

**Affiliation Internship Report**  
**on**  
**Marketing and Distribution Strategies of**  
**ACI Logistics Limited**  
**(SHWAPNO- Lifestyle Department)**



কষ্টের টাকায় শ্রেষ্ঠ বাজার



**An overview of Marketing and Distribution Strategies of  
ACI Logistics Limited  
(SHWAPNO- Lifestyle Department)**

**Submitted To**

**Mr. Md. Tamzidul Islam  
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**Submitted By**

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**Date of submission: 5th April**

## Letter of Transmittal

7<sup>th</sup> April, 2018

To,  
Mr. Md. Tamzidul Islam  
Assistant Professor  
BRAC Business School  
BRAC University,

Subject: Submission of the Internship Report.

Dear Sir,

It gives me immense pleasure to present the internship report, which was assigned to me as partial fulfillment of the requirement for the Degree of Bachelor of Business Administration (BBA) from BRAC Business School, BRAC University. I have tried my level best to achieve the objectives of the study and I hope that my effort will serve the purpose of the study.

It is really an honor for me to have the opportunity to compose this report under your guidance. This project was an extremely valuable experience for me. I found it very interesting and challenging. During the period of my practical orientation I am having the opportunity to link my classroom knowledge with real life situation.

I would like to mention, that I am extremely grateful to you for your valuable guidance, support, and constant attention when required. I hope that you would be kind enough to evaluate my performance and help me with your Valuable judgment. I will be always available, for any further clarification regarding this report.

Thank you,

sincerely yours,  
Faisal Karim Akib  
BRAC Business School  
BRAC University.  
ID: 13304001

## Acknowledgement

I would like begin by expressing my gratitude to Almighty Allah for giving me the strength to complete the report within the Scheduled time. As a marketing intern, the internship program with ACI logistics limited in Lifestyle Department was a great opportunity for me to learn about the professional or corporate culture.

At the very beginning, I want to thank my honorable faculty “Mr. Md Tamzidul Islam”, Assistant Professor of BRAC Business School, BRAC University, for providing me all the necessary helps for the completion of this report.

At the same time, I also want to pay my heartily gratitude to my Supervisor Shahed Ul Islam, Category manager, Lifestyle Department, ACI logistics Ltd (SHWAPNO) and the team for continuously supporting me with all the necessities.

I want to give thanks especially to, ACI Logistics Ltd, for it has given me a chance to do internship in their organization. Furthermore I wish to thank all staffs due to their all friendly supports to complete the report. I gratefully acknowledge those helpful persons, without them I cannot prepare this report effectively.

Last but not the least, I would like to thank from the core of my heart to my family and all of my friends who have helped and supported me all the way, while doing the report.

## Executive Summary

SHWAPNO Life is an integrated part of SHWAPNO, also known as ACI Logistics Ltd. ACI is one of the largest conglomerates in Bangladesh having a market share of 44%. They have 4 major divisions comprising Agribusiness, Pharmaceuticals, Consumer Goods and Retail.

This report mainly focuses on ACI Logistics Ltd (SHWAPNO)'s marketing and the distribution strategies adapted by Lifestyle department. The report intends to get an idea about the Marketing and the distribution strategies adapted by the organization. I have tried to provide information on marketing and the distribution strategies of the company according to my observation. At the end of the report I suggested some ideas which could be helpful in bringing the overall effectiveness of the company. The strategies that are adapted are already good enough to serve different income groups of customer, but there can be always a part of improvements.

This report also contains information about assigned task given in the organization and the gap between academic preparations. Along with the report I have included area of improvement from my observation.

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# The Organizational Part



## Overview of the company

ACI was established to ensure a better life to the People of Bangladesh, as the subsidiary of Imperial Chemical Industries (ICI) in 1968 (ACI, 2014). It has been incorporated as ICI Bangladesh Manufacturers Limited on January 24, 1973. ICI Bangladesh Manufacturers Limited was a subsidiary of world renowned multinational ICI-Plc and was a listed public limited company under Dhaka Stock Exchange. In 1992 ICI Plc divested its shareholding through a management buyout and the company name was changed from ICI Bangladesh Manufacturers Limited to Advanced Chemical Industries (ACI) Limited on 5 May 1992. ACI (Advanced Chemical Industries) is currently one of the largest conglomerates in Bangladesh having a market share of 44%. They have 4 major divisions comprising of Agribusiness, Pharmaceuticals, Consumer Goods and Retail. Under those four major divisions there are many strategic business units and number of subsidiaries.

ACI logistics Ltd is a Strategic Business Unit of the ACI Limited which is actually the Retail chain also known as “SHWAPNO”.

## History of ACI

In 1926, Imperial Chemical Industries (ICI) was incorporated in the United Kingdom as four companies namely Novel Industries Limited, British Dyestarts Corporation, Brunner Mond and Company Limited and it merged with United Alkali Company. Since then ICI Plc. has been operating worldwide as a multinational company. In the year of formation, ICI started operation in the Indian subcontinent in the name of ICI (India) limited. After separation of the India and Pakistan in 1947, the Karachi office of ICI (India) Limited renamed to be ICI (Pakistan) Limited. After the independence of Bangladesh, the company has been incorporated in Bangladesh on January 24, 1973 as ICI Bangladesh Manufacturers Limited and also as Public Limited Company. The Company also got listed with Dhaka Stock Exchange on December 28, 1976 and its first trading of shares took place on March 9, 1994. Later on May 5, 1992, ICI Plc. divested 70% of its shareholding to local management. Afterwards the company was registered under the name of Advanced Chemical Industries (ACI) Limited. On October 22, 1995 ACI Limited was listed with Chittagong Stock Exchange. (ACI Limited, 2016)ACI Limited with a multinational heritage today is one of the leading and largest conglomerates in Bangladesh. The company is differentiated into four concentration business groups and they are: Pharmaceuticals, Consumer Brands, logistic (Swapno) and Agribusiness. (ACI Limited, 2016)In addition, ACI Limited is the first company in Bangladesh who achieved both ISSO9001certification of Quality Management System in 1995 and ISO14001 certification for Environment Management System in 2000. With the belief of business excellence, ACI maintains a congenial and supportive relationship with the healthcare community of Bangladesh, with the belief that business excellence can only be achieved through pursuit of quality by understanding, accepting, meeting and exceeding customer expectations. ACI has a competent team of professionals; therefore the company is being operated with a progressive attitude to provide effective solutions to satisfy the customer's needs and desires, through its quality products and services. (ACI Limited, 2016).

## **Mission, Vision & values of ACI**

### **❖ Mission**

ACI's mission is to enrich the quality of life of people through responsible application of knowledge, skills and technology. ACI is committed to the pursuit of excellence through world-class products, innovative processes and empowered employees to provide the highest level of satisfaction to its customers.

### **❖ Vision**

To realize the mission ACI will:

- Provide products and services of high and consistent quality, ensuring value for money to our customers.
- Endeavour to attain a position of leadership in each category of our businesses.
- Develop our employees by encouraging empowerment and rewarding innovation.
- Promote an environment for learning and personal growth.
- Attain a high level of productivity in all our operations through effective utilisation of resources and adoption of appropriate technology.
- Promote inclusive growth by encouraging and assisting our distributors and suppliers in improving efficiency.
- Ensure superior return on investment through judicious use of resources and efficient operations, utilizing our core competencies.

### **❖ Values of ACI**

- Quality
- Customer Focus
- Innovation
- Fairness
- Transparency
- Continuous Improvement

## Strategic Business Units

ACI Limited has 4 major strategic business units, 12 subsidiaries and 3 joint ventures. Details are given below.

### ❖ Major Business Units

- Pharmaceuticals
- Consumer Brands & Commodity Products
- Retail Chain
- Agribusiness:
  - Crop Care Public Health
  - Animal Health
  - Fertilizer
  - Motors
  - Cropex
  - Seeds

### ❖ Subsidiaries

- ACI Formulations Limited
- ACI Logistics Limited
- ACI Pure Flour Limited
- ACI Foods Limited
- ACI Salt Limited
- ACI Motors Limited
- Creative Communication Limited
- Premiaflex Plastics Limited
- ACI Agrochemicals Limited
- ACI Edible Oils Limited
- ACI Healthcare Limited
- ACI Chemicals Limited

❖ **Joint Ventures**

- ACI Godrej Agrovvet Private Limited
- Tetley ACI (Bangladesh) Limited
- Asian Consumer Care (PVT) Limited

## Management Body

### ❖ Management Committee

<b>Name</b>	<b>Designation</b>
Dr. Arif Dowla	Managing Director
Dr. F H Ansarey	Executive director, Agribusiness
Mr. Syed Alamgir	Executive Director, Consumer Brands
Mr. M. Mohibuz Zaman	Chief Operating Officer, Pharmaceutical
Mr. Pradip Kar Chowdhury	Executive director, Finance and Planning
Mr. Sabbir Hasan Nasir	Executive Director, Logistics
Mr. Priyash Datta	Director, Quality Assurance, Pharmaceutical
Mr. Abdus Sadeque	Director, Marketing, Pharmaceutical
Ms. Sheema Abed Rahman	Director, Corporate Affairs
Mr. Md. Monir Hossian Khan	Financial Controller
Mr. Imam Ahmed Istiak	Director, Operations, Pharmaceutical

### ❖ Board of Directors of ACI limited

<b>Name</b>	<b>Designation</b>
Mr. M Anis Ud Dowla	Chairman
Dr. Arif Dowla	Managing Director
Mr. Waliur Rahman Bhuiyan	Director
Mr. Kazi Sanaul Hoq	Director
Mr. Md. Iftikhar-uz-zaman	Director
Mr. Golam Mainuddin	Director
Mrs. Najma Dowla	Director
Mr. Abdul- Mueeed Chowdhury	Independent Director
Mr. Juned Ahmed Choudhury	Director
Ms. Sheema Abed Rahman	Director
Ms. Shusmita Anis	Director

## Background of ACI Logistics Limited (SHWAPNO)

The Preferences and demand of our lifestyle is changing rapidly, superstores culture is adding a great value to our purchasing patterns in our day to day life. With a vision to give the customers a better shopping experience ACI Logistics (SHWAPNO) made its entry into retail in 2008 as “Fresh and near” in order to fulfill the company’s “Seed to Shelf” vision of connecting farmers directly with consumers. The ambition is to connect to all the dots in the entire value chain and link people and process together, so that they can give people better tomorrow. The concept of “SHWAPNO” came in existence from here. A business plan came into view consists of opening 70 “SHWAPNO” outlets across the country. In 2008, the business plan came in reality and 70 “shwapno” retail outlets were launched. However, fortune was not in favor and everything went downhill immediately. It turned out that launching 70 outlets all at once was too much of an ambitious plan to start with as ACI did not have any prior experience in retail business.

At the early stage, ACI did not have proper management information system to harmonize the activities properly. So, for the first year, “shwapno” carried out its operations in an unplanned manner. Supply chain, the important element in the value chain was underdeveloped causing products required by outlets to often come weeks after requests were made. Millions of dollars’ worth of merchandise were wasted and lost over mismanagement by the distribution staff. In addition, the stock of basic or most brought product was not enough in the outlets.

Management at “SHWAPNO” went to the drawing board. After intensive brain storming session the result lead to close down almost half of the retail outlets and international consultants were recruited from India to initiate SAP enterprise resource planning software. The enterprise resource planning software was an outstanding improvement over the previous system. Stock information, sales transfer order, sales information, purchase order, goods received note etc. were now all handled with this single software. SAP completely changed the operations of the company. The immediate boost in the company’s bottom line was measurably noticeable. The company’s performance began to take a turn for the better from then onwards.

In addition to that, new vision and values were set for “SHWAPNO” apart from ACI’s for further successful operation. The company’s performance began to take a turn for the better from then onwards.

SHWAPNO currently is the top retail brand in Bangladesh, with a vision to become the best and largest omnichannel retail brand in Bangladesh. The company has grown significantly over the past years and claims to serve over 35,000 customers day. Shwapno currently has 62 stores and 11 franchisees and growing. It has a team of 2000 people and all together is has over 335,00Square feet of retail spaces. It has 3 Different types of stores. The first one is convenient-stores which are 2000sq feet to 5000 sq feet. The second type is superstores that are around 2000to 8000 sq feet and lastly they have mega stores as large as 24,000sq feet.

Around 23% of revenue of ACI Logistics Ltd comes from the fresh goods, fish and similar items, around44% from the consumer packaged goods and the rest comes from the commodity and the lifestyle products, they have launched a few private label brands which contribute around 6%. Products in SHWAPNO are separated into two master categories: Company Goods and Non-Food Department. Under those master categories there are multiple items included as sub categories.

Company Goods	Packaged Foods
	Personal Care
	Dairy
	Beverage & Tobacco
	Kitchen Additives
	Home Care
	Baby Food
	Baby Care
	Stationeries
	Home Made
	Medicine
NFD (Non-Food Department)	Life Style
	Electronics & Appliances
	Home Accessories
	Gift & Toys
	Home Appliances
	Accent & Decors
	Infotainment



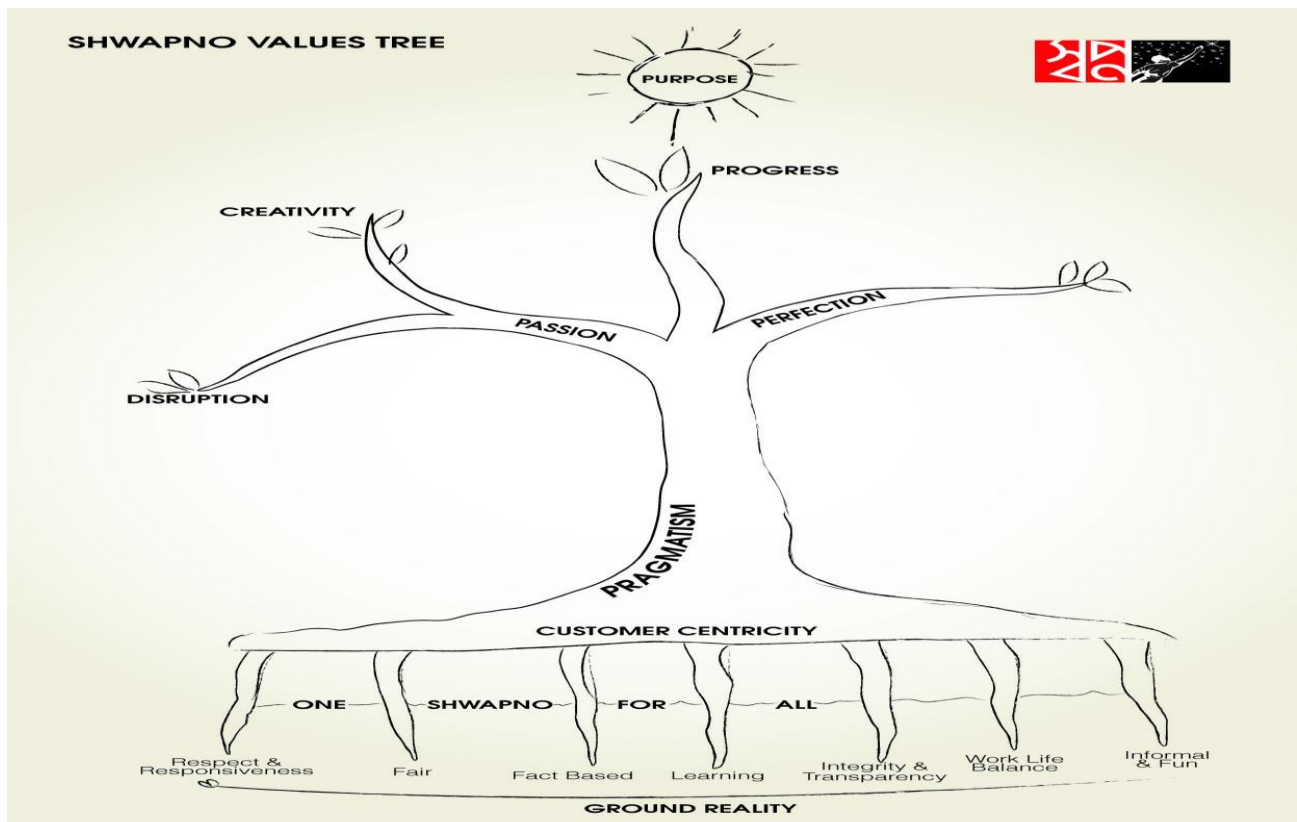
## Shwapno Vision and values

### ❖ Vision of SHWAPNO:

- SHWAPNO has a “Seed to Shelf” vision which means connecting farmers directly with consumers.

### ❖ Values of SHWAPNO:

- Impeccable integrity – We are honest, transparent and ethical in all our dealings.
- Passion to win – We deliver what we promise by bringing the best in all of us.
- Delightful experience – We win the hearts and minds of our employees and consumers by offering relevant quality, value and service.
- Living an enterprise culture – We believe in trust, truth and teamwork.
- Making a better world – We compassionately contribute to the community we live in.
- Continuous improvement – We constantly learn and innovate to create new paradigm.
- Count every paisa – We treat every taka spent as our own for creating value for our consumers.



## ACI Logistics (SHWAPNO) Business Model

### ❖ Dealer Operations:

- Investors are encouraged to invest large amount of money in purchasing products from SHWAPNO. ACI logistics helps with training, branding and communications of stores owned by dealers. Dealers in return get to keep the proceeds and profits from the sales of products purchased from the firm. This situation represents a trade-off that benefits both the dealers and SHWAPNO. SHWAPNO has several dealerships spread across 16 districts of Bangladesh

### ❖ Franchise:

- This is the least favored model preferred by SHWAPNO. The reasons are the return from such operations is below standard and requires extensive involvement. Investors have the choice to invest a certain amount to purchase franchise rights from SHWAPNO. SHWAPNO will invest money in products, outlet decorations, communications and employee training. In return the customer will receive a certain percentage from the sale of products at the store. Currently there are only two franchises in Bangladesh with another situated in London.

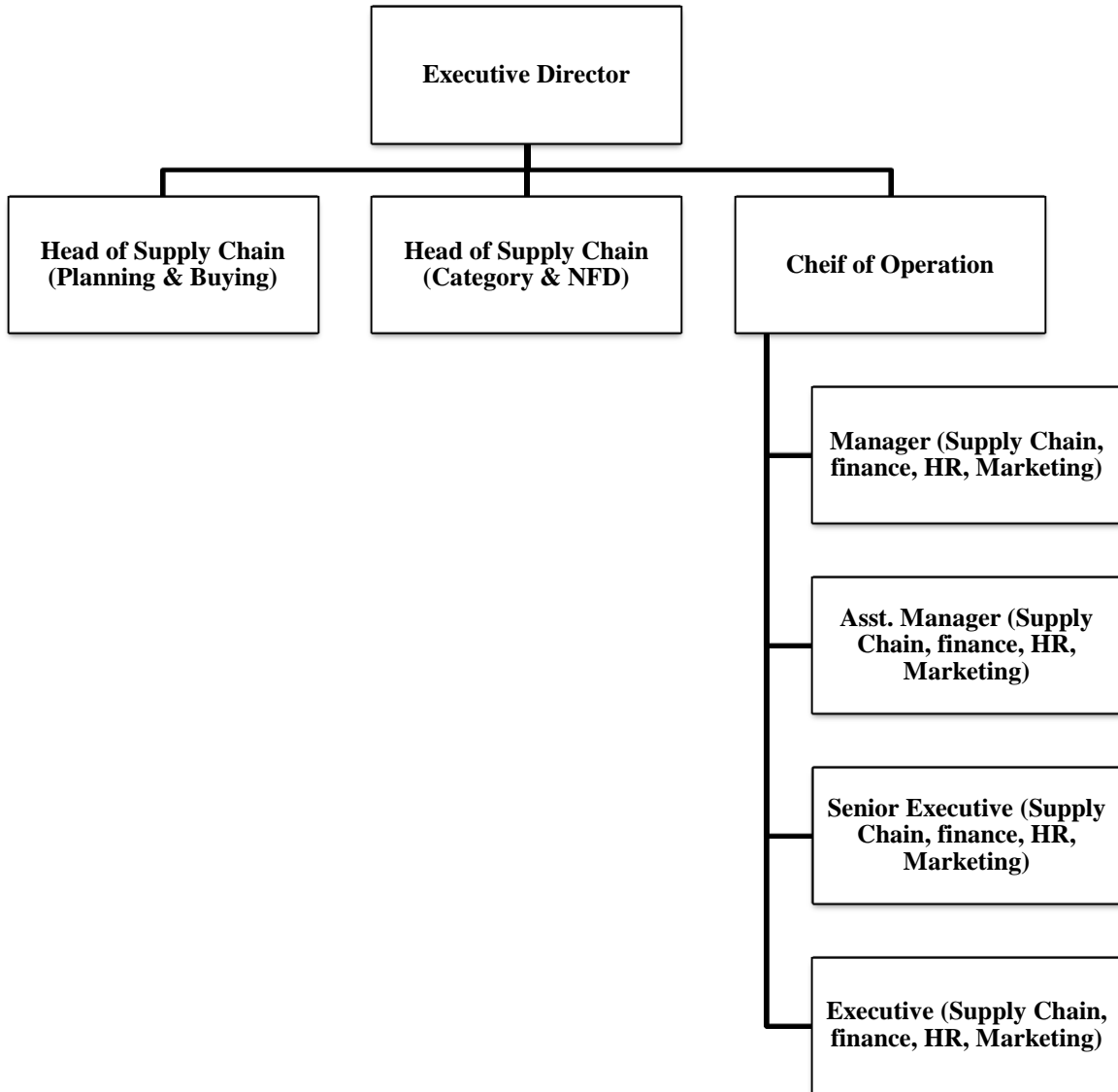
### ❖ SHWAPNO Outlets:

- SHWAPNO outlets are entirely operated by ACI logistics. SHWAPNO outlets are built on rented places. This handicap makes it very difficult to select ideal locations to build outlets. SHWAPNO has 46 outlets spread across Dhaka, Sylhet, Comilla and Chittagong cities of Bangladesh.

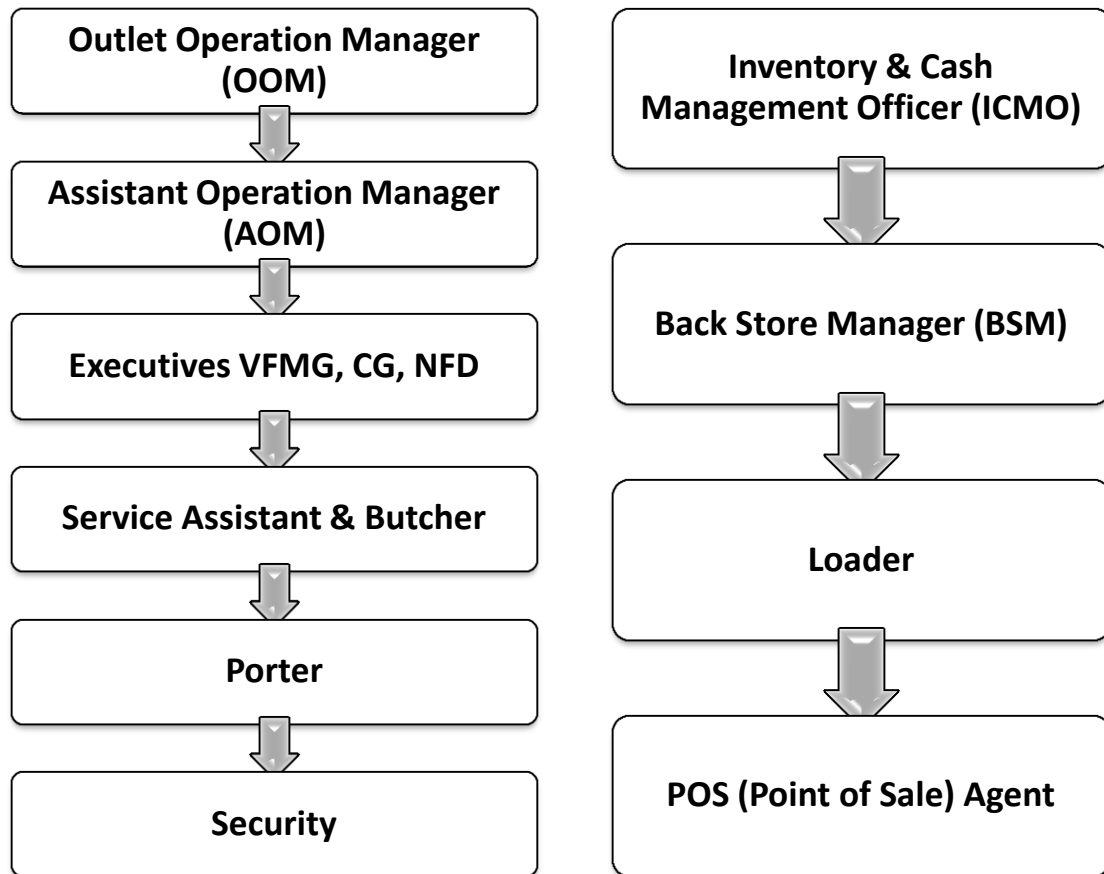
## Organizational Structure of Shwapno

The organizational structure of ACI logistics Ltd (SHWAPNO) head office and outlets are different.

The organizational structure of ACI logistics Ltd (SHWAPNO) Head Office is shown in the following figure:



The organizational structure of ACI logistics Ltd (SHWAPNO) outlet is shown in the following figure



# The Project Part

## **Introduction**

### **Origin Of the study**

The report has been written as the degree requirements of Bachelor of Business Administration at BRAC University. A minimum 12 week or 3 months of internship is part of the BRAC University curriculum. I was appointed by ACI logistics Ltd (Shwapno) as a marketing intern in Lifestyle Department and I have chosen to make the report on the Marketing and Distribution strategies of ACI logistics Limited Ltd.

### **Rationale of the study**

Theoretical knowledge was always helpful to gain knowledge but it is not sufficient to fulfill the gap between knowledge and the practical work. Internship program was introduced to minimize the gap and gather real life experience. In my 3 months of internship period, I was assigned to work under the sales operations team and have fulfill several types of responsibilities that were given to me by the team members. During the whole period, I got the opportunity to observe the overall value allocating process of ACI logistics Ltd – Lifestyle Department which make me interested to make the report on this topic. The reason for choosing this as my affiliation topic is, this will help me to explore my area of interest and apply my gathered academic knowledge if necessary and to know real life implementation of the knowledge.

## Background

Retail industry in Bangladesh still has huge scope since only 2% of the entire population is served by the retail industry (Jain, 2009). ACI Logistics Limited made its entry to the market in 2008 with a vision to setup nationwide retail outlets, named “SHWAPNO”, to utilize ACI’s strong presence in Bangladesh. SHWAPNO is currently the top retail brand in Bangladesh, with a vision to become the best and largest omnichannel retail brand in Bangladesh. The company has grown significantly over the past years and claims to serve over 35,000 customers day. Shwapno currently has 62 stores and 11 franchisees and growing. It has a team of 2000 people and all together is has over 335,00Square feet of retail spaces. It has 3 Different types of stores. The first one is convenient- stores which are 2000sq feet to 5000 sq feet. The second type is superstores that are around 2000to 8000 sq feet and lastly they have mega stores as large as 24,000sq feet. Day by day the number of outlets is increasing. Market share of Shwapno is 44% in modern retail system. The biggest advantage and uniqueness of Shwapno is that, different age and different income group is the target people.

## Objectives

The main purpose of this project was to get a better understanding and to give an overview about the marketing and distribution strategies of SHWAPNO lifestyle and finding out the advantages of using of those strategies. Therefore, the report concentrates on two objectives:

❖ Primary objective:

- The primary objective is to use and practice the learning's about the key concept and the theoretical knowledge which I got from my 4 years academic study from BRAC BUSINESS SCHOOL.

❖ Secondary objective:

- To get real life work experience.
- To know about the operations of head office.
- To have a clear view of current scenario of SHWAPNO.
- To get an overview of marketing and distribution strategies adapted by SHWAPNO.
- To find out how Assortment planning improve sales.
- To find out what kind of major challenges SHWAPNO is facing and to identify their opportunities.
- To analyze the shortcoming of their services.



## Methodology

The report has been made mostly on the basis of the experience which I get by working in the company; I have also tried to collect relevant data from different sources which will serve the purpose of this report.

❖ Sources of data: Sources of data were collected through two segments.

➤ Primary Data: Primary sources of data were :

- Practical Work
- Conversation with the office supervisor
- Personal experience gathered by working in the company.

➤ Secondary Sources of Data:

- Publications from BRAC University Institutional Repository.
- Different publication of SHWAPNO
- Sales report of SHWAPNO
- Article's published- Online article, BRAC University Institutional Repository.

The secondary sources of information include the materials like different publication. During the internship program materials needed for the service also includes in here.

## Limitations of the study

For preparing this report some difficulties have been faced. I considered these difficulties as limitations, as this had a huge impact for preparing this report. The limitations are as follows:

- ❖ Due to time limitations many aspect may not be discussed properly in the report.
- ❖ The authority provided restriction to use some confidential organizational data. So confidentiality of data is another important barrier that had been faced during preparing the report.
- ❖ Preparing this report required lots of work. After doing fulltime office from 8AM- 5:30PM, it was tough to do the report. Sometimes I had to leave office lately, so work pressure posed a huge stress. This hindered the speed of working. So stress factor is one of the major limitations for me.

# **Marketing and Distribution Strategies**

## Marketing Strategy of Shwapno Lifestyle

For any business marketing strategy is the basic and most important thing. It can be considered as the core of the business. When SHWAPNO initially launched 70 outlets it resulted in failure, burdened with payment of compounding interest on their substantial debt to its creditors. The company was plagued with low margin and gross profit from the proceeds of the VFMG and the company goods categories. The management at SHWAPNO deliberated and came up with a strategy to introduce a new category to increase sales and gross margin. This is how the NFD (Non Food Department) category was born with a goal to increase the sales and improve the brand value. The NFD category was launched in late 2012 under the extremely capable hands of the Chief Operating Officer of the company, Mr. Abu Naser. Management was reluctant to invest money in the venture, and as a result, the business model for this category was redesigned around this handicap. Vendors and suppliers were approached and encouraged to invest in this new category. In this new business model, vendors would provide products at their own cost and SHWAPNO would provide space and expertise in selling these products. Once the products are sold, SHWAPNO would receive a portion of the sales proceeds. As for the products that are left unsold, complete liability for these products would rest with the vendors. This business model proved a win-win for both parties. SHWAPNO started an entire business without any monetary contribution and the vendors by leveraging the brand name of SHWAPNO, retail space and expertise of the company dramatically increased their sales. When management reviewed the impact of the strategy they immediately went to drawing board to improve the category. New designers were hired from prominent design houses of Bangladesh and the company put substantial effort to promote SHWAPNO's new brand in the lifestyle category which came to be known as SHWAPNO Life. Initially, the designers focused on creating ladies clothing, but now, SHWAPNO life encompasses products for women, male and children. SHWAPNO's designers continually churn out new designs which have captured the imagination of the Bangladeshi public. Lifestyle is the most important category in the Non Food divergence master category and constitutes the largest segment of revenue in this master category.

Mr Sabbir Hasan Nasir who was previously the CEO of Otobi has wide-ranging experience in the furniture industry. He used his experience to form a new furniture brand, SHWAPNO Home to enhance the shopping experience and convenience of consumers shopping at SHWAPNO.

Furniture is a high involvement and high priced product category and has a huge potential. Single sale of the furniture can show and immense improve on the monthly performance.

### **Marketing Strategy Program**

Marketing Strategy program is basically the communication or the promotional tools that are used for group of products. There are many promotional tools available that can be used by an organization, but for SHWAPNO Lifestyle they uses advertisements, internet marketing, sales promotion, banners, leaflets, posters, signage at storefronts and advertisements in the print media to reach out to its customers. SMS alerts are also given to regular customers to ensure that they are aware of current offers and discounts. Out of all these promotional activities for lifestyle they mainly use Advertising, internet marketing and sales promotion to promote their products.

#### ❖ Advertising:

- SHWAPNO provide advertisement in Billboard and newspaper helps the consumer to save time. SHWAPNO has started advertising for their own lifestyle products from Pahela boishak Of 2014. Only billboard for advertising was not enough so later on they went for catalog for their lifestyle too. From Eid Ul Fitre of 2014, SHWAPNO started catalog promotion. Catalog was introduced mainly for the in house advertising. Advertisements is the most influential and powerful tool for reaching out the consumers.

#### ❖ Sales Promotion

- Sales promotion is a marketing technique to boost up the sales. Example of sales promotion may include buy one get one free items, coupons, and discounts. Sometimes, SHWAPNO lifestyle arranges a clearance sale for own designs.

#### ❖ Internet marketing

- SHWAPNO Lifestyle has a Facebook page Named SHWAPNO Life, where every update about the ongoing promotional offers is updated and monitored, to for any query of the customer. Discounts, new collection of designs, promotional events, photograph form photo shoots, catalogs with price are given on the Facebook.

## Sales

With an aim to provide quality products with a quality retail experience for the customers SHWAPNO was started. Providing a good quality product at an affordable price at best shopping experience was the main purpose for SHWAPNO. In an agro-based country where the major portion of its people depended on agriculture, either directly or indirectly, for their livelihood. Today, millions of farmers are still carrying on the agriculture of Bangladesh toiling different hardships yet the farmers are often paid very poorly for the same harvests that are sold at extremely high prices in the towns and cities, as they do not have the bargaining power over some buyers. So, as a result, a big portion of the profit is taken by the middleman and the use of middleman adds little value to the overall system. ACI logistic has noticed this value chain gap and introduced SHWAPNO. SHWAPNO is basically a store for the groceries but as a retail store they are trying to introduce everything that will create a mark of them on the map.

## Sales Technique

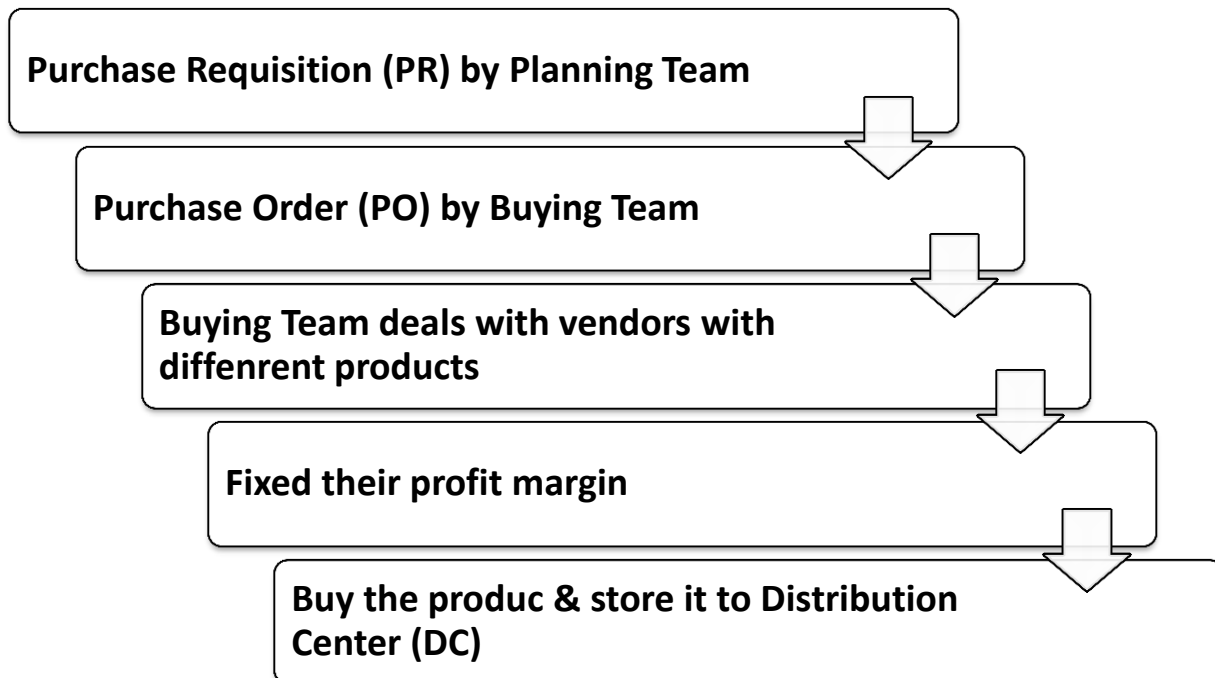
- ❖ Personal care product
  - SHWAPNO gives discount & buy 1 get 1 offer for their accessories, dress and shoes item. When customers are getting two products at price of one, customers grab the offers. This technique is proved to be a most beneficial to boost the sales.
  
- ❖ Discount on Particular event
  - In any occasion or event customers are given discount on their total basket of shopping. Customers are also encouraged to take part in the events. They also provide raffle draw which encourage the customer to take part in the event, lucky winners are contacted later for giving a token of appreciation.
  
- ❖ Discount on the basket size
  - Customers gets discount on the amount of purchased items. Consumers with higher basket size will get more discount offers. This scenario is seen mostly in the special days.

❖ Offering membership card

- Membership card increases the loyalty of a customer. They prefer to shop from the store as they are given preference. Customers are offered membership card on their first visit so there is no requirements for getting the loyalty cards. This increases the value of the customer which ultimately increases in sales.

## Distribution Strategy of Shwapno Lifestyle

Distribution plays an important role for a retail store like SHWAPNO. In SHWAPNO the operations are similar with the supply chain model. Supply chain management unit of head office gives the purchase requisition to the buying team. The category manager plays the role of the buying team. Whenever there is a need of product they contact with the vendor's or the available suppliers to give products to the distribution center. The supplier's then start sourcing the product as per the requirements, when the lot is ready within the allotted time the suppliers then contact the managers for let them know the quantity which they will provide to the warehouse of SHWAPNO. Based on the product and quantity provided by the suppliers the managers create purchase order. If the product is new then the process is little different. The suppliers first need to show the product to the manager for approval and then they deal & fixed their profit margin. Once the vendor agrees to the margin the rest of the process is similar like previous. For better understanding the steps are demonstrated below:





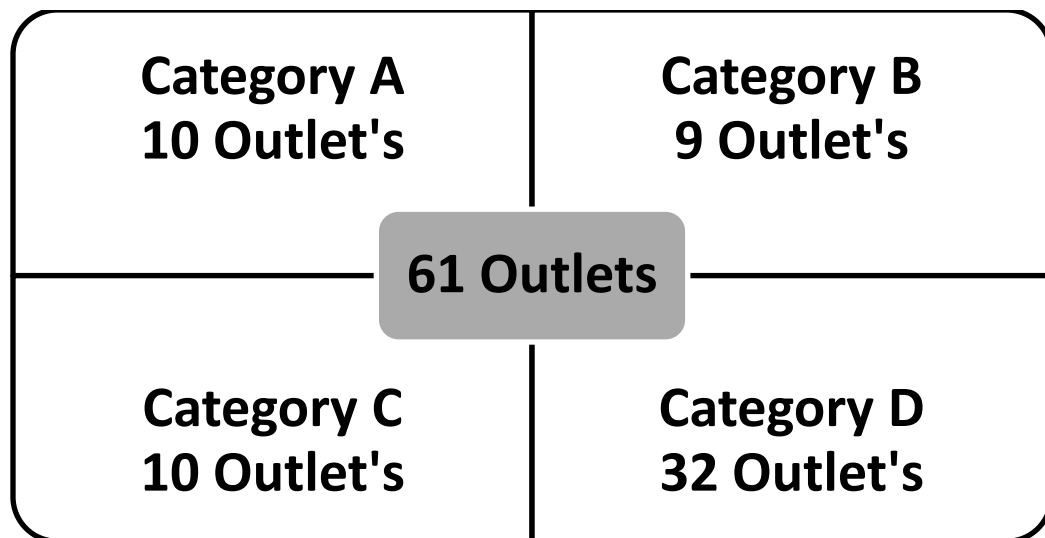
## Operations of Distribution Center

Distribution center is used for product receipt, temporary storage, and redistribution of goods according to the STO (Stock Transfer Order). SHWAPNO's distribution center is customer focused, relationship-centric and technology-driven. The work on the distribution center is divided in three parts. These are as follows:

- ❖ Product Receiving
  - ❖ Product Storing
  - ❖ Product Delivery
- 
- ❖ Product Receiving
    - According to purchase order (PO) distribution center receives products from the suppliers. This includes serial number, product type and receiving time. The product's details, product's quality need to be checked. However, if any product does not match with the purchase order (PO) quantity then the product is rejected. One products is received they generate a GRN( Goods Receipt Note) by using SAP software which is their internal software to see stock details and others, the GRN is provided to the suppliers, this GRN report will be used when they come to collect payments of their sold items.
- 
- ❖ Product Storing
    - After receiving product, distribution center store the product until they get the further instructions to deliver it to outlets. Gondola is a freestanding shelf used by retailers to display product. However if any product get damaged or expired then distribution center return it to vendor. They called it Return to Vendor (RTV).

❖ **Product Delivery**

- Product delivery imitation from the outlets and the head office. At first the outlets give the report of their product shortage or the product demand to the zonal's, they then contact to the head office to send product to the outlets. The mechanism here is simple, other than that the head office uses EPS Software to know the stock of the product in the following outlets. With the new opening of Mugda para outlet SHWAPNO now has 61 outlets in total. They categorized those outlets into 4 categories, Category A, B, C, and D. Each category has a multiple number of outlets under them. To give an overview a chart is given of category wise Outlet number:



Outlet categories are divided by keeping in mind about the total space of the store, location and customer group and sales.

For delivering the product, to the outlets they use the number of footfall of the outlets.

Category wise outlets are divided to determine the quantity of the STO of products demand.

# Activities Undertaken

## Work Related

My internship program with ACI logistics limited started on 24<sup>th</sup> January, 2018 under the direct supervision of Shahed-UI-Islam, Category Manager, Lifestyle Department, ACI logistics Limited. Apart from the assigned work, I had to assist with my supervisor's work from time to time.

- ❖ Maintain a track of every day sales and stock data:
  - I was assigned to record all the sales information of the previous day and the stock data of the present day and make report on the demand of my supervisor and the team.
  
- ❖ Master file Update:
  - Master file has all the information about the category, sub-category and type. As soon as new inventory for new products arrived in the distribution center. I had to update the master file from the SAP software.
  
- ❖ Article Create:
  - SHWAPNO need to have information about every product, and for that vendor's are given a code when they get registered with SHWAPNO. Upon registration vendor are requested to come with sample design to get approval, after the approval from the category manager, I had to take picture of the and create a description which matches best with the product, after that from the master file I had to input the sub-category, type name, and merchandising category code in a given format. Every product has unique Article numbers. Based on the article numbers, bar code is given to the products.
  
- ❖ Outlet Visit & find out the difference and problem:
  - I was asked to visit SHWAPNO outlets near my residence areas to find out the problem, GAP, and other details.

❖ Ensuring STO (Stock Transfer Order):

- Whenever Outlets are in shortage of any product they let the Zonal in charge know about their demand, the zonals then contact the category manager to send Stock for the Requested items. In my internship period I was in charge of monitor the stock of the outlets for which I had to use software Name EPS, after revising the current stock and analyzing the sales I had to make allocation for transfer stock from distribution center to the outlets. For STO I had to use SAP Software.

❖ Ensuring PO (Purchase Order):

- Purchase Order is a process by which the distribution center receives the products from suppliers, PO are generated for the vendor while they give their product to the distribution center for store. I also had to do PO to make sure vendor or the suppliers gets to deliver their product to the distribution center.

❖ Ensuring Barcode For the product:

- Whenever PO is created suppliers need to collect barcode for the product which they will deliver. This barcode helps to detect the product & further process with its unique code.

## Other relevant Activities

- ❖ Phone Call's to Outlet Managers for make them aware of any offer:
  - I had to make call and let them know about the offers which SHWAPNO had launched for 14<sup>th</sup> February, 2018 on Valentine's Day. Just to make sure the outlet manager are aware of the offer and if they were not aware than I had to make a brief to them.
  
- ❖ Phone call to outlet manager to know sales report:
  - If any outlet did not achieved their target sales for a long period of time, I had to call them and know why the sales is dropping and bases on the information I had to report to my supervisor.
  
- ❖ Brief Distribution Center about STO:
  - Sometimes, there are some product such as T-shirt's, socks, inner were which are given a same product code but has multiple color. In that case I had to inform a person from the distribution center who takes care of the NFD and brief him about the color wise ratio so that all the available color of that product goes to the outlets.
  
- ❖ Make trend analysis from previous year data:
  - I had to make quarterly trend analysis from the sales data of previous year and submit it to my supervisor and to Head of Merchandiser, so that they can evaluate which type of product was sold at highest quantity. Based on the trend analysis they could set a daily sales target.
  
- ❖ Giving Bill to vendor at the end of the month:
  - At the beginning of every month the vendors are requested to submitted the Invoice, PO (Purchase Order), GRN (Goods Received Note), so that they will get the amount of the sales products at the purchased rate from the company. I helped Assistant manager of my supervisor when giving the bill to vendor. For that i was given a list and I was assigned to collect bills from the vendor and cross check the bills. I had to go through the sold value of their products and I had to make sure that they are correct.

- ❖ Making of power point slide for approval of products:
  - I was asked to make a PowerPoint Presentation for product like: T-shirt for multiple category of design like upcoming world cup group jerseys, zodiac signs, music lovers, superhero's logo, and many others. This was then submitted to Head of merchandiser, furthermore to the Business director for approval, then the vendor are contacted and given the design to make the products and to negotiate the price.
  
- ❖ Giving Sales Report to Vendor:
  - Vendor's often come to head office to collect sales data of their product thus, they can know how their products are doing in the market, by observing the sales trend it can be calculated. It also helps them to know how much they will be paid after end on the month when they will come to receive the bills. I was in charge for generating the sales report, not only for the vendor also for my supervisor and the team. Whenever they wanted to know how the vendor's are doing, who are not getting enough sales; they can find it from the data and make decision to improve the sales by giving proper assortment.

## **Constraints/Challenges and proposed Coursed of Action for Improvement**



## Identified/Observed in the Organization

Though the marketing department of SHWAPNO Lifestyle is very much smooth but they also have some constraints. From my internship experience what I have observed are explained below:

- ❖ Flow of work or work process is not properly integrated because of improper time management. The reason might be, as a retail store and a very aggressive market they have multiple things to handle, but if there's a proper structure for this might be a little helpful.
- ❖ There are internal communication gaps within different departments. This hampers the workflow also hamper the workflow.
- ❖ The decision making procedure is very lengthy, if a decision is made they have to wait for approvals from other related department which is very time consuming.
- ❖ SHWAPNO acquire vendors or the suppliers, most of the suppliers are exports products. The exporters have their own policy, but when they are doing business with SHWAPNO they had to follow a generalized policy, which sometimes create problem for the supplier to get agreed on, as they want to do business on credit.
- ❖ The employees of the outlets are trained before joining the Outlet. Most of the time they are not aware of how to do the bill when they are doing it on promotional items. As a result sometimes gap is found on determine the stock and sales report, which is very important for the assortment team before making any decision for any outlets.

## Academic Preparation

During my education from BRAC University i have acquired many skills, knowledge, experiences which have given me ideas about the theoretical knowledge in different subjects. However there are some similarities and dissimilarities between theoretical and practical knowledge. These similarities/dissimilarities are explained below:

- ❖ In our academic courses we know that there is some external information flowing to purchasing. These are product information, new product information, transportation availability, transportation rates, price and discounts, sales and use taxes, labor condition, supplier production rates, supplier's capacity, source of supply, general market condition. All of these steps are followed by SHWAPNO to buy a product.
- ❖ In our academic course we have learned about Microsoft office application, which helped me a lot because.
- ❖ I had done an extra course because of the fascination to know supply chain and its process. In SHWAPNO I had find the similarities which helped me understand process more easily.
- ❖ I had to use SAP, EPS software almost every day, as it was their source of collecting data. During my academic preparation I was not introduced how to handle data properly using those software as these was not included in the academic curriculum.
- ❖ Proper documentation that I learned from my internship is one of the most important parts of a job which was not included in the academic curriculum.

# **Lesson Learned from the Internship Program**

## **Corporate Culture**

- ❖ SHWAPNO have taught me how to interact with assorted genres of people and how to make a good relationship with them. SHWAPNO is the place where employees are not just colleagues of each other; rather they are a part of a big family. All members of SHWAPNO family take a good care of each other. The Corporate Culture of SHWAPNO is friendly, flexible, spontaneous and worthy of adopting in our daily life. I am confident that it would help me a lot when I involved in a permanent job.

## **Team Bonding**

- ❖ This internship program helps me to understand how to develop the strong relationship with other colleagues and different departments.

## **Develop Skills**

- ❖ ACI Logistics Ltd. (SHWAPNO) uses SAP, EPS Software for all types of working activities. It was totally new for me. I have learned many features and usages of them. I was a beginner in Office application especially in MS Excel but by generating data on a daily basis as per as requirements I have now mastered many thing which also helped me with my work efficiency.

# Concluding Statements

## Recapitulation /Summary

The main objective of this study is to give an overview of the marketing strategies and the distribution strategies of SHWAPNO. This internship program helped me to understand the real life work environment with renowned retail industry of Bangladesh.

As a large industry with retail chain operations, SHWAPNO needs an efficient supply of products along with an effective marketing and distribution strategies. Every departments are trying their best to maintain proper supply of product to different outlets. Head office maintains proper documentation and create purchase order, purchase requisition, stock transfer order. Distribution center order the product according with stock keeping unit of purchase order then redistribute it to different outlets. SHWAPNO recent success rests with the innovative business strategies implemented by the company.

Even though SHWAPNO entered in the industry later than its main rivals however, they have been able to capture by far the largest market share (44%) because of their exceptional value, quality, convenience and service. SHWAPNO needs to invest more on improving their service to secure its present dominance in the market into the future. However, SHWAPNO may face many challenges in the near future. Especially, if they plan to increase their outlets at once like previous, they might lose their focus.

## Recommendations for Future Strategic Actions:

Suggestions addressing the challenges identified are given below:

- ❖ Flow of work should be improved by following proper time management.
- ❖ The communication gap between different departments of ACI Logistics Ltd. (SHWAPNO) should be removed and should establish a strong immediate response system.
- ❖ It is very important to taking decision within very shortest period of time. It helps to increase the product movement rate.
- ❖ The customized calculation techniques of Excel can be modified into proper statistical forecasting tools to minimize the overall variance of demand and supply.
- ❖ Software that is used should be updated and should be more efficient. Downloading Data from the software take too much time which hampers the productivity of the work.
- ❖ Some outlet's lower level employee is not so productive with their assigned work. Training and some motivational program might improve their productivity.
- ❖ SHWAPNO provide their information through Social networking site (Facebook), some people does not have any knowledge of its Facebook page. Recently it launched online delivery service only few know about it. They should focus more on this

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