

“An Evaluation of Supply Chain Activities of Micro Fibre Group”

Dissertation submitted in partial fulfillment of the
Requirements for the Degree of
Masters in Procurement and Supply Management

Submitted by
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29thNovember, 2015



**BRAC Institute of Governance and Development
BRAC University**

“An Evaluation of Supply Chain Activities of Micro Fibre Group”

A DISSERTATION
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Approved as to Style and Contents
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BRAC Institute of Governance and Development,
BRAC University

Letter of Transmittal

29th, November, 2015

Md.Mizanur Rahman

Professor

Marketing Department

University of Dhaka

Subject: Letter of Transmittal

Dear Sir,

It is great pleasure for me to submit my practicum report on the topic of “*An Evaluation of Supply Chain Activities of Micro FibreGroup*” has prepared this report, as partial fulfillment of my Master’s Program.

I have tried my level best to prepare this report to the required standard. It was certainly a great opportunity for me to work on this paper to actualize my theoretical knowledge in the practical arena.

I express my heart full gratitude to you to go through this report and make your valuable comments. It would be very kind of you, if you please evaluate my performance regarding this report. For your kind consideration I would like to state that, in my report may contain some mistake in account of my limitation of understanding and experiences. I hope my endeavor will be beneficial to the reader and recommend for exonerate eye for any mistake or error found in the report.

Thanking you

Best regards,

.....

Md.TanvirZaman

Student Declaration

This is Md.TanvirZaman to inform you that the practicum report on “**An Evaluation of Supply Chain Activities of Micro FibreGroup**” has only been prepared as a partial fulfillment of the Master’s program.

It has not been prepared for any other purpose reward or presentation.

.....
Md.TanvirZaman

Acknowledgement

Earliest in time I would like to express my heart-felt thanks to Almighty Allah for his kind blessing for completion of the Practicum report successfully. In the process to doing and preparing my report, I would like to pay my gratitude and respect to some persons for their immense help and enormous cooperation.

I convey my heartfelt thanks to respectable vice-chancellor gave the opportunity of doing Practicum report on “**An Evaluation of Supply Chain Activities of Micro FibreGroup**”. Then I would like to thank respected faculty member **Md. Mizanur Rahman** who provides me valuable information which was very mandatory for me to do this report.

I would like to give special thanks to Almighty Allah and friends who helped to complete this report. At the end of say not the least I would like to give special thanks to the Manager of Supply Chain department **Md. Sharifull Islam** who helped me, a lot to prepare this report.

Supervisor's Declaration

This is to certify that the practicum report on “**An Evaluation of Supply Chain Activities of Micro Fiber Group**” in the bona fide record at the report has been carried out by Md. Tanvir Zaman, bearing ID: 13282007 from Brac University as a partial fulfillment of the requirement of Master's (MPSM) degree. The Report has been prepared under my guidance and is a record of the bona fide work carried out successfully. To the best of my knowledge and as per his declaration, any part of this report has not been submitted for any degree, diploma or certificate.

Now he is permitted to submit the practicum report. I wish his all success in his future endeavors.

.....

Md. Mizanur Rahman

Professor

Marketing Department

University of Dhaka

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Executive Summary

The requirements for every student of Master's program are that we must go through the practical orientation program. It is the procedure through which a student gets the real life working experience and also gets the scope to implement his knowledge. Theoretical knowledge gets a complete shape only when it is applied in a practical field. To breeze up the gap between theory and practice, the Brac Institute of Governance and Development, Brac University has introduced the internship program for Masters Course to bring the students closer to the practical work. This is undoubtedly a valuable appreciable addition to the institutional education. This report is based on my working experience in Supply Chain Activities of Micro Fibre Group.

A supply chain is more than a simplistic set of links along a linear path from raw material extraction to end consumer use and a supply chain is a very complex network through which materials, information, and money flow between key participants. Highly integrated supply chains dynamically draw upon the capabilities and resources of multiple organizations to ensure the timely and efficient fulfillment of customer requirements. Integration and synchronization of a supply chain do not occur by happenstance. An organization must make supply chain management a strategic priority, assemble the right talent, build key relationships, and invest in essential technological capabilities. These efforts support the development and coordination of interdependent processes in planning, procurement, conversion, and logistics. All are needed to achieve supply chain excellence. Ultimately, these capabilities translate to greater customer utility, performance versus goals, and shareholder value. These trifold benefits fuel the growing interest in supply chain management among CEOs and corporate boards.

Since the real life business situation is always very complex and competitive, every business has to face the intense competition and those who can successfully operate within this critical situation can become the blue cheap. To stay and increase the pace in the business track, the effective supply chain activities are very important.

For preparing the internship report at first, I had to select my objectives. The broad objective of this study is to have an overall idea of supply chain activities of MFG & to evaluate these supply chain activities. To fulfill my report broad objective then I fixed my specific objectives. After then I justified this report to know that, who will be benefited with the research. I had faced some scope & limitations to do the research. I also mentioned that. After that I followed some methodology to do the research. Those are as sampling frame, sampling technique was non-probability sampling under convenience sampling or primary and secondary data collection, preparing a budget and fix a time schedule. Next, I set a questionnaire to the respondent. From their response I get some findings and also know the expectations of the supply chain members.

Finally I can conclude that Micro Fibre Group has a great potential growth in the country as a leading national brand with a national image. The satisfaction level consumer's & Vendors to MFG is very positive and their satisfaction level is very high.

1. Introduction to the Study:

The textile and garment industry is one of the major industries in Bangladesh having major contribution in GDP of the Economy. Bangladeshi textile and garment industry has its significance not only in the Bangladeshi market but it has its recognized presence and high stature in the global market as well and it is one of the leading textile and garment industries in the world. The structure of the Bangladeshi textile and garment industry is full of variability having the players at every level of their supply chain with lot of structural, operational and performance differences. The industry consists of many organized entities which are highly structured, capital intensive and having most of the brand value in the market as well as the small scale, non-integrated spinning, weaving, finishing, and apparel-making enterprises and handicrafts dominated by the handlooms and power looms. Micro Fibre Group (MFG) is one of the leading companies in export of ready-made knit garments, fabric production with an enrichment of all composite facilities in Bangladesh. Its humble journey started in 1991 with marketing of eco-friendly textile dyestuff, chemicals and auxiliaries in Bangladesh and subsequently expanded its backward linkages on knitting, dyeing, finishing, printing and accessories production. The forward linkages of garments sewing started in the year of 2000 with a vision of becoming the most recognized knitwear manufacturer in Bangladesh while successfully producing RMG of world reputed buyers like H&M, C&A, New Look, Meta, Richfield and Coop Italia. In view of keeping diversification on knitwear apparel, MFG is progressing by its six units of diverse industrial entities by providing employment for nearly 6000 employees. Business Activities of this firm are knitting, dyeing and finishing, printing and garments. Altogether 185 circular and flatbed knitting machines with various dia from 20-40" with having capacity of 30 metric tons fabrics by producing single, heavy and lycra jersey, piquet, rib, interlock, fleece, french terry, thermal, polyester, nylon, viscose, cool ax, feeder and engineering stripe. Micro Fibre Group, by using world renowned machines such as Mayer & Cie, Fukuhara, Fukahama, Jiunn Long, ShimaSheiki, Matsuya etc, actively dyeing 25 metric tons fabrics per day with maintaining eco-friendly quality system of Oeko-Tex 100 standard. This unit features superior machineries like Suntex finishing line, Tube-tex and Ferraro compactor which ensures perfect dyeing quality in both tube and open-width variety. Also slitting, combing, brushing, shearing and ultra-soft fabrics used to be done by a group of European machines. Production of 60,000 pcs of placement printing by Thailand origin auto table and octagonal rotational printing machines along with controlled curing support. Maximum 6000 kgs of allover fabric printing comes out by famous flat printing brand KUIL of Korea. Reactive, pigment, discharge, glitter, flock,

rubber, foil, hi-density print etc. are done efficiently. It is specialized on producing basic and fancy t-shirt, polo, sweat shirt, tank top and jacket for men's, ladies and kids fashion. Present capacity of RMG production is around 72,000 pcs per day.

It has been decided to work with supply chain activities of Micro Fibre Group. Supply chain management does not have a long history relative to other business disciplines such as accounting or economics. However, concepts that underpin supply chain management have been in existence for different forms. From a business perspective of Micro Fibre Group, the origins of supply chain management lie in a wide variety of related but initially fragmented activities. Purchasing, inventory management, warehousing, order processing, transportation, and related functions were conducted independently. Each one had its own budget, processes, priorities, and key performance indicators, but this disaggregated approach was suboptimal and did not lead to lowest total costs. Eventually, company leaders came to realize the problems of fragmentation and began to integrate related activities. Inbound transportation, purchasing, and production related activities were coordinated in support of manufacturing. Inventory management, order processing, outbound transportation, and related activities comprised the physical distribution function. Later, these two areas evolved into the logistics function or process that coordinates and integrates the inbound and outbound flows of the organization. A true supply chain emerges when our organizations synchronize their respective processes and adopt a more holistic supply chain management philosophy that includes strategic consideration of related areas. This includes finance, marketing, planning, and technology. Although the field of supply chain management has rapidly evolved over the few years. The obstacles to supply chain integration encountered within the organization are far more difficult to overcome than the external challenges. After an organization integrates its internal processes and adopts unified cost and service performance targets, focus shifts toward building external relationships and extending the enterprise. Collaboration with key suppliers and customers, robust capabilities, and advanced technologies help the organization drive cross-channel value. The final step in the maturation process is the development of true network capabilities. A truly dynamic supply chain is needed to support the organizational responsiveness and network resiliency goals discussed earlier.

2.0 Background of the Study:

A supply chain is more than a simplistic set of links along a linear path from raw material extraction to end consumer use. Instead, this chapter has demonstrated that a supply chain is a very complex network through which materials, information, and money flow between key participants. Highly integrated supply chains dynamically draw upon the capabilities and resources of multiple organizations to ensure the timely and efficient fulfillment of customer requirements. Integration and synchronization of a supply chain do not occur by happenstance. An organization must make supply chain management a strategic priority, assemble the right talent, build key relationships, and invest in essential technological capabilities. These efforts support the development and coordination of interdependent processes in planning, procurement, conversion, and logistics. All are needed to achieve supply chain excellence.

From this research different parties will be benefited. The entire Garments sectors will be benefited to know about the customers & Suppliers' preferences and choices. The corporate level customer also will come to know the information about the existing market and will help them making decision about buying.

The Garments sectors will be benefited by knowing how and why customers are choosing, what types of design and price they want. The fiber products export and import agencies will be benefited; they can make decision about import and export more products. Researchers who are willing do research on garments industry will also be benefited from the research.

This report is based on my working experience in Supply Chain Activities of Micro Fibre Group. A supply chain is more than a simplistic set of links along a linear path from raw material extraction to end consumer use. Instead, this chapter has demonstrated that a supply chain is a very complex network through which materials, information, and money flow between key participants. Highly integrated supply chains dynamically draw upon the capabilities and resources of multiple organizations to ensure the timely and efficient fulfillment of customer requirements. Integration and synchronization of a supply chain do not occur by happenstance. An organization must make supply chain management a strategic priority, assemble the right talent, build key relationships, and invest in essential technological capabilities. These efforts support the development and coordination of interdependent processes in planning, procurement, conversion, and logistics. All are needed to achieve supply chain excellence. Ultimately, these capabilities translate to greater customer utility, performance versus goals, and shareholder value. These trifold benefits fuel the growing interest in supply chain management among CEOs and corporate boards.

Since the real life business situation is always very complex and competitive, every business has to face the intense competition and those who can successfully operate within this critical situation can become the blue cheap. To stay and increase the pace in the business track, the effective supply chain activities are very important.

For preparing the internship report at first, I had to select my objectives. The broad objective of this study is to have an overall idea of supply chain activities of MFG & to evaluate these supply chain activities. To fulfill my report broad objective then I fixed my specific objectives. After then I justified this report to know that, who will be benefited with the research. I had faced some scope & limitations to do the research. I also mentioned that. After that I followed some methodology to do the research. Those are as sampling frame, sampling technique was non-probability sampling under convenience sampling or primary and secondary data collection, preparing a budget and fix a time schedule. Next, I set a questionnaire to the respondent. From their response I get some findings which I get by hypothesis development using statistical diagram. Then by doing the hypothesis analysis researcher can get that, the supply chain activities related factors are ok.

From the close up and practical inspection of customers & Vendors dealing procedures during the whole period of my internship preparation in Micro Fibre, I have reached in firm and concrete conclusion confidently. I believe that my realization will be in harmony with most of the manufacturer thinkers.

After doing this research I learned many things about the customer's and vendor's satisfaction to the Micro Fibre's supply chain activities. From the researcher found many factors that affect the customer's & vendors. From the respondents study found that the overall supply chain activities their planning on production & behavior with the vendors are satisfactory. But still they have some lacking on their supply chain activities.

Micro Fibre has a great potential growth in the country as a leading national brand. MFG is not achieving 100% success in their entire supply chain activities. To achieve the leading position and success, lot of improvement is required for every sectors of it. As Garments products became essential for the human day by day, many manufacturers are coming with this product in this garments industry. So that it has also become a competitive market for MFG products having a good brand image and local presence in Bangladesh. They should also take much more attention and careful action to establish its product line in the market. To build a positive perception and awareness among the customer about their product they

have to be stronger in their promotional activities and should maintain a good relationship both internally and externally in their corporate life.

3. Scope of the Report:

The Supply chain of MFG consists of all parties involved directly or indirectly, in fulfilling a customer request of MFG. The supply chain not only includes the manufacturer and suppliers, but also transporters, warehouses, retailers, and customer themselves. MFG's supply chain includes all functions involved in receiving and filling a customer request. These functions include, but are not limited to, new product development, marketing, operations, and distribution, finance, and customer service.

This Report is based on overall Supply chain activities of MFG. While conducting the study I have collected various types of primary and secondary data. Data has been collected through different sources and also by taking interviews with regular customers & Suppliers. The questionnaire contained only *likert scale*. Secondary information has been collected through the company's website www.mfgbd.net. After collecting all data I have discussed and analyzed and have focused on finding out their problems of conducting supply chain activities and tried to give some suggestion to improve their supply chain activities to do better in future.

I have conducted this report based on the vendors, Customers & Employees of Micro Fibre Group. The study is exploratory in nature as no rigorous study has been conducted on Micro Fibre Group before. For this study I have used both primary and secondary data. Data has been collected through different sources and also by taking interviews with regular customers & Suppliers. The questionnaire contained only *likert scale*. Secondary information has been collected through their website. Here the analysis topic is "An Evaluation of Supply Chain Activities of Micro Fibre Group". The topic of the study was chosen in consultation with the honorable supervisor. While assigning the topic necessary suggestions were provided by the honorable supervisor to make this project report well-organized. After collecting all the data I had analyzed all the data individually. I had analyzed the data by myself. Then I had made the comparison of data and explain it through graph, chart, table etc. I have used MS Word, MS Excel to analyze data. Also the parametric and non-parametric statistics / tools and basic statistical techniques have been used. Based

on my analysis I made findings, limitation, recommendation and conclusion. Finally I will present my research in front of audience. During the project part I have sorted out my time in this way.

4. Objectives of the Study:

Broad objective:

The broad objective of this study is to have an overall idea of supply chain activities of MFG & to evaluate these supply chain activities.

Specific objectives:

Specific objectives of this study are as follows:

- To identify different types of supply chain activities.
- To describe the expectations of the executives involved in the supply chain activities.
- To assess the supply chain activities.
- To find out the problems of supply chain activities.
- To prescribe some suggestion.

5. Methodology of the study:

The study is exploratory in nature as no rigorous study has been conducted on Micro FibreGroup before. For this study I have used both primary and secondary data. Data has been collected through different sources and also by taking interviews with regular customers & Suppliers. The questionnaire contained only *likert scale*. Primary data I have used because of - An advantage of using primary data is that researchers are collecting information for the specific purposes of their study. In essence, the questions the researchers ask are tailored to elicit the data that will help them with their study. Researchers collect the data themselves, using surveys, interviews and direct observations. I have also used secondary data. Secondary information has been collected through their Website www.mfgbd.net. I have used secondary data because of Secondary data tends to be readily available and inexpensive to obtain. In addition, secondary data can be examined over a longer period of time. Here the analysis topic is “An Evaluation of Supply Chain Activities of Micro FibreGroup”. The topic of the study was chosen in consultation with the honorable supervisor. While assigning the topic necessary suggestions were provided by the honorable supervisor to make this project report well-organized. The population includes Customers; Employee & Suppliers of MFG. Sampling unit for this research are Customers, and Employee & Suppliers of MFG. The sample frame of this study consists of all 50 Customers, Employee & Suppliers. Total sample size for this research has been selected to 50 customers, Employee & Suppliers from the population. I have used Probability Sampling procedure to conduct this research and sampling method was Random Sampling. I have used *Likert scale* to get the response from the population. I wanted to know whether respondents reply by Strongly Disagree (1), Disagree (2), Neither Agree or Disagree (3), Agree (4), and Strongly Agree (5) with each statement. I have collected all data by questionnaire Survey. I have used Questionnaires with structured questions to conduct this research and the question structure was *likert Scale* Question I have conducted this survey over Questionnaire Survey. While I was conducting the study I have collected various types of primary and secondary data. Data has been collected through different sources and by taking interviews with responsible officers and from different circular published by the company.

6. Limitation of the study:

As I am a student, I have not enough experience to prepare such kind of internship report. So in my research there might remain some deficiency while preparing the internship report. My work could become more useful if I had enough knowledge and experience regarding such research. Some limitations that I faced are:

- Short period of time: There is time limit to submit the research report so I could not give enough time to complete this research report.
- Cost of doing research: I do not have much budget for doing this research
- Lack of respondents' response: Customers & Suppliers were not willingly giving their opinion about the question.
- Lack of analyzing power: I do not have adequate experience to prepare the research.
- Lack of knowledge & Skill: I do not have the adequate knowledge to prepare such kind of practical report.

7. Discussion, Analysis & Findings:

- **Identify different supply chain activities:**

A supply chain activity of Micro Fibre Group does not have a long history relative to other business disciplines such as accounting or economics. However, concepts that underpin supply chain management have been in existence for different forms. From a business perspective of Micro Fibre Group, the origins of supply chain management lie in a wide variety of related but initially fragmented activities. Purchasing, inventory management, warehousing, order processing, transportation, and related functions were conducted independently. Each one had its own budget, processes, priorities, and key performance indicators, but this disaggregated approach was suboptimal and did not lead to lowest total costs. Eventually, company leaders came to realize the problems of fragmentation and began to integrate related activities. Inbound transportation, purchasing, and production related activities were coordinated in support of manufacturing. Inventory management, order processing, outbound transportation, and related activities comprised the physical distribution function. Later, these two areas evolved into the logistics function or process that coordinates and integrates the inbound and outbound flows of the organization. A true supply chain emerges when our organizations synchronize their respective processes and adopt a more holistic supply chain management philosophy that includes strategic consideration of related areas. This includes finance, marketing, planning, and technology. Although the field of supply chain management has rapidly evolved over the few years. The obstacles to supply chain integration encountered within the organization are far more difficult to overcome than the external challenges. After an organization integrates its internal processes and adopts unified cost and service performance targets, focus shifts toward building external relationships and extending the enterprise. Collaboration with key suppliers and customers, robust capabilities, and advanced technologies help the organization drive cross-channel value. The final step in the maturation process is the development of true network capabilities. A truly dynamic supply chain is needed to support the organizational responsiveness and network resiliency goals. The supply chain activities which are followed by MFG are discussed below:

Departmental Organogram – Micro Fibre Group (MFG):

MFG Supply Chain Function has 3 departments and their activities are discussed below:

1. Demand and Supply Planning
2. Procurement
3. Customer Service and Distribution

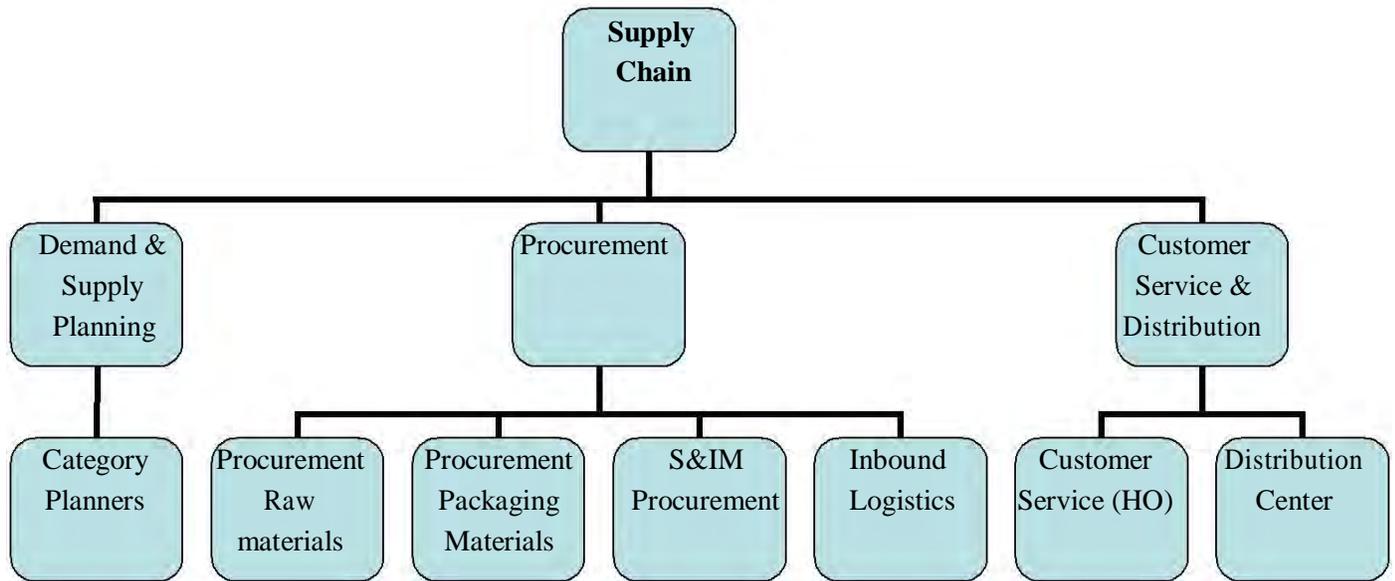


Figure- 2: Departmental Organogram

I was appointed in S&IM (under Procurement Function) and the Organogram of S&IM is below:

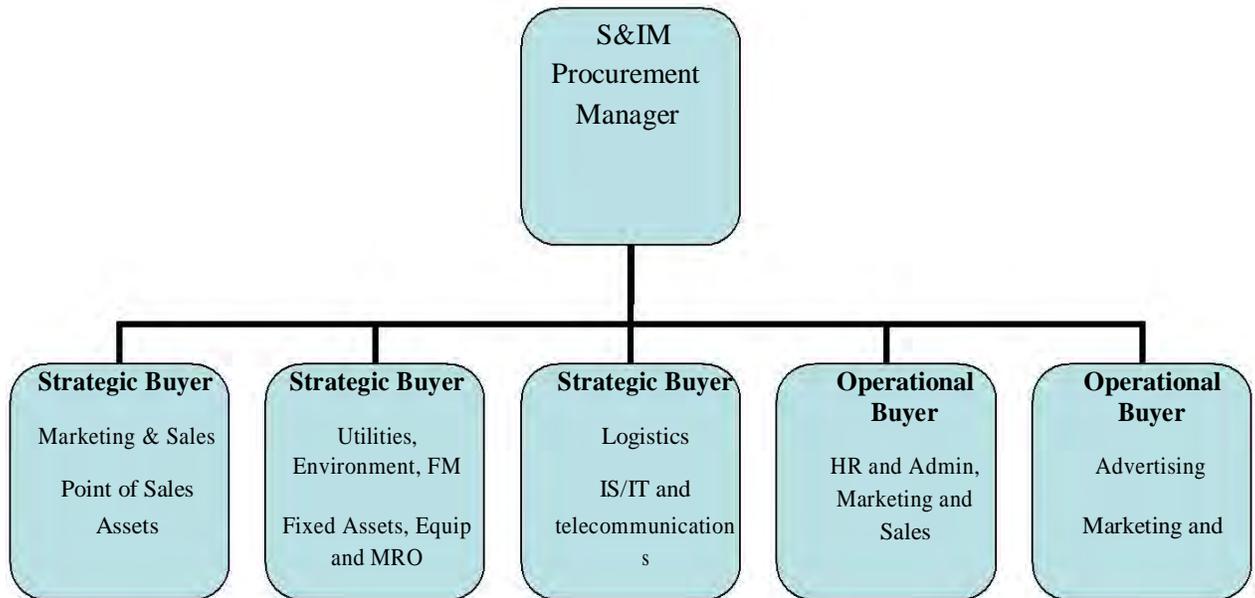
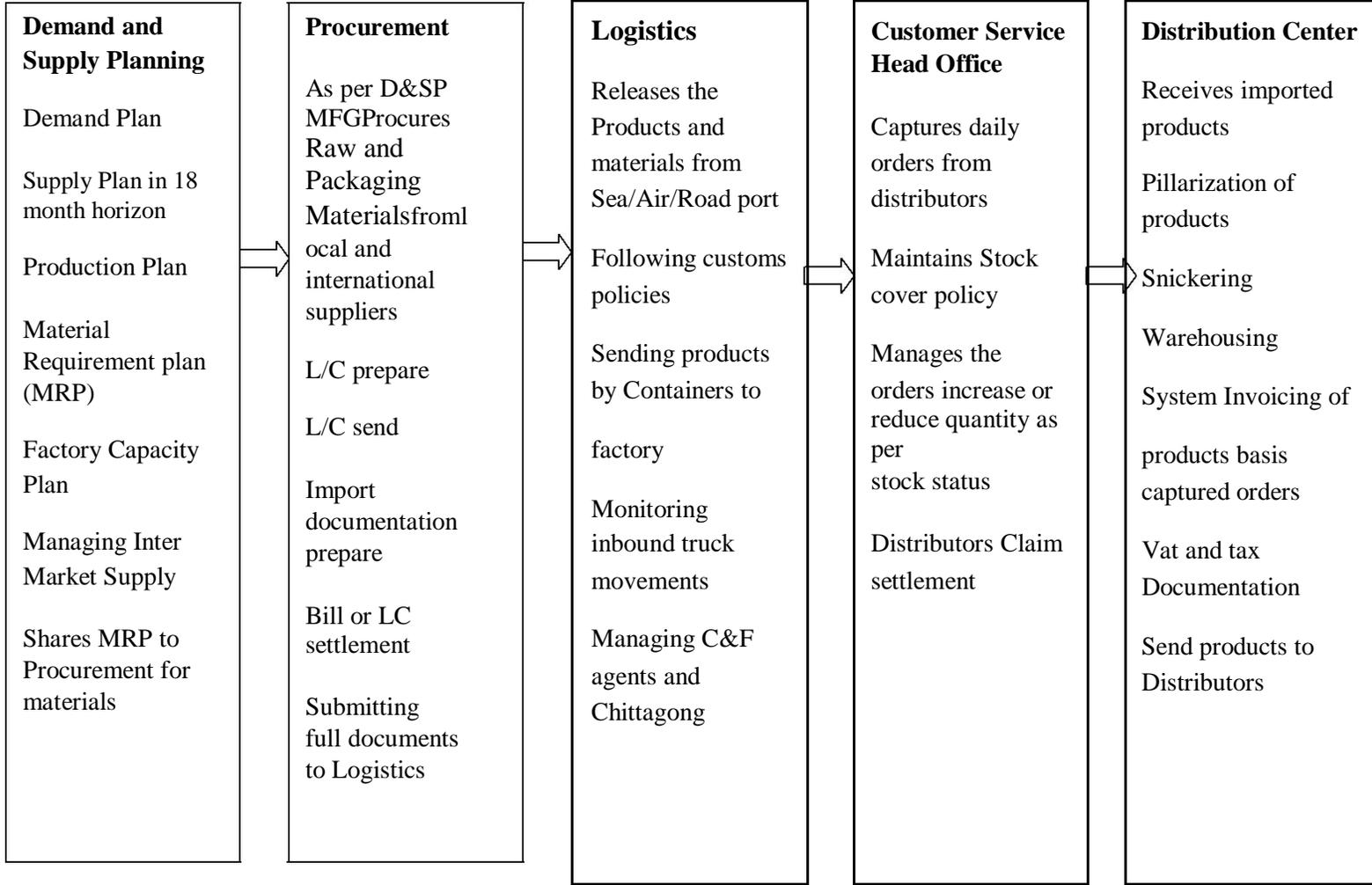


Figure-3: Departmental Organogram- 2

How MFG Supply Chain Works:



Demand and Supply Planning:

D&SP is regarded as one of the most critical area in Supply Chain. They perform the primary sales planning and supply planning at National level. Based on the planning figures prepared by D&SP all other areas of Supply Chain work.

- National Consensus Demand Planning (CDP) for each product on 18 months horizon
- National Supply Planning for each product on 18 months horizon.
- Production planning on weekly horizon with Factory Supply Chain and Production dept.
- Dispatch Planning on weekly horizon.
- Material Requirement Planning (MRP) for all Imported Raw and Packaging materials
- Ordering the Raw materials by Purchase Requisition while maintaining agreed Lead time with Procurement.
- IMSP (Inter Market Supply Planning) with Nestle Inter Market Subsidiaries.
- Regular participation and facilitation of MBP (Monthly Business Planning) process along with other stakeholders (Brand, Sales, and Finance).
- Participation on Monthly Sales Review (MSR) meeting organized by Sales Department and facilitates the future 18 months demand planning process.
- Participation on Monthly Gap Review (MGR) meeting organized by Finance Department and checking whether there is any gap on the budget capacity versus demand planned.
- Organizing the Monthly Forecast Review (MFR) with all Department Directors and Sign off the Consensus Demand Plan (CDP) came through the MSR and MGR meeting.
- Organizing the Monthly Operational Review (MOR) with all Department Directors and Factory head to check whether there is any operational issue to meet MFR signed CDP.

- Ensuring that right product is available at the right time at right location with maximum freshness (shelf life).
- Optimizing Inventory level for Finished Goods, Raw or Packaging materials.
- Demand Planning accurately to facilitate Net Working Capital target of the company.

Procurement:

Procurement is responsible for procuring and ensuring timely arrival of the Finished Goods, Raw materials and packaging materials that has been ordered or planned by Demand and Supply Planning Functions with optimizing costs and ensuring higher freshness.

Procurement of MFG has 4 key areas and their activities are discussed below:

- (a) Raw Materials
- (b) Packaging Materials
- (c) S&IM
- (d) Inbound Logistics

Raw Materials:

Raw materials are a key area of Procurement which deals with all the imported and local raw materials. Their main task is to receive Raw materials requirement on a longer version of 1 year or 2 year and procure from supplier as per lead time and order quantity.

- Collecting Raw materials future forecast from D&SP (1-2 year horizon).
- Regular communication with suppliers on the Lead time and also sharing to D&SP.
- Collecting Orders by system (SAP) generated Purchase Request (PR) for materials from D&SP
- Create Purchase Order in System (SAP) basis the PR.
- Forward the Purchase Order to Supplier (international or local).
- Ask PFI (Proforma Invoice) from Supplier which includes quantity, price, shipment date etc.

- Verification of PFI.
- Prepare Letter of Credit (L/C) by authorized Bank and forwarding to the supplier.
- Define the mode of payment, Bank selection etc.
- Collect the necessary documents from Supplier before and after Dispatch.

(Documents are Packing List, Certificate of Origin, Health Certificate, and Certificate of Analysis)

- Define Mode of Dispatch (Sea/Road/Air).
- Dispatch monitoring by checking in website.
- Ensuring Insurance coverage during transportation.
- LC settlement when product reaches Chittagong port.
- Document submission to Inbound Logistics for further processing from Chittagong port.

Packaging Plan:

Workflow of packaging order to payment:

- Factory Supply Chain gives Purchase requisition for Packaging Materials.
- Creating PO and forward to Supplier.
- Make Yearly Contract basis future forecasts.
- Taking Delivery of packaging.
- Make payment to supplier.

S&IM (Supply & Indirect Material):

S&IM (Service & Indirect Material) is another key area of MFG Supply Chain who deals with capital expenditures, indirect materials and Media buying and negotiation.

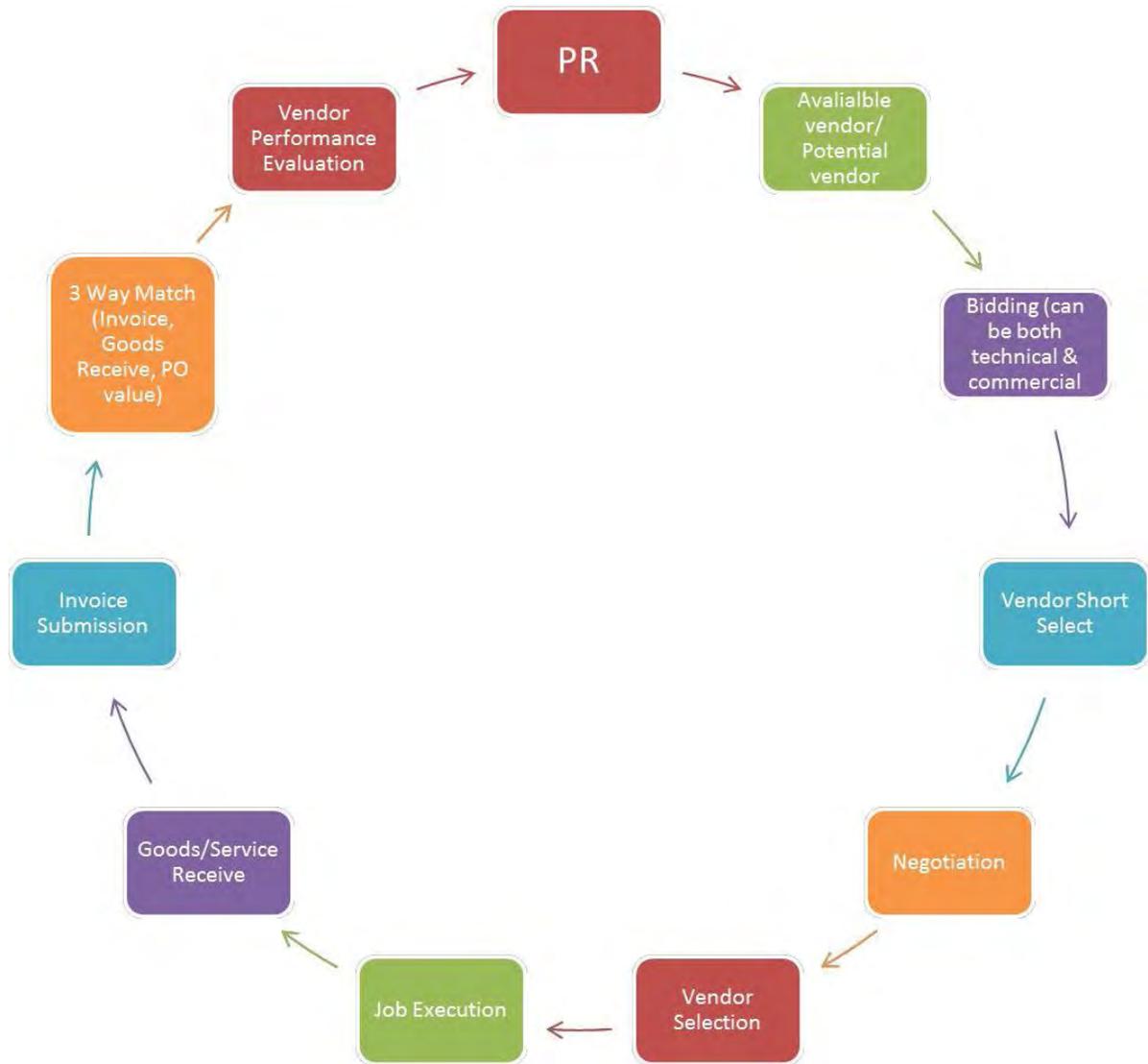
S&IM deals with the capital expenditures on different sectors of company. Its functional area

includes Capital investment in Factory and investment in New Machines or Production lines to Marketing or Promotion costs, Advertising costing, Media buying, Indirect Material purchase etc

S&IM works mainly with 10 categories:

- Advertising:
- Marketing & Sales:
- Point of Sales Assets (POS)
- Utilities, Environment & Factory Management
- Fixed Assets, Equipment. & MRO
- Administration & HR Services
- Other Professional Services
- Contract Manufacturing
- Logistics
- IS/IT & Telecommunication

Operational Activities Flow of S&IM:



Explaining the Workflow in S&IM:

- Initially, PR (Purchase Requisition) is sent by E-mail.
- It is matched whether there is definite scope.
- Vendor is shortlisted according to the requirement.
- Request Completed.
- Vendor is selected among Available Vendor, Potential Vendor and Enlisted Vendor.
- Then it is categorized whether the type of Vendor is Buyer Insight (for marketing buyer) or Market Insight.
- Job Rotation is done among the employees in concern that everyone has knowledge of the entire work.
- Bidding is done by asking the vendors to submit quotation depending on which vendors are shortlisted.
- Vendors with the lowest price quotation are selected and then other factors are matched only then they are finalized.
- Negotiation is done through break up which makes the comparison between the prices easier.
- Final offer is proposed.
- Selection is completed.
- Contract is made which are three types: Long-term, Short-term and One-time.
- After that, PO (Purchase Order) is created and approved; job execution is done when the Service or Goods is received.
- Bill is submitted.
- 3 way matches is done. (Invoice, Goods Received, PO Value).
- At the end Payment is done.

Strategic Process in S&IM:

- Volume is accumulated so that the process is done in low cost and does not take a lot of time.
- Market Analysis is done to find out what kind of market the vendors belong from.
- Respective to that, negotiation is set e.g. if the vendor is best in the

market less negotiation is done.

- In case of taking Long-term strategy, S&IM ensures that stakeholders are well aligned.

Inbound Logistics:

Inbound Logistics is an integral part of Supply Chain Management in MFG. Their tasks start right after getting the final shipment documents from Raw materials division. Inbound Logistics mainly works to release the imported items from Chittagong port or Dhaka Airport or Beanpole port. They arrange the Duty payment to govt. After getting the release they also ensure the transportation from port to factory. Their key tasks are:

- *Ensuring Supply:*

In ensuring supply, products are bought from exporting country to the respective factory warehouse. Inbound Logistics maintains production availability throughout the process. There are two types of product: Raw Material and Finished Goods (which is the end product). Inbound Logistics basically helps business to bring the imported product at right time and in right place. Its main operation is monitoring, follow-up the imported product so that supply is ensured. It is done with ensuring maximum advantage of the business.

- *Customs Clearance:*

Inbound Logistics monitors customs activity of imported materials as per compliance, ensuring proper commercial value and Duty & Taxes with H.S. Code (Harmonized Coding System). It facilitates all customs activity getting the important materials within a specified lead time.

- *Sea-Transport:*

Inbound logistics also look after sea transports related to imported materials. It dispatch load to country of origin to country of destination within the whole process. It contracts with shipping agents who are carrying goods from one country to another.

- *Inland Transport:*

Inbound logistics maintain inland transport services carrying the goods from different part to warehouse.

➤ *Legal Activity:*

Inbound logistics also accomplish legal activity such as resolving disputes at customs end for any variations of imported goods quantity or documents. It settles all disputes as per import Policy order, Valuation rules, Customs Act and NBR (National Board of Revenue).

➤ *Claim Settlement:*

Furthermore, inbound logistics facilitates insurance claims of imported goods if any damages occur. It also carries insurance as act retrieved all imported damaged shipments and also any other damage shipment. These all occurs as per Insurance norms defined for each and every condition.

Customer Service and Distribution (CSD):

- CSD is a key function of Supply Chain who are mainly dealing with daily Primary Sales of
- MFG with its distributors.
- Sales are categorized into three types and they are Primary Sales, Secondary Sales and Tertiary Sales. **Primary Sales**- Primary Sales are Products that are sent to distributors throughout the year. Secondary Sales- **Secondary Sales** are Products that are sent from distributors to the assigned outlets. **Tertiary Sales**- Tertiary Sales are Products that are sent from outlet to the perspective consumer.
- Customer Service is engaged in primary sales only.
- There is a Monthly target set for each Product and for which there is CDP (Consensus Demand Planning) which ensures proper delivery.
- Customer Service ensures that the monthly CDP is properly given to all the distributors.

- For each product there is a norm for the distributor coverage that they cannot keep a particular product over the norm. Customer Service here manages the distributor norms also by checking their current stock and giving them new stocks as per their orders.
- For each product there is a stock, target and after finishing the process it is

found how much of the stock remains.

- Software SAP is used in order to carry out the whole process which makes it quite easier to carry on.
- MFG has a policy that is “at first they take the payment and then deliver product”.
- Shipping Planning is also done by Customer Service and also the truckload plan done that how much product will be carried out.

- **Describe the expectations of the executives involved in the supply chain activities:**

Supply chain members of Micro Fibre Group want purpose. Only a hefty paycheck and regular bonuses are not the most important things to our employees. Employees want to know that what they're doing on a daily basis has some purpose behind it .Employees want most is the chance to make a difference. "When employees have a chance to have their ideas heard and one of them actually gets implemented, it's such a boost.

Supply chain members want goals. To instill a sense of purpose employees want a clearly-defined set of goals for them on a regular basis. Once goals are in place, it is up to each team to decide how to achieve them.

Supply chain members want responsibilities. Sometimes the hardest part of being a manager is delegating, but employees crave your trust, and with that trust, should come responsibility. People are so busy and harried themselves that all they do is work, they don't really manage. If any people can perform more things they can do, and then there is a chance to become a manager.

Supply chain members want autonomy. Micro Fibre employees especially supply chain members want freedom over how they work can actually make them more productive.

Supply chain members want flexibility. In addition to deciding how they work, the supply chain department also wants having a say over when they work. Employees believe that if management doesn't trust their employees, then they've got much bigger problems."

Supply chain members want attention. Responsibility is about giving them a chance to make a difference, but attention is the human dimension of managing." Supply chain members don't be fooled into thinking that the traditional annual performance review is a big chance to tell employees what's working and what's not.

Supply chain members want opportunities for innovation. Supply chain members want creative time policy, which encourages employees to work on any innovative ideas they have. People need to be given a chance to bring about something new and exciting. Just asking people for ideas don't create innovation. It's a culmination of creativity and leadership.

Supply chain members want open-mindedness. When employees come to you with their ideas, management needs to treat them with equal parts sensitivity and honesty. Be sensitive because, according the more an employee gets shot down by an authority figure, the less likely he or she will be to make suggestions in the future. It's also important to be honest because, as that authority figure, you may know what's best for business and what's not.

Supply chain members want transparency. Employees, especially the younger work force, want transparency. The communication channel between a manager and his or her employees should always be open. That's why you need to build it by talking about ordinary everyday things. It is necessary to have rehearsed talking about ordinary things before you can talk about anything major."

Supply chain members want compensation. Supply chain members do need to provide for themselves and their families, so, of course, salaries, bonuses and benefits are important, but perhaps not in the way you might think. The best use of money as a motivator is to pay people enough to take the issue of money off the table. It is not wise to pay people a measly base salary and very high commissions and bonuses in hopes that the fear of not having enough food on their tables will inspire them to do extraordinary things.

- **Assess the supply chain activities:**

Risk results from any form of uncertainty in a process or the environment. Risk is relative to the ability to identify and predict its impact in advance. More importantly, it is relative to the ability to prevent the occurrence of risk in time and to minimize the outcomes of the risk if, in spite of the preventive action, it occurs after all. There are many areas of study supporting risk assessment and recommendations of how to deal with it. Whole industries and professions, the insurance and actuarial profession, for example, are built on the assessment, calculation and management of risk.

In the Supply Chain, risks can occur in supplying a product or service to a customer in terms of cost, timely delivery and impact on image. The sourcing and supply of products and services to businesses and consumers is becoming more and more complex and with it, the assessment and management of the associated risk. Some risk management techniques and modeling can be applied to the supply chain but typically will not be as mathematically sound as in the insurance industry, as there is not an equivalent comparable body of knowledge and experience to quantify all potential outcomes.

Supply chain risk affects a wide range of stakeholders. The direct players in the supply chain are the producers, the logistics, retailers and the customers. In addition, there are the providers of finance, the consumer pressure groups, and politicians to name a few.

External risk is driven primarily by issues which lie outside of the direct influence of the business. This includes not only the national political situation but the volatility of the global political landscape. Trying to predict how politicians will decide is probably not anyone's priority activity, as it would require some type of modern-style crystal ball, but it is essential to keep up with what could potentially influence business operations and a recovery or mitigation plan.

This has a major effect on financial markets and interest rates which in turn will affect business decision-making. We saw the effects of that during the recent recessions when businesses reduced variable costs, stopped borrowing for investment, and worked on utilizing existing resources as best as possible.

Purchasing raw materials and commodities is often underwritten by banks and financial institutions. Transparency of where product is sourced from, under what conditions it was produced, and where it is intended to go are important criteria for the financing decision. Any risk that the product source is unethical can impact the ability of the business to access future finance, which is a risk for the bank and the business. This means anyone involved in the sourcing of materials must have processes in place to ensure that they are not exposing the company to risk. The financing institution is also open to public scrutiny which needs to be managed. In the age of social media, information which may previously have been withheld or

not available to the press is now accessible by a range of people and can very quickly become viral. This means that the impact of a risk on reputation is higher and less quantifiable in advance.

Suppliers and third parties in a process can be an exposure if there is insufficient control over what is happening. The European horsemeat scandal is a good example of risk with far reaching effects. The suppliers in this chain were reliant on the information provided on the source of meat. The high input price of meat led to some suppliers outsourcing the supply to smaller subcontractors and, either turning a blind eye to inconsistencies in the product description, or trusting the process to deliver.

Consumer groups testing the quality and source of meat act as an additional check point in the process and expose the issues. The impact of the risk taken here is the public image of the retailer in the first instance as the supplier is largely unknown to the consumer. The reverse of this process is the opportunity for those who control their supply chain and can prove the authenticity of the product supplied, in this case, local butchers who can trace the beef back to the cow from which it came. In other cases, consumers are showing a willingness to pay a premium for ethical products. So in summary, it is about weighing up the risk to image and loss of revenue, and consumer support.

One must ensure that there is visibility and alignment of the value chain towards the ultimate goal of supplying the customer. Visibility requires firstly a full understanding of the flow of value along the chain. It requires a clear view of what good looks like, what success is and how it can be measured, and what can prevent that success from happening. Organizations need, in effect, to identify the “bottleneck,” or the weak links in the process, and take the appropriate action. This could be a risk assessment which weighs up the risk and mitigating actions or specific resolutions. There needs to be ownership of the whole chain in such a way which allows the risks along the chain to be tackled. There is evidence that supply chains are often managed functionally with metrics, systems and behaviors geared to managing the performance of a specific area. Whilst detailed functional knowledge and understanding are essential to delivering a quality product, a narrow view can lead to a potential misalignment of the different elements of the chain towards the end goal. Senior management needs to ensure that decisions which are taken at the top are not sub-optimized in the operational execution. In practical terms, this means

a real transformation in how measurement systems are designed and implemented to ensure that there is full understanding of how the business interlinks. Individual incentives and success need to be aligned for the achievement of overarching goals, not purely functional excellence. The skills and competences across the supply chain must be secured. This starts with the functional skills in each area to provide the depth of executing a process. Then there is the ability to look beyond the function and see the holistic relationship of an action taken in one area and the impact in another. True maturity of the organization can be measured in terms of how top down and across the organization the supply chain is embedded, how the supply chain is really performing at each stage, and how risk is being assessed and acted upon on a daily basis. Also, competences in managing the data requirements and using IT systems need attention. The return on any systems implementation is only achieved when all people are fully using the potential of the system to manage the process, predict risk and actively make decisions at the right time.

- ***Find out the problems of supply chain activities:***

Globalization of manufacturing operation: With the globalization of manufacturing operations, having a global procurement network that can support and react to your supply chain needs is important. According to many chief procurement officers, selecting a strategic supplier that provides manufacturing locations with consistent global quality and a reliable local service is a challenge.

Safety and quality products: The pressure on manufacturers to produce high-quality products that are safe is an increasing challenge. The number of product recall cases is growing each day. It can damage a company's reputation and is expensive to its bottom line.

Shorter lead time, less inventory and better throughput: With shorter product life cycles and changing market demands, companies are forced to embark on a lean journey. It is important to note that the supply strategies in a lean environment support the operations strategy. The challenge is always to find not just a lean concept, but a working lean solution.

Supplier base consolidation: Consolidation of the supplier base can bring many advantages. It eliminates supply base variances and overheads, especially in the supply of C-parts. The challenge is to find a supplier with solutions and experience in supplier-based consolidation processes.

Access to latest technology: Access to the latest technology in various fields by having the right experts has proven to be a great support in new product development.

8.Suggestions:

As Micro Fibre Group is one of the reputed companies in Bangladesh in garments Sector, there are very little to recommend about their Supply Chain Activities. Those are described below:

- Micro Fibre Supply Chain is one of the best Supply Chain departments of Bangladesh. As most of the raw materials are import based the overall process in supply chain is much complex and lengthier. This is why along with the product development function and Marketing function Supply Chain should strive to explore local sourcing options more.
- A strong Vendor/Supplier performance tracking system need to prepare with monthly actual performance monitoring against target. This will be helpful for future considerations on contract renewal or service taking.
- Garments business in Bangladesh is becoming very competitive day by day. Price is becoming the most important determinant for consumers. Considering this the high price product offerings are becoming so risky to survive. In order to raise Marginal Contribution (MC) of product and also to charge an affordable price the sourcing strategy need to be reviewed by searching for local suppliers and developing them to meet MFG standard.
- More regional distribution warehouse need to setup to operate quickly across the country and especially during political unrest it will help.
- High quality starts with selecting the correct raw material, deciding on the right production method according to international standards, and finally testing and proving it.
- With a service for design and process optimization that focuses on boosting manufacturing productivity and lowering Total Cost of Ownership (TCO), we grab the scruff of the neck. We use value stream analysis and provide a full report of our findings and recommendations.

- Starting from automatic order placement at one central point we provide a complete concept to streamline the purchasing.
- Our engineers are committed to finding solutions to ensure our fasteners are highly functional, durable and safe. With the latest know-how in fastening technology, we provide technical advice from the moment you start designing your new product.

9. Conclusion:

From the close up and practical inspection of customers & Vendors dealing procedures during the whole period of my internship preparation in Micro Fibre, I have reached in firm and concrete conclusion confidently. I believe that my realization will be in harmony with most of the manufacturer thinkers.

After doing this research I learned many things about the customer's and vendor's satisfaction to the Micro Fibre supply chain activities. From the researcher found many factors that affect the customer's & vendors. From the respondents study found that the overall supply chain activities their planning on production & behavior with the vendors are satisfactory. But still they have some lacking on their supply chain activities.

Micro Fibre has a great potential growth in the country as a leading national brand. MFG is not achieving 100% success in their entire supply chain activities. To achieve the leading position and success, lot of improvement is required for every sectors of it. As Garments products became essential for the human day by day, many manufacturers are coming with this product in this garments industry. So that it has also become a competitive market for MFG products having a good brand image and local presence in Bangladesh. They should also take much more attention and careful action to establish its product line in the market. To build a positive perception and awareness among the customer about their product they have to be stronger in their promotional activities and should maintain a good relationship both internally and externally in their corporate life.

10. Appendices:

- **References:**

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• **QUESTIONNAIRES:**

Name:.....

Profession:.....

Age:.....

Dear respondent,

I am conducting a survey to learn about supply chain activities of Micro Fibre Group

We need your honest response. Please answer the entire question:

Please put a tick in the appropriate box indicating your performance:

5 = strongly agree

4 = Agree

3 = Neutral

2 = Disagree

1= strongly disagree

1. Micro Fiber Supply Chain always emphasizes to make Micro Fiber a Lean organization.

1 2 3 4 5

2. Employment facility of Microfiber is Satisfactory.

1 2 3 4 5

3. The overall Planning accuracy especially in terms of demand and supply planning is very good in Micro Fibre.

1 2 3 4 5

4. Price of Micro Fiber products is flexible.

1 2 3 4 5

5. Micro fiberSuppliers are satisfied to their supply chain activities.

1 2 3 4 5

6. Different types of Micro Fiber's products are available in the market.

1 2 3 4 5

7. Micro Fiber's website provides sufficient information.

1 2 3 4 5

8. Micro Fiber Supply Chain is managing co-ordination among stakeholders very effectively and efficiently.

1 2 3 4 5

9. Micro Fibre Supply Chain compromises with Quality and this is also same for all of its Supplier and Vendor.

1 2 3 4 5

please ranks the garments industries service according to your judgment.

Sony () LG () Walton () Samsung ()

Your information will be used only for the educational purpose and the information will be kept confidential.

Comments (If any):
