



Internship Report on
“Business Operation Management of Kitchen Sink of PRAN - RFL Group”

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Letter of transmittal

April 05, 2018

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Subject: Submission of report on “Business Operation Management of Kitchen Sink of PRAN - RFL Group”

Dear Sir,

It gives me enormous pleasure in preparing this internship report that was assigned to me in fulfillment of our course requirement. This report has been valuable to me as it assisted us to combine the practical experience to my theoretical knowledge in Business Operation Management of Kitchen Sink of PRAN - RFL Group.

I would like to mention that we are extremely grateful to you for your valuable assistance, extreme understanding effort and constant attention and when required in accomplishing the report.

I shall be very pleased to answer any query you think necessary as and when needed.

Sincerely,

SK. RASHED MAHMUD

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Acknowledgements

First of all I give our heartfelt thanks to the Almighty for giving me the ability for preparing this report successfully.

I would like to thank my Assistant Manager, Mr. Tofayel Ahmed & Production Manager Mr. Abu Rayhan for giving me the opportunity to work with him during my report research. I have been able to compile and complete this report in a comprehensive manner due to the guidance, support and counseling that he has provided me with during this period. I have tried my best to implement his constructive suggestions while doing my report.

I acknowledge my heartiest gratefulness to all who have extended their hands of cooperation in preparing the report. I express my gratitude and acclaim, my indebtedness towards my relevant supervisor Dr. Salehuddin Ahmed for his overall guidance, advice and support in encouraging our responsibilities consciously while creating this internship report.

CERTIFICATE OF SUPERVISOR

The Internship Report with the title as on “Business Operation Management of Kitchen Sink of PRAN - RFL Group” has been submitted by Sk. Rashed Mahmud (ID# 15364039) for partial fulfillment as per requirements for the degree of Master of Business Administration from BRAC University. He has prepared this report by himself under my direct supervision. This report is without any plagiarism and has been accepted, hereby.

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Executive Summary

In light of Bangladesh's substantial economic growth, increasing tendency and client penetration rates and the liberalization process is taking place in the light engineering industry. RFL is one of the largest plastic manufacturers around the world (3rd largest in Asia). RFL is a sister concern of PRAN - RFL group. The group has a turnover in the vicinity of USD \$0.78 billion annually. Primarily Rangpur Foundry Ltd (RFL) was founded by Maj. Gen. Amjad Khan Chowdhury (Retd) in 1981 with a vision to leveraging the farmer in irrigation through cast iron products like centrifugal pump as well as ensuring drinking water through Tube well. It commenced its operation in plastics business in 2003. The factory sites are in company owned industrial parks of 400,000 sq meters, which is fully equipped with state of the art injection molding machines with a conversation capacity of over 20,000 tons per month. RFL Plastics currently utilizes 7500 molds through 620 machines having own tooling facilities. Presently, it is one of the biggest sectors of Bangladesh. As a populous country, its huge market has attracted many foreign investors to invest in this sector.

In this report, I have tried my level best to exemplify the basic functions of business operation which is exercised in PRAN - RFL group. I have analyzed the operation process of PRAN - RFL group from the view of theoretical definition, practical application, basic principles followed and technology used in the whole process. The report also discussed the PRAN - RFL group goals, mission and vision. This report focuses on this Organization's one of the sister concerns specific product's full business operation process.

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Chapter: 1

Company Overview

1.1 RFL at a glance

RFL started its journey with cast iron (CI) products in 1980. The initial main objective was to ensure pure water and affordable irrigation instruments for improving rural life. Today the company has its wide ranges of CI products like pumps, tube wells, bearings, gas stoves etc. and has achieved the prestige as the largest cast iron foundry and light engineering workshop in Bangladesh. With a vision to serve the common people of Bangladesh with quality necessary products, RFL diversified its operation into PVC category in 1996 and in plastic sector in 2003. At present it is market leader in all these three sectors-cast iron, PVC and Plastic in the country. Size able amount is also exported to different countries.

It is equipped with in-house R & D facilities to design and develop new products. A well-organized owned testing laboratory is used to ensure quality products. RFL has been awarded with BSTI certificate and ISO9001 Certificate for its strict compliance with the standard set by both the organizations.

The factory sites are company owned industrial parks of 500,000 sq meters, which is fully equipped with state of the art injection molding machines, extrusion with Conversion capacity of over 20,000 tons per month.

RFL currently utilizes 2000 molds through 500 machines, 04 foundry and 250 extrusion machines having own tool facilities.

We are very strong organization of 12,000 employees dedicated to supplying customized and quality plastics, PVC & CI products.

RFL has become a benchmark for competitors on the lines of quality by manufacturing premium quality products to give clients excellent services and true value for money. The unmatched products have given a big name in the domestic market. This is possible because the company is professionally managed and promoted by people who ensure creativity.

We welcome the opportunity to become your manufacturing partner in your business journey.

1.2 Vision, Mission & Aim

Mission

Poverty & Hunger are Curses. The organization thinks that poverty and hunger is a curse for nation and they are trying to overcome the poverty.

Vision

Improving Livelihood. Improving the people living standard in society and create the respects and prosperity for the nation.

Aim

To Generate Employment and Earn Dignity & Self Respect for our Compatriots through Profitable Enterprises.

CORE VALUES

PRAN - RFL believes in providing quality by considering the customers' demands and expectations. Continuous innovation and improvement is the motive of this organization by focusing customers and tries to maintain fairness and transparency in all segments. The corporate values for PRAN - RFL are-

- Consumer care
- Supplier care
- Employee care
- Trade care.

1.3 Company Structure

Total Companies: 13

Business Types: Agro-Processing, Plastic Manufacturing, Cast Iron, PVC, Electronics, Melamine, Lifts, Pumps

Employees: 50,000

Products: More than 5,000

Factories: 13 (700 acre area)

Dealer: 47,000

Dependents: More than 1,000,000 people around the world

Export to: 192 Countries

Export (2015-2016): US \$ 194 Million

Main Export Market: India (43%)

Strength: Distribution Channel and Devoted Employees.

1.4 Awards and Certification

For excellence in export market including product development, market development etc.; we have been awarded numerous trophies in home and abroad. In recognition of contribution towards earning foreign currency, PRAN achieved “Best National Export Award” for 11 consecutive fiscal years (FY 2002-03, 2003-04, 2004-05, 2007-08, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16).

In recent times, PRAN is awarded “UDC BUSINESS AWARDS 2016” as the best food & beverage products manufacturer in Malaysia.

PRAN - RFL for the first time has received IMS certificate as the first food processing company in Bangladesh. IMS is known as combination of Environmental Management System ISO14001:2004 and British Standard Occupational Health Safety Assessment Series (BS OSHAS) 18001:2007.

In 2016, PRAN - RFL Group has got BEST BRAND AWARD from the Bangladesh Brand Forum.

Chapter: 2

[The Project]

2.1 Rationale of the Study:

Business Operation plays an important role for every business to sustain in long run. Considering the fact that I have been working in the operation department of RFL Metal side to ensure the product quality, business profit as well as sales growth and the rationale behind report is that I want to explore both the challenges & opportunities of Metal business specially kitchen sink from the prospective of RFL Group. As I am working with this kitchen sink business for the last four years, what we have observed within last few years that Kitchen sink business gradually increases both urban & rural area. Now a day's people build more & more multi-stored building both in urban & rural areas. People living these house accused to use kitchen sink in the cooking room day by day.

2.2 Statement of the Problem:

This report has been undertaken to study on the operation management of metal industry specially kitchen sink Industry. Since along with the protective purpose of the kitchen product, kitchen sink also used by the customers for decorative reasons as well, so understanding the buyers purchase decision making in this regard is essential for the companies to develop their products and thus provide better value to the customers. Based on this discussion, the report highlights the following issues addressed by this study:

- I. How RFL can run the whole supply chain of kitchen sink business?
- II. Why rural & urban people want to use kitchen sink?
- III. How RFL can increase sales of Kitchen Sink in rural & urban areas?
- IV. Why people accept RFL sink rather than other local brand & foreign brand sink?
- V. How RFL Kitchen Sink sales will continuously growing every year in the market compete with other companies?
- VI. How RFL motivated their Dealer, Retailer & Customer to stay with RFL brand sink?

2.3 Objectives of the Study

This report has been designed to accomplish two objectives;

Board Objective:

To present an overview of RFL Kitchen Sink Business Operation process to run business.

Specific objective:

- To understand the overall PRAN - RFL Group structure.
- To match my academic knowledge with real corporate business setup.
- To understand the whole operation & supply chain process of Kitchen sink business of PRAN - RFL Group.
- To highlight the RFL kitchen sink quality development & market strategy to compete with other kitchen sink companies
- To identify the challenges & opportunities of Kitchen sink business in Bangladesh & recommended few suggestions to overcome those problems.

2.4 Methodology of the project

Report was conducted on the basis of both the primary as well as secondary form of information. Information was collected from relevant research and development done by production, marketing, sales, operation department and other divisions of RFL group. The steps that are taken as follows:

(a) Primary Source

I have collected primary information by interviewing my colleagues, employees, managers, general manager of different departments, importers, distributors, SRs and observing organizational procedures, structures. Primary data were mostly derived from the discussion with the employees of the organization.

(b) Secondary Source

I have elaborated different types of secondary data in my research. Sources of secondary information can be defined as follows:

- Internal Sources
- Annual Report
- Sales policy
- External Sources
- Different books and Newspaper
- Website Information

2.5 Limitations of the Study

In this study, a whole-hearted effort was applied to collect, organize, analyze, and interpret the related data and finally to attain the optimum outcome of the research. In spite of these efforts, there exist some limitations that acted as a barrier to conduct the research

- The main limitation of this report is company's policy of not disclosing some data and information for confidential reason, which could be very much useful for the report.
- As I am a permanent employee during this period of internship report I had to work hard for long every day, it's difficult to complete the report in time. Also I had to visit our factory, visit our & competitors dealer, retailer shop which is remote from my working area to collect data.
- Because of the limitation of information, some assumptions were made. So there may be some unintentional mistake in the report
- This study completely depended on official records, website information and annual reports
- Lack of co-operation from dealer, retailer, customers & clients.
- The limited scope of collecting secondary data especially from other companies.
- Finally time limitation.

2.6.1 Operation Management

Operations management is an area of management concerned with designing and controlling the process of production and redesigning business operations in the production of goods or services. It involves the responsibility of ensuring that business operations are efficient in terms of using as few resources as needed and effective in terms of meeting customer requirements. It is concerned with managing the process that converts inputs (in the forms of raw materials, labor, and energy) into outputs (in the form of goods and/or services). Operations management is concerned with managing the operations function in an organization. Operations are one of the major functions in an organization along with marketing, finance and human resources. The operations function requires management of both the strategic and day-to-day production of goods and services.

In managing manufacturing or service operations several types of decisions are made including operations strategy, product design, process design, quality management, capacity, facilities planning, production planning and inventory control. Each of these requires an ability to analyze the current situation and find better solutions to improve the effectiveness and efficiency of manufacturing or service operations.

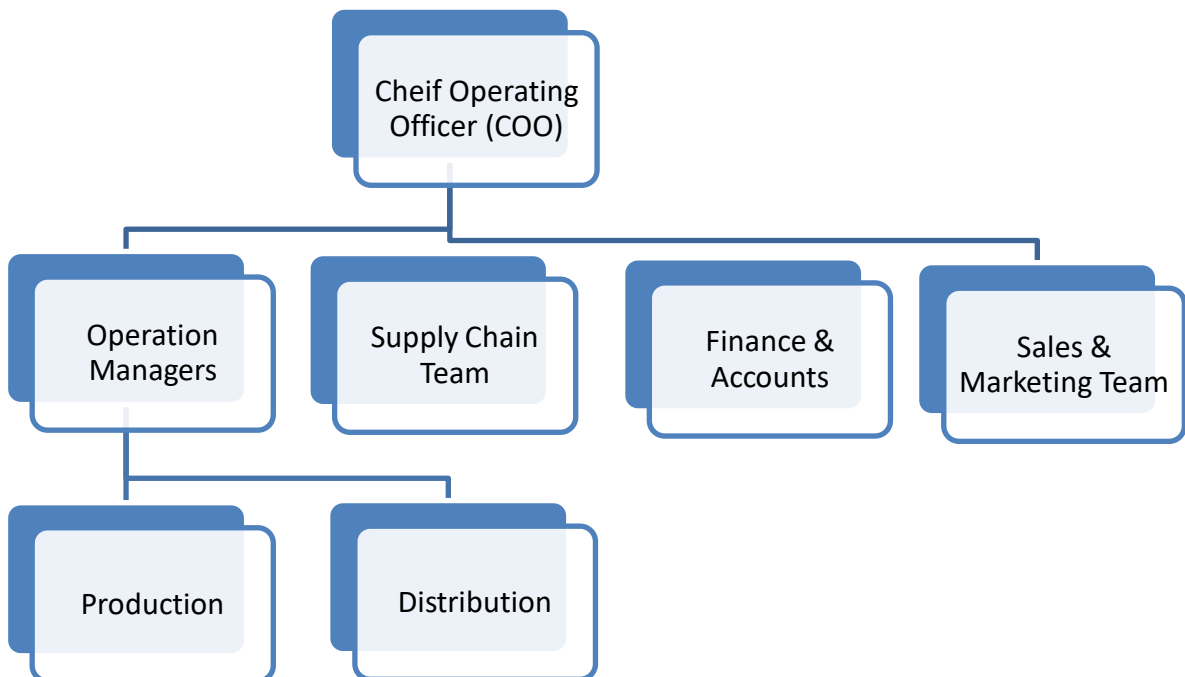
Although productivity benefited considerably from technological inventions and division of labor, the problem of systematic measurement of performances and the calculation of these by the use of remained somewhat unexplored until Frederick Taylor, whose early work focused on developing what he called a "differential piece-rate system" and a series of experiments, measurements and formulas dealing with cutting metals and manual labor. The differential piece-rate system consisted in offering two different pay rates for doing a job: a higher rate for workers with high productivity (efficiency) and who produced high quality goods (effectiveness) and a lower rate for those who fail to achieve the standard. One of the problems Taylor believed could be solved with this system was the problem of soldiering: faster workers reducing their production rate to that of the slowest worker. In 1911 Taylor published his "The Principles of Scientific Management", in which he characterized scientific management (also known as Taylorism) as:

1. The development of a true science;
2. The scientific selection of the worker;
3. The scientific education and development of the worker;
4. Intimate friendly cooperation between the management and the workers.

Taylor is also credited for developing stopwatch time study, this combined with Frank and Lillian Gilbreth motion study gave way to time and motion study which is centered on the concepts of standard method and standard time. Frank Gilbreth is also responsible for introducing the flow process chart in 1921. Other contemporaries of Taylor worth remembering are Morris Cooke (rural electrification in the 1920s and implementer of Taylor's principles of scientific management in the Philadelphia's Department of Public Works), Carl Barth (speed-and-feed-calculating slide rules) and Henry Gantt (Gantt chart). Also in 1910 Hugo Diemer published the first industrial engineering book: Factory Organization and Administration.

2.6.2 PRAN - RFL Group Business Unit Structure

For each Strategic Business Unit the below structure is the organizational hierarchy of PRAN - RFL Group.



2.6.3 Operation Management Department

Operation Management is the business function that plans, organizes, coordinates and controls the resources needed to produce a company's goods and services. Operation management is a management function. It involves managing people, equipment's, technology, information and many other resources. Operation management is the central core function of every company. This is true whether the company large or small, provides a physical good or service and is for profit or not for profit, every company has a operation management function. The main key person of PRAN - RFL Group each business unit is Chief Operating Officer (Coo) who is the head of operation management department. Under every Coo there are many operation managers who look after various product businesses. Operation Managers directly look after the production & ensure the distribution of finish goods after confirm the sales order.

The key responsibilities of operation managers are

- To look after the whole business process from raw material purchase planning to customer's feedback of finish good.
- To ensure the development & net profit of the business.
- To plan, organize, co-ordinate & execute all strategic operation & maintenance activities.
- Controlling inventory and supply chain by the combination of supplier, sales people and distribution team.
- Directly participate in supervision to layout, installations of the equipment and machinery testing and operation in factory.
- Planning and managing procurement of raw materials to ensure minimum inventory.
- To assure product quality, optimum utilization of men, machines & materials.
- To understand the market requirement by intensive work with/in market, customer, sales people and then finalize the best product at reasonable price with proper distribution channel.

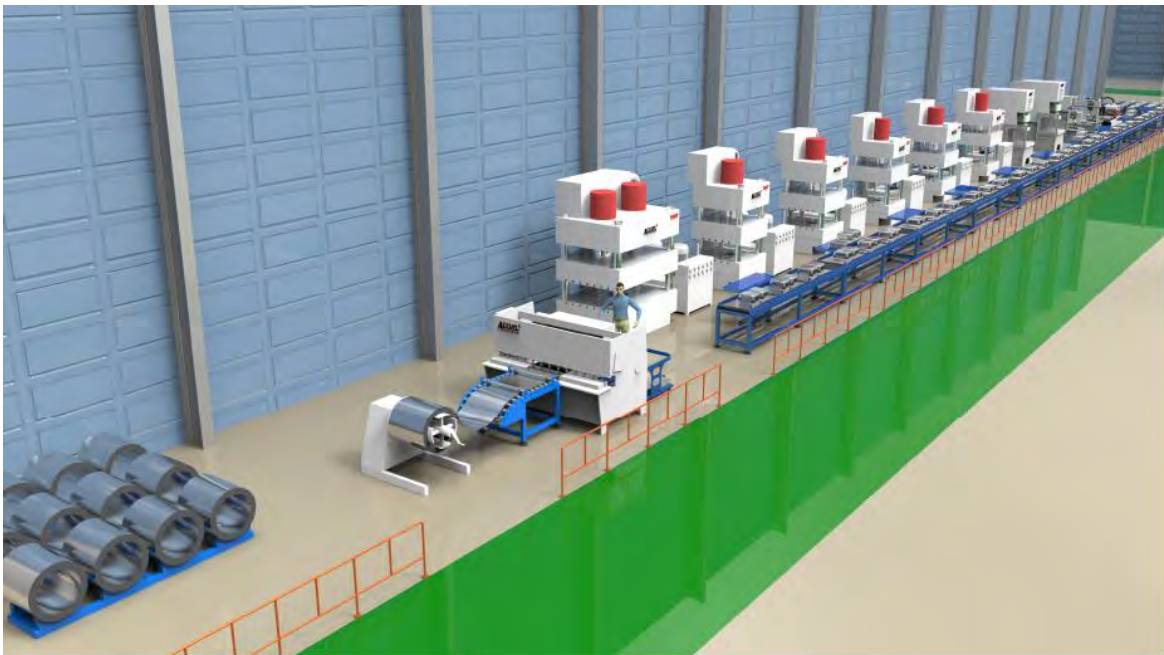
2.6.4 RFL Kitchen Sink Plant

Area: Total land area is about 25,000 Square Feet.

Number of Machines: 34

Number of Workers: 80 (including production manager & QC)

Production Capacity: 21,000 pieces per month.



Sink Competitors Company

- Gazi Sink
- Hatim Sink
- Modina Sink
- Sweet Home Sink
- Dolphin Sink
- Z Brand Sink
- Horse Brand Sink
- Imported Sink by Importers &
- Other local brand

2.6.4.1 Types of RFL Kitchen Sink

According to the market demand RFL produce 4 category of kitchen sink. They are

1. **Economy (Targeting Lower Class people)**
2. **Popular (Targeting Middle Class people)**
3. **Luxury (Targeting Middle Class people)**
4. **Elite (Targeting Top Class people)**


There are mainly 4 common size of kitchen sink which are fast moving in Bangladesh market. They are:

- **40'' x 20''**
- **36'' x 18''**
- **30'' x 18''**
- **20'' x 17''**

2.6.4.2 Specification of RFL Kitchen Sink

Name of Item	SS sheet Grade	Length (inch)	Width (inch)	Bowl Length (inch)	Bowl Width (inch)	Bowl Depth (inch)	Sheet Thickness (mm)	Hole Diameter (inch)	Finishing process
Elite Kitchen Sink 36"x18"	SS 201	36"	18"	17.5"	14.5"	7"	0.7mm	3"	Automatic Electro-polishing
Elite Kitchen Sink 30"x18"	SS 201	30"	18"	16.5"	14.5"	7"	0.7mm	3"	Automatic Electro-polishing
Luxury Kitchen Sink 36"x18"	SS 201	36"	18"	17.5"	14.5"	6.5"	0.6mm	2"	Both Side Mirror by buffing
Luxury Kitchen Sink 30"x18"	SS 201	30"	18"	17.5"	14.5"	6.5"	0.6mm	2"	Both Side Mirror by buffing
Popular Kitchen Sink 40 x 20	SS 201	40"	20"	16.5"	16.5"	6.5"	0.6mm	2"	One Side Mirror by buffing
Popular Kitchen Sink SS 36"x18"	SS 201	36"	18"	17.5"	14.5"	6.5"	0.6mm	2"	One Side Mirror by buffing
Popular Kitchen Sink SS 30"x18"	SS 201	30"	18"	16"	14"	6.5"	0.6mm	2"	One Side Mirror by buffing
Popular Kitchen Sink 20"x17"	SS 201	20"	17"	16.5"	14.5"	6.5"	0.6mm	2"	One Side Mirror by buffing
Economy Kitchen Sink 36"x18"	SS 201	36"	18"	17.5"	14.5"	5.5"	0.5mm	2"	One Side Mirror by buffing
Economy Kitchen Sink 30"x18"	SS 201	30"	18"	16.5"	14.5"	5.5"	0.5mm	2"	One Side Mirror by buffing
Economy Kitchen sink 20"x17"	SS 201	20"	17"	16.5"	14.5"	5.5"	0.5mm	2"	One Side Mirror by buffing

2.6.4.3 RFL Kitchen Sink Picture

Category of the Kitchen Sink	Picture
<u>Elite</u>	
<u>Luxury</u>	
<u>Popular</u>	
<u>Economy</u>	

2.6.4.4 Special specification that differ RFL sink from Competitors

- Introduce inclined tray so that water never stay on the sink tray.
- Introduce high quality SS sheet that ensure 100 % durability & rust proof quality.
- Introduce rubber pad which ensure 100 % noiseless sink.
- Introduce high quality sink accessories.
- Develop new elegant design with high bowl depth than competitors.
- Introduce big bowl size both length & width
- Strictly maintain 5 Sigma quality productions with improved packing to reduce damage.

2.6.4.5 Strategic Planning by Operation Manager before start production of Kitchen Sink

1. To prepare the sales forecast of kitchen sink of a specific month by getting sales feedback from market.
2. To prepare production plan, schedule & sequence to meet the market demand.
3. To ensure minimum inventory of each items in every warehouse.
4. To raise purchase order of raw materials & other indirect materials which are needed to produce sink by store department.
5. To ensure these materials purchase & delivery by supply chain team.
6. To follow-up the production quantity & ensure quality through QC people report.
7. To ensure delivery of every warehouse according to the market demand & sales people demand.
8. To collect customer & consumer feedback about product quality & demand by survey team.
9. To collect information of competitors product such as sales quantity, production quantity, product quality, sales promotions, marketing planning & further steps.



2.6.4.6 Total Production Process of Producing Kitchen Sink



2.4.6.7 Future strategic planning of RFL kitchen sink

To think about future business RFL Metal section already have done a huge investment in kitchen sink plant to produce world class kitchen sink similar like China, Malaysia, Thailand are doing for last few years. RFL management makes plan to start production of high quality kitchen sink from May 2018 and machines commissioning will be done at the beginning of April 2018. Management bought the following machines & molds for starting this huge project which differentiate RFL from other local brand.





1. 1000 Ton hydraulic press machine
2. Brake bending machine
3. 80 Ton power press machine
4. Annealing machine
5. Semi-automatic Electro - polishing plant &
6. Various kitchen sink mold.

1000 ton hydraulic press	Annealing Machine
	
Advance Electro -Polishing Plant	Advance Electro -Polishing Plant
	

	
<p>Bending Machine</p>	<p>80 Ton power press</p>
	
<p>Sink Mold</p>	<p>Sink Mold</p>
	

2.6.4.8 Specification of World class sinks:

- Elegant design
- 8-9 inch deep bowl kitchen sink
- Straight single or double bowl kitchen sink
- Matt kitchen sink by doing advance Electra-polished
- Noiseless kitchen sink by using rubber pad
- High quality sink accessories
- Attractive packaging

<u>45 x 20 Double Bowl with tray</u>	<u>36 x 18 Single Bowl with Tray</u>
 <hr style="width: 25%; margin: 20px auto;"/>	 <hr style="width: 25%; margin: 20px auto;"/>
<u>36 x18 Double Bowl</u>	<u>20 x 18 Single Bowl</u>
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Chapter: 3

JOB AND THE PROJECT

3.1 Introduction

RMIL (Rangpur Metal Industries Limited) had stated the production of kitchen sink in the middle of 2012 with only one SKU which was 37''x 18''. After 6 month according to the market demand they eliminated the first SKU & introduced 6 new SKU with various thickness of SS sheet. They introduced advance Electro - polishing sink at the end of 2013 which quality is similar to the imported kitchen sink. RFL also started to produce both side mirror sink in 2015 named as Luxury according to the demand of customer & compete with the other sink companies. Currently there are 11 items of kitchen sink. According to the demand of Bangladeshi rural & urban people RFL mainly focus on 3 category of sink. They are Economy, Popular & Elite sink. They firstly wanted to aware the employee about using the kitchen sink in kitchen room. They also took part in that program that how the rural people all over the country aware of using sink in the kitchen room to develop their living standard. I will go some analytical research for the project.

3.2 Problem Statement: “Research on using kitchen sinks awareness among RFL employees as well as people of urban & rural area”

3.3 Objectives:

- To develop the living standard of rural people all over the country by using RFL sink in kitchen room.
- To know how employees, dealer, retailer & consumer think about RFL sink quality.

3.4 Methods:

For doing this research I did some study regarding kitchen sink quality, price. First I select some category for my survey regarding awareness program. The categories are:

- Admin Department
- Human Resources Department
- Sales Department
- Dealer (both RFL & other competitors)
- Retailers (both RFL & other competitors)
- Consumer (both RFL & other competitors)

3.4.1 Sample size

Among the above category I chose in every category 4 persons. I divided the 6 category equals to 24 persons. So, I run the survey among 24 persons.

3.4.2 Data collection & Analysis

I made some questions regarding Kitchen Sink for collecting my data.

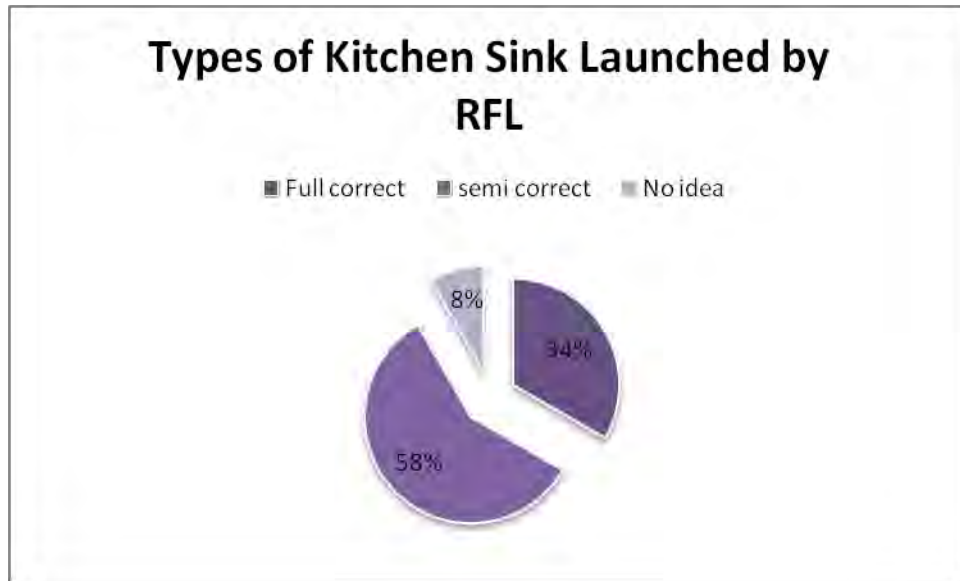
1. My first question was **“Do you know about Kitchen Sink that produce by RFL?”**

Among them 21 give answer. 16 people answer was yes. Only 5 don't know about RFL produce kitchen sink.



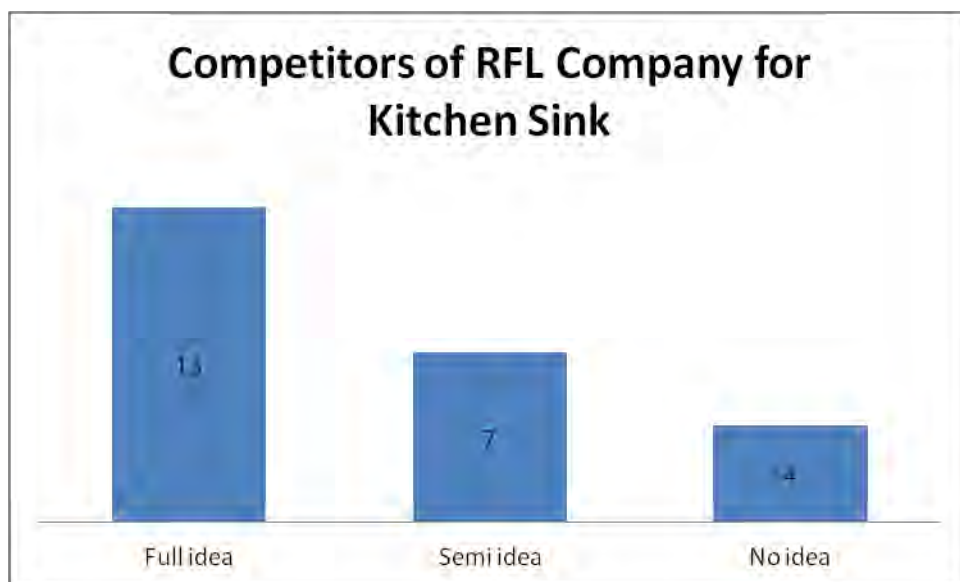
2. My 2nd question was **“Do you know how many types of kitchen sink launch by RFL?”**

Among them 2 could not answer anything. 14 people answer was semi-correct. Only 8 can tell the right answer. Some sales representations' are new to their job, some customers don't know detail about RFL kitchen sink, and Employees also don't know detail about RFL sink model or SKU.



3. My 3rd question was that **“Do you know the competitors name of RFL Company for kitchen sink”?**

Among them 13 people can tell the competitors name & 7 people cannot tell all the competitors name & 4 people don't know anything because they are RFL employee & they are too much busy with their work & their family members handle all type of work for them.



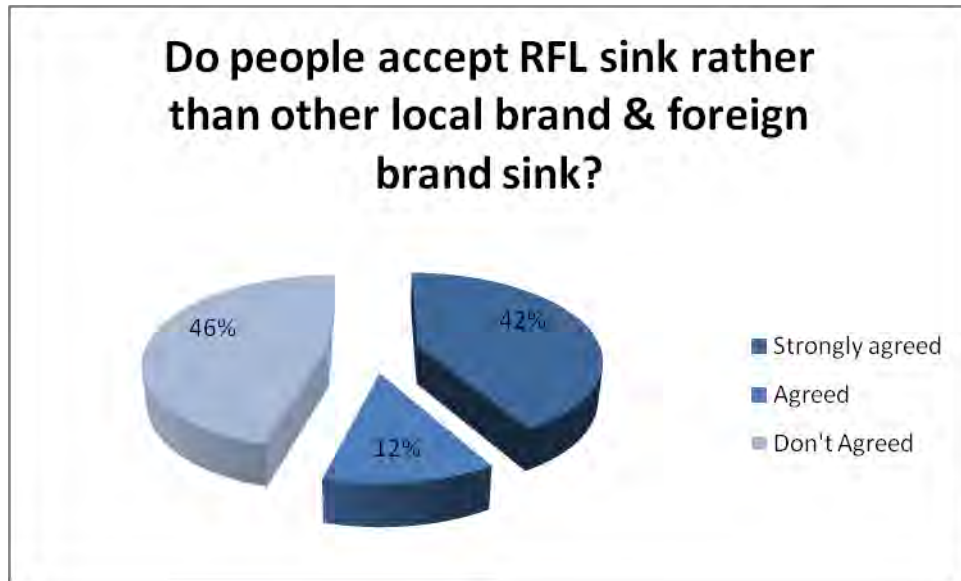
4. My 4th question was **“The kitchen sink produce by RFL quality is in the level of satisfactory?”**

Among them 11 are strongly agreed for the satisfactory level of RFL kitchen sink quality, 5 are agreed, 8 are thinking need to develop the kitchen sink because sometime sinks are broken, damaged, accessories missing, bowl become tapped, scratch problem, packing problem etc. so they think still need to develop quality of product, packing & delivery system.



5. My 5th question was **“Do people accept RFL sink rather than other local brand & foreign brand sink??**

Among them 10 are strongly agreed for accepting RFL kitchen sinks rather than the other local or foreign brand sink, because they said RFL already differentiate their sink quality from local brand sink. RFL also introduce automatic advance Electro - polishing noiseless durable sink with high quality accessories that is similar to imported sink & price is also less than the imported sink, 3 are agreed but 11 are thinking to go with foreign sink & other local brand because of market credit issue. Mainly by selling RFL brand dealer & retailer cannot make more profit but customer get RFL sink less price compare to other local & foreign brand. So some dealers & retailers are not interested to buy RFL.



6. My 6th question was **“Do RFL motivated their Dealer, Retailer & Customer to stay with RFL brand sink?**

Among them 8 are strongly agreed that RFL motivated their Dealer & retailer by giving quality sink, dealer & retailer sales program, doing Conference for them & finally they give 100% motivation to the consumer by providing 100% quality product with competitive price. 6 are agreed, 10 are strongly disagreed because they got more facility from other company such as credit, more sales discount etc.



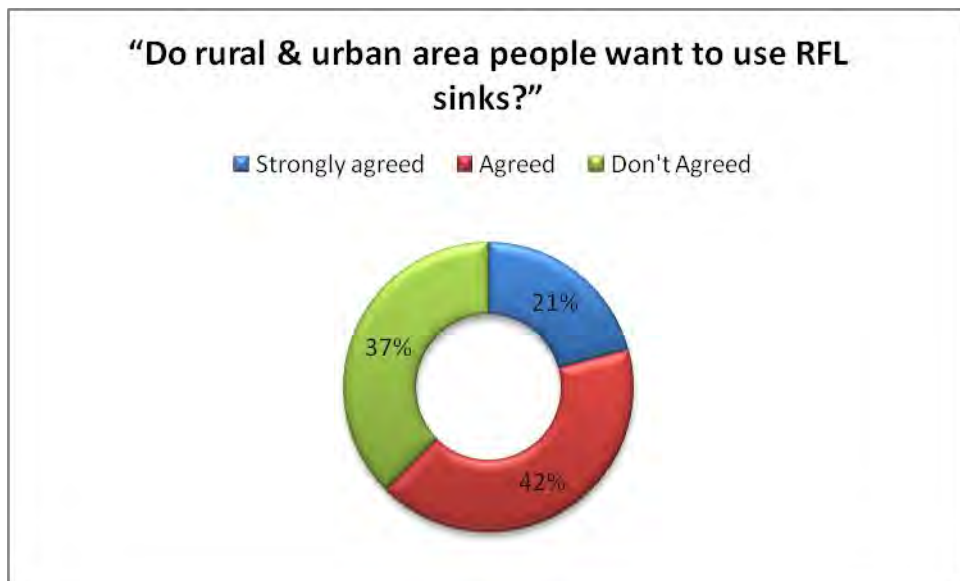
7. My 7th question was **“Is it possible for RFL to increase sales continuously every year in the market competes with other kitchen sink companies??”**

Among them only 15 are strongly agreed & 4 are agreed because every year RFL continuously develop their product quality, improve packing, accessories & distribution process. Operation managers always do R&D of existing product & add new features of the existing items. They also try to launch new product every year. But 5 do not agree with this plan, they think that RFL should go for credit & give more sales discount to dealer & retailer & finally RFL should not give more dealers in a specific palace otherwise they cannot increase sales continuously every year.



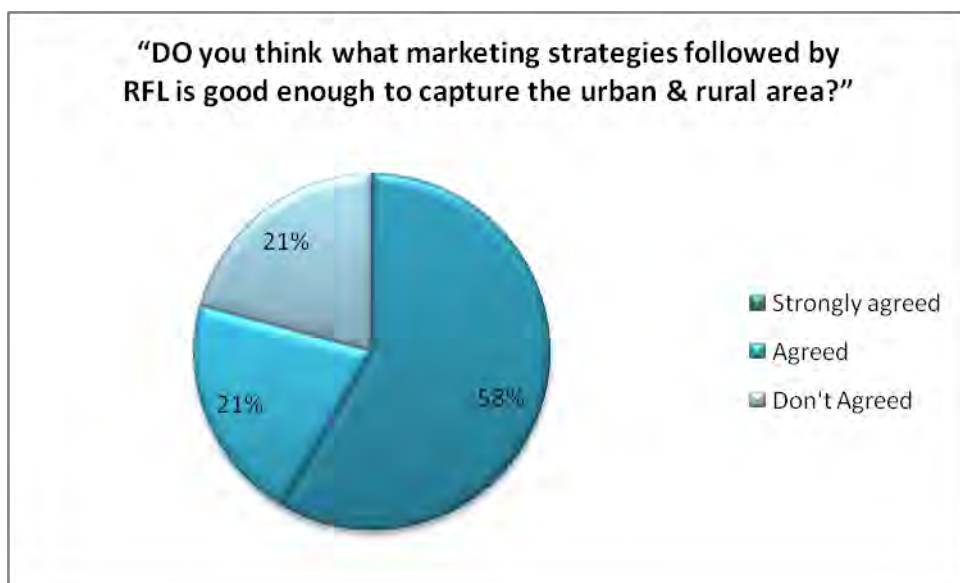
8. My 8th question was **“Do rural & urban area people want to use RFL sinks??”**

Among them only 5 people are strongly agreed & 10 are agreed but 9 people do not agree to buy RFL sink. They think other local brand or foreign sinks are better than RFL due to price & quality.



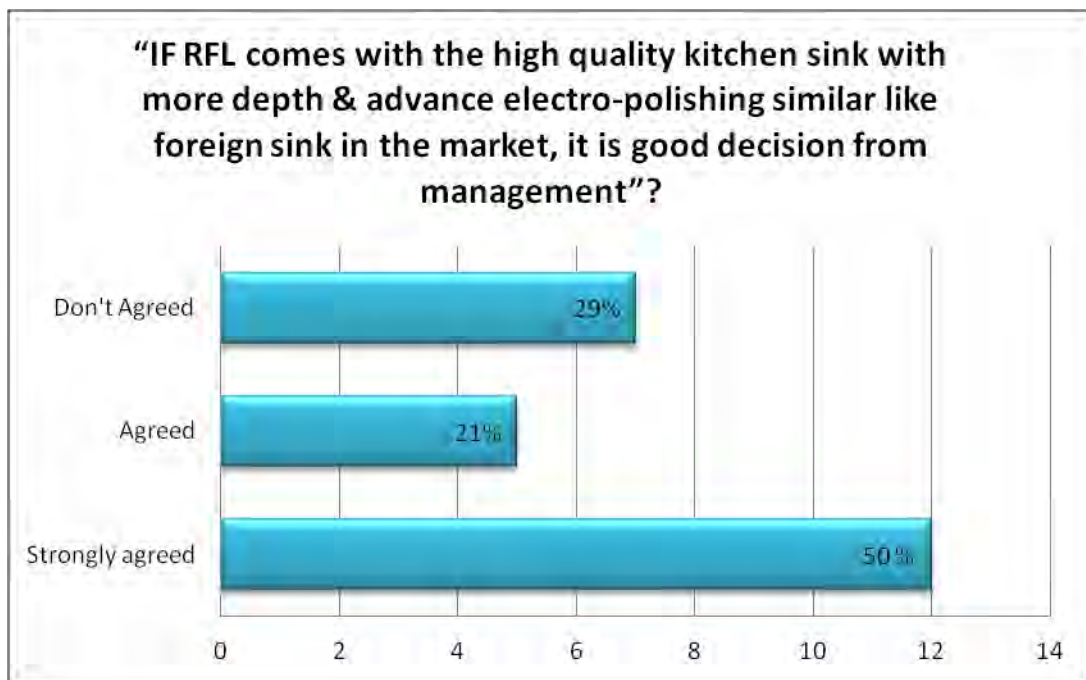
9. My 9th question was **“DO you think what marketing strategies followed by RFL is good enough to capture the urban & rural area?”**

Among them only 14 are strongly agreed & 5 are agreed & 5 do not agreed with the current plan.



10. My 10th and last question was that “IF RFL comes with the high quality kitchen sink with more depth & advance Electro - polishing similar like foreign sink in the market, it is good decision from management”?

Among them 12 are strongly agreed, 5 are agreed and 7 think that RFL already done huge expansion on his lots of business, new business will be a new risk for them.



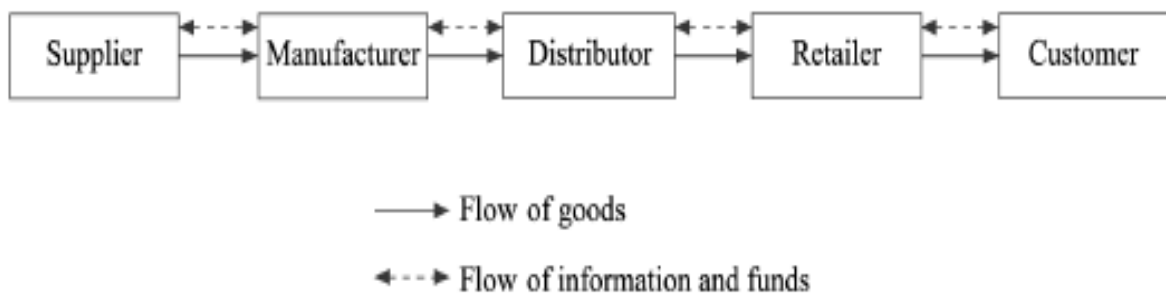
3.5 Result and Discussion:

After doing the above data analysis we can say that RFL management is very serious about up gradation of kitchen sink. They think that in future Bangladesh will try to enter into the global market for kitchen sink by producing high quality kitchen sink. They are doing huge investment on new machines, mold such as 1000 ton hydraulic press machine, annealing machine, new updated sink mold etc. and do more research on new innovation for producing & ensuring quality sinks in 2018. The owner of the company Mr. Ahsan Khan Chowdhury is very much serious on these issues. In recent year RFL did attend many big fair all over the world to understand the market demand of kitchen sink. Marketing team start to make a plan to be the market leader of Bangladesh by using these high quality sink features which are totally different from local companies' kitchen sink & price is also competitive compare to foreign kitchen sink.

Chapter 4

Supply Chain Management of RFL Kitchen Sink

4.1 Supply Chain: The sequence of organizations - their facilities, functions, and activities - that are involved in producing and delivering a product or service. The supply chain management work start from supplier and finish to consumer and disposal of goods



Function of activities:

- Forecasting
- Purchasing
- Inventory management
- Information management
- Quality assurance
- Scheduling
- Production and delivery
- Customer service

Work area of SCM in PRAN - RFL Group:

- Material planning based on sales forecast.
- Purchasing.
- Transportation
- Store & Inventory Management.
- Disposal

Strength of SCM in PRAN - RFL:

- Strong reputation about quality & payment.
- Market leader in Food, plastic & light engineering.
- Market goodwill.
- Strong management.
- No partiality.
- Volume.
- Business opportunity.
- Quick decision.

Eight “R” of supply chain:

1. Right product.
2. Right quantity.
3. Right condition.
4. Right place & customer..
5. Right time.
6. Right cost.
7. Right tailored services.
8. Right information.

Series of activities before Purchase:

1. Specifying requirements & planning supply.
2. Analyzing supply markets.
3. Developing supply strategies.
4. Appraising & short listing suppliers.
5. Obtaining & selecting offers.
6. Negotiating.
7. Prepare the contract.
8. Managing the contract & supplier relationships.
9. Managing inbound logistics.
10. Managing inventory.
11. Measuring & evaluating performance.

Must do check list before procurement

5W3H method

1. What exactly is required? (In terms of quality, type, size, performance, etc)?
2. How should the quality be tasted?
3. How much is required?
4. When is it required?
5. Where should it be delivered?
6. How should it be transported?
7. What other responsibilities will the supplier need to fulfill, and what information will it have to provide?
8. What is the nature and extent of customer support required from the supplier?

Purchase specification

- Specifying the required product/service.
- Specifying the quantity.
- Specifying the delivery requirements.
- Specifying supplier service/responsiveness.
- Other information needed by supplier.

Three different types of procurement/requirements are:

1. **ORM:** (Operating resources management like furniture, stationary items, these are regular low value standard items)
2. **MRO:** (Maintenance, repair and operations, these are mission critical items like spare parts, breakdown items, those are complex, need details specifications, specialized buying, need carefully monitored and controlled)
3. **Direct materials:** It directly involved in production of finished goods.

Inventory management by SCM:

- SCM has great involvement in inventory management; good inventory management helps to reduce unnecessary cost and complexity, urgency of purchase.
- Inventory is hinder money, try to avoid as much as possible.
- Items should be classified by 80/20 rule and ABC analysis.
- Close monitoring and meeting should be held once in a week with store people.
- Inventory management is heart of SCM.
- Over and under inventory both creates serious problem for a company.
- A company can be death for excessive inventory.

4.2 Procurement steps in PRAN-RFL Group

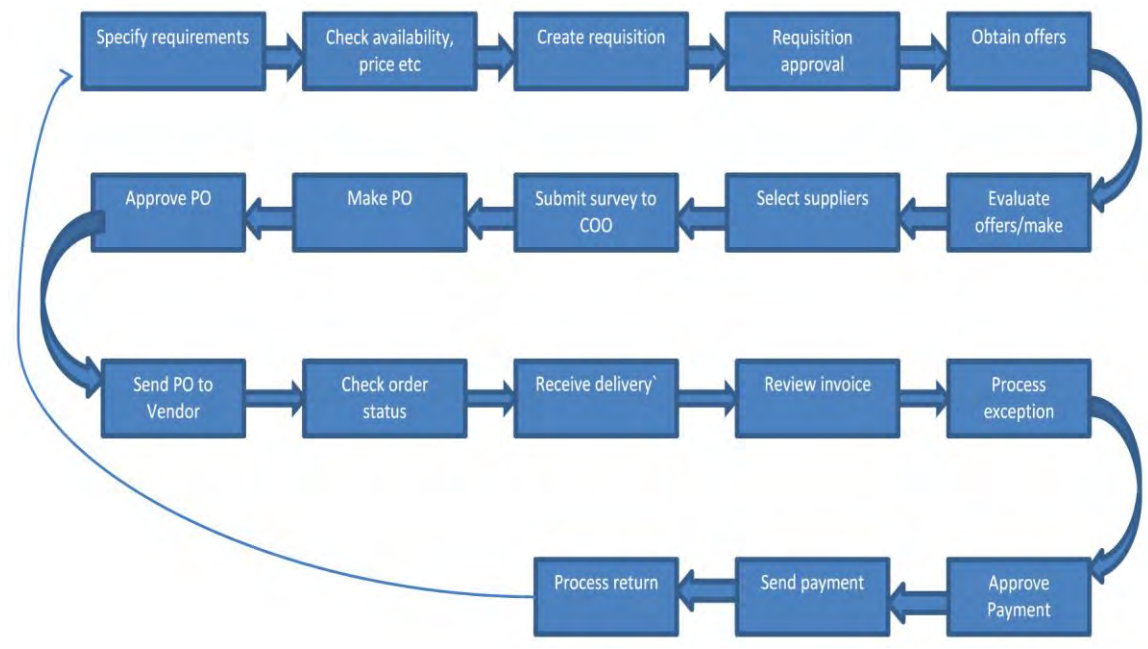


Diagram of PRAN RFL Group Procurement steps by SCM

4.3 Total Supply Chain procedure of Kitchen Sink Production

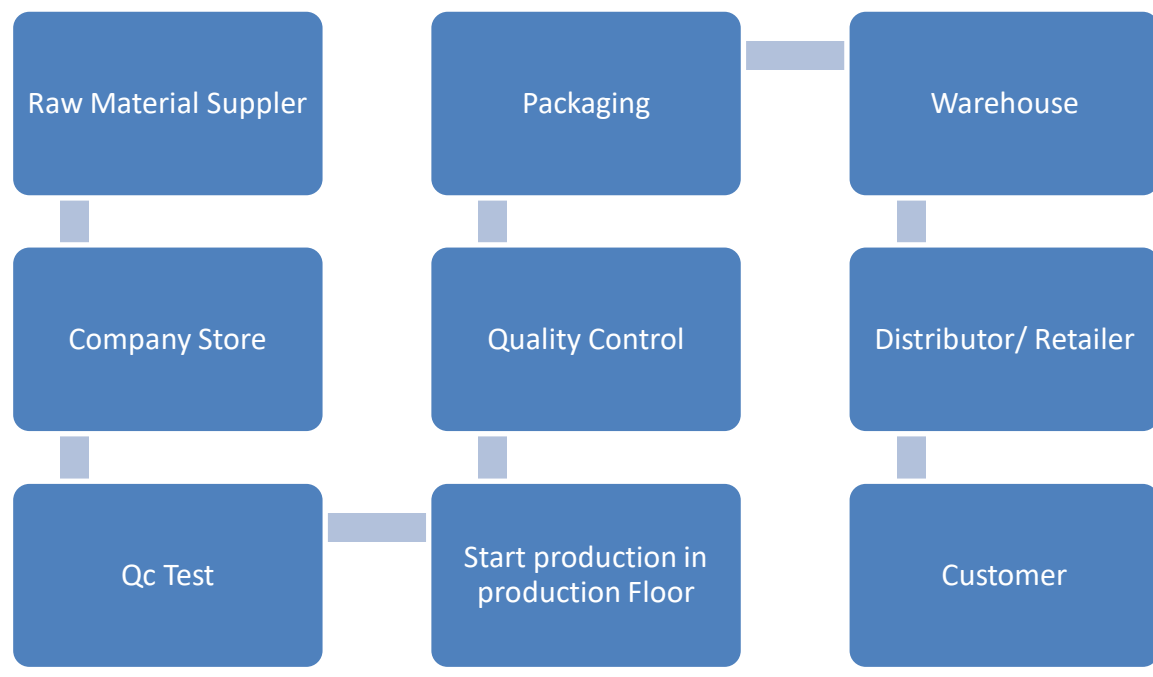
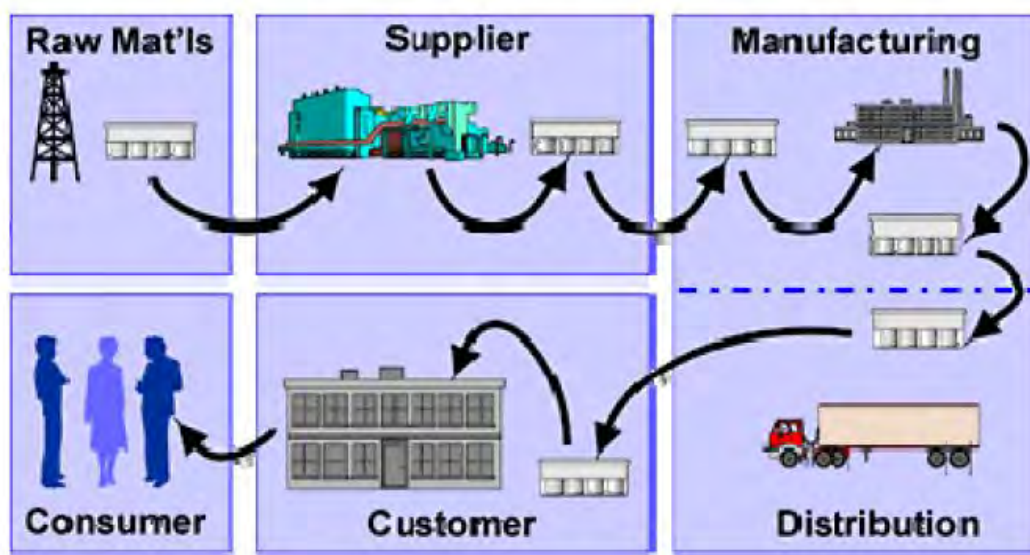


Figure : Supply Chain Management: Raw Materials to Consumers



Chapter-5

Recommendations

At the conclusion of the report I would like to say that the PRAN - RFL Group has practiced the standard business operation management by ensuring rules & regulation among employee. Here I have some recommendations that identify avenues for improving the operation issues of RFL:

1. RFL should recruit proper educated people in operation & supply chain sector who can easily cop up with the business trend of this organization.
2. After this study I found that many of the employees don't know clearly about safety and risk assessment of a production floor & how to handle the raw materials & work in progress metal. So production & operation manager have to give training about handling the raw materials & WIP materials as well as to teach the employee about the whole production process to ensure quality output.
3. The risk of stopping continuous production due to shortage of raw materials, other required items which are connected to the production, RFL should think more widely for supply chain section progress so that each & every items are ready in the raw material store for continuous production.
4. RFL are doing a lot of investment in recent years, they are now investing in new development of kitchen sink production process by which they can produce world class sink. So operation, supply chain & marketing section should sit together to make strategic plan to grapes the whole kitchen sink market of Bangladesh
5. Have to ensure 100 % quality not only the sink but also including all sink accessories part to differentiate RFL from others.

6. With new product quality & specification RFL should go for more sales promotion & ATL, BTL advertisement by sales people & brand management team so that customer can understand the actual product differentiation of RFL sink with other local companies.
7. A proper strategic business planning needed for upcoming next 5 years by the operation team about how gradually develop the product quality ,specification of sink that differentiate RFL sink from others to ensure the continues sales growth & profit in next 5 years.
8. Finally RFL Metal section tries to focus on export.

Conclusions

PRAN - RFL group of industries are now one of the most successful industry in our country. They are trying to increase their business line and their own brand. From this report we will able to know about the kitchen sink operation as well as supply chain section & their whole task procedure to run a specific business of PRAN - RFL group of industries. After doing this report I would like to conclude by saying that it had been a great experience for me. Moreover the survey that I conducted gave me a stronger and more helpful knowledge about the entire research. This report may contain few flaws yet I have tried my best to maintain accuracy. I hope this report can be a helpful resource to use in future.

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