows where the problems are too. This report gives a brief idea about the company and the purpose and objective of the winter program.

None the less, Square group of industries is a top notch company in the country and it will surely overcome the problems it faces and will keep its face value secured.

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