SUPPLY CHAIN
PERFORMANCE
ANALYSIS OF
WALTON MOBILE
Internship Report On

“Supply Chain Performance of Walton Mobile”

Prepared for

Mr. Hasan Maksud Chowdhury

Associate Professor

Prepared by

Tahia Farzana Saima

ID 15264044

MBA

BRAC Business School

BRAC University, Dhaka

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LETTER OF TRANSMITTAL

April 12, 2018

Mr Hasan Maksud Chowdhury

Associate Professor

BRAC Business School

Subject: Submission of Internship Report on “Supply Chain Performance Analysis of Walton Mobile”

Dear Sir

With this letter, I hereby submit my Internship Report titled “Supply Chain Performance Analysis of Walton Mobile”.

I have completed my 12 weeks internship attachment in Walton Group, Bangladesh (Walton Mobile). Since its inception Walton Mobile has experienced a phenomenal growth over the years. Last year it has experienced a triple digit growth and became the second highest mobile handset selling brand of the country. With day to day workload working on the Supply Chain Performance of Walton Mobile, was a great learning opportunity for me. Here I have worked with two different sample frames: Distributors and customers. Interview method was emphasized as the report mostly depends on secondary data. At the end of the day, besides getting practical working experience, the internship project on Supply Chain Performance of Walton Mobile was a great experience for me.

Thank you and best regards.

Very sincerely yours,

Tahia Farzana Saima

ID: 15264044
ACKNOWLEDGEMENT

For any successful completion of any task, there is someone very special who acts as steady lighthouse to show guideline, provide support, inspiration and courage. For this case, this very special person is Honorable Internship Supervisor Mr. Hasan Maksud Chowdhury, Associate Professor, BRAC Business School. Without His guidance, support and inspiration, it would be impossible for me to complete this study. In every stage of work, he has given valuable guideline and knowledge based information.

I am grateful to Mr. Asifur Rahman Khan, Additional Operative Director, Walton Mobile, for providing great support and inspiration to carry out this study. I would like to express my gratitude to Mr. Mahbub Sadiq, Sr. Asst. General Manager (logistics) and Mr. Khondoker Sadiquzzaman Sadik, Principal Officer (Logistics) and all other colleagues for providing such a wonderful friendly and supportive working environment to carry out my responsibilities and the study.

I would like to thank my friends for helping me in conducting the questionnaire survey and also in coding. Finally, I want to thank and express my gratitude to All the Respondents of the survey for providing their valuable time and response.
EXECUTIVE SUMMARY

WALTON MOBILE is currently a renowned brand name in the mobile phone market of Bangladesh. At present, WALTON MOBILE holds no.5 position with 6% of market share during 2017-Q4 along with an impressive 7.96% of annual growth rate in the extremely competitive mobile phone market of Bangladesh. At present, WALTON MOBILE is offering diversified products across Bangladesh as well as in foreign markets. The positive scenario of mobile industry inspired Walton Group Bangladesh to introduce their mobile brand Walton Mobile in 2010. Walton Mobile is performing in the market with a view to enhancing lives and lifestyles through technology and innovation. They want to the market leader in the domestic market very soon.

The offered products of WALTON MOBILE are mainly categorized in 4 disciplines and they are,

- Smart Phone
- Feature Phone
- Wal-pad
- Accessories

Walton Mobile has two types of production system for their mobile phone. Most of the smartphones and all feature phones come from china. Few models (Currently 4 models; E8i, 8s, F7s, NF3) are assembled in Bangladesh in Walton Digi-tech, Chondra, Gazipur.

Their supply chain can be split into two parts,

- Supplier to Warehouse Chain
- Warehouse to Customer Point Chain

Mobile sets made in Bangladesh are assembled here. All parts required are imported from China. Handsets and parts follow the same type of supply chain.

SCOR model of supply chain performance analysis is used here. For customer facing data sample survey is used. And for organization facing point, interview method is used. Year to Year data is used to measure the performance growth. For customer facing points, percentage of response is used to determine the efficiency.

The summery of result got from SCOR Model is as follows,
### DECISIONS ACCORDING TO SCOR MODEL ANALYSIS

<table>
<thead>
<tr>
<th>SCOR Model Supply Chain Measures</th>
<th>Customer Facing</th>
<th>Internal Facing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reliability</td>
<td>Flexibility</td>
</tr>
<tr>
<td>Delivery performance</td>
<td>1 to 2 days (57% said)</td>
<td></td>
</tr>
<tr>
<td>Order Fulfillment Performance</td>
<td>53% said zero rejection of order in a month</td>
<td></td>
</tr>
<tr>
<td>Order Fulfillment Lead Time</td>
<td>1 to 2 days (64% said)</td>
<td></td>
</tr>
<tr>
<td>Supply Chain Response Time</td>
<td>Very Quick</td>
<td></td>
</tr>
<tr>
<td>Production Flexibility</td>
<td>Standardize products, less flexible</td>
<td></td>
</tr>
<tr>
<td>Logistics Management Cost</td>
<td>Increasing 2 to 2.25% in average</td>
<td></td>
</tr>
<tr>
<td>Warranty Cost</td>
<td>Increasing 5.5 to 6% in average</td>
<td></td>
</tr>
<tr>
<td>Cash to cash cycle time</td>
<td>Depends on market trends Generally 1.5 to 2 months</td>
<td></td>
</tr>
<tr>
<td>Inventory Days to supply</td>
<td>Very quick Ready to supply from next day from warehouse entry</td>
<td></td>
</tr>
</tbody>
</table>

So we can see that the supply chain performance of Walton Mobile is quite satisfactory and their efficiency make the product available and close the customers which is a strong point for Walton Mobile’s market growth.
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1.0 ORGANIZATIONAL OVERVIEW

1.1 INTRODUCTION
The Bangladesh mobile phone market continued its upward trajectory as both feature phone and smart phone categories witnessed a double-digit growth in 2017. According to the latest International Data Corporation (IDC), Quarterly Mobile Phone Tracker, a total of 34.2 million mobile phones were shipped in the country in 2017. The smart phone market recorded a strong 20.6 percent annual growth and ended with 8.1 million shipments in 2017. However, feature phones remained the dominating category with more than two-thirds of the shipments in 2017 and a healthy 14.8 percent annual growth.

WALTON MOBILE is currently a renowned brand name in the mobile phone market of Bangladesh. At present, WALTON MOBILE holds no.5 position with 6% of market share during 2017-Q4 along with an impressive 7.96% of annual growth rate in the extremely competitive mobile phone market of Bangladesh. As a matter of fact, WALTON MOBILE is the most popular and profitable brand under the umbrella of R.B. group which is currently known as WALTON group. Moreover, all its products are assembled and tested in its own subsidiary named “Walton Hi-Tech Industries Ltd.” situated at Chandra, Gazipur. WALTON MOBILE started its journey in December 2010 and after completing six years it is now flourishing and expanding in every possible market segments along with product offerings.

Fig 1.1: Market share of Mobile in 2017
1.2 HISTORY OF WALTON GROUP

WALTON Group of Industries was founded by S.M Nurul Alam Rezvi under the umbrella of R.B Group (Rezvi and Brothers) in 1977 as a trading company (Abedin, 2013). Over the next three decades, it expanded into steel, textiles, electronics and automobiles. Walton entered into the steel industry in late 1970s and the electronics and automobiles in early 2000s. Since then, electronics and automobiles and these became its most important sources of income. Here’s the prestigious history of WALTON at a glance:-

- 1977 Started Trading & Production business of Construction and Dairy products in name of “Rezvi & Brothers” and “Rezvi & Brothers Dairy Firm”.
- 1993 Established R. B. Dairy Complex. This company has got several awards from government authorities for its contributions in this sector in Bangladesh.
- 1994 Started Electrical & Electronics business by importing some renowned branded Electrical & Electronics products from Singapore.
- 1996 Established Tricon Electronics Co. and started marketing of imported goods.
- 1998 Established Tricon Electronics Ltd. and started Production of Television.
- 2003 Setup production plant for Color Television and Motorcycle.
- 2006 Registration of Walton Hi-Tech Industries Ltd. for production of Refrigerator & Motorcycle which is the first production plant of such kind in Bangladesh.
- 2007 Started commercial production of Refrigerator & Motorcycle in Walton Hi-Tech Industries Ltd.
- 2010 Started mobile phone department in Walton Group.

Award-2012, Creative Media Ltd. BABISAS Award-2012, Best Brand (Refrigerator) Award-2011, 2nd Prize for Premier Pavilion Category at DITF-2011, 2nd Prize for Premier Pavilion Category at DITF-2010, 1st Prize for Premier Pavilion Category at DITF-2009, 1st Prize for Premier Pavilion Category at CITF-2005.
Walton has been maintaining 100% compliances since its inception and certified ISO 14001:2004 Refrigerators & Air Conditioner Division, ISO 9001:2008 Refrigerators & Air Conditioner Division and OHSAS 18001:2007 Certificate for successfully adopting sound occupational health and safety management systems, efficient staff management, minimizing the risk of accidents and achieving adequate corporate reputation ensuring the standard of products and combining the above to minimize the production cost.

1.3 VISION
Walton vision is “It’s Our Product’ or “Amader Ponno” that means Walton ltd, is always there to help the customers get full assistance of communications services in their daily lives.

- Achieve no. 1 position in the mobile phone market of Bangladesh.
- Reach at every hand of Bangladesh.
- Manufacture smart phones, tabs and feature phones at their own subsidiary named “Walton Hi-Tech Industries Ltd.”
- Continue introducing latest operating systems with enhanced computing competency and connectivity.
- Endure high resolution touch screen and cutting-edge web browsers having standard web page visibility.

1.4 MISSION
Walton mobiles mission is to provide the customer with the premium mobile phones and accessories available. Their motto is “Walton mobile phone at every hand”. Basically Walton wants to serve the customers with world class service. Based on Walton’s primary structure, it will be the pioneer and strong leader in the electronics and automobile industry in Bangladesh and worldwide. They can achieve it by,

- Ensuring quality products to their customers.
- Ensuring quality services.
- Enhancing the customer analysis program and giving them proper service by mixing the management, marketing or other department related decisions for the customer satisfaction and long term relationship.

- Elevating the service of customers cares.

- Allocating resource in such a way that will ensure maximum efficiency for Walton Mobile.

1.5 BOARD OF DIRECTORS

S.M. Nurul Alam Rezvi, Chairman, R.B. Group
S.M. Shamsul Alam, Managing Director, R.B. Group
S.M. Ashraful Alam, Managing Director, Walton Hi-Tech Industries Limited
S.M. Mahbubul Alam, Director, R.B. Group
S.M. Rezaul Alam, Director, R.B. Group
S.M. Monjurul Islam Ovee, Director, R.B. Group

1.6 PRODUCT OFFERINGS

At present, WALTON MOBILE is offering diversified products across Bangladesh as well as in foreign markets. The offered products of WALTON MOBILE are mainly categorized in 4 disciplines and they are,

- Smart Phone
- Feature Phone
- Walpad
- Accessories

1.6.1 SMART PHONE

WALTON MOBILE is currently offering 54 android operated smart phones of different price ranges and configurations under the sub-brand name of “PRIMO”. Some example of the products are, “Primo ZX3”, “Primo GF5+”, “Primo N3”, “Primo EF5”, “Primo S6” etc.

1.6.2 FEATURE PHONE

Presently, 24 feature phones also known as bar phones are being offered by WALTON MOBILE under the name of both sub-brand “OLVIO” and parent brand “WALTON” at various price ranges with different features. Example of feature phones would be “L10”, “MM14”, “Q36”, “MH15” etc.
1.6.3 WALPAD
At this time, WALTON MOBILE is offering 8 tabs of both android and windows platform under the sub-brand name of “Walpad” with different price tags and configurations. Example of walpads are: “Walpad G2”, “Walpad G2i”, “Walpad 8X”, “Walpad C” etc.

1.6.4 ACCESSORIES
WALTON MOBILE is now providing nice and stylish flip covers, back covers and screen protectors as accessories of WALTON smart phones, walpads and laptops. Moreover, 3 types of earphone namely: “Premium Headphone”, “Rock & Roll”, and “Classic Headphone” are being offered in different prices. Furthermore, 7 kinds of power banks of diverse designs, capacity, and prices are provided by WALTON MOBILE.
2.0 INTRODUCTION
Mobile phone has become an essential part of our daily life. This is not a luxury product anymore due to technological advancement and innovation. In Bangladesh telecommunication industry is showing a positive growth trend. Various local brands are performing well in the market along with international brands. In the year 2015, number of sold mobile phone was 20,600,000. Among them 20,200,000 were local brands. Local mobile brands are slowly winning the heart of people due to low cost and improved performance. This positive scenario of mobile industry inspired Walton Group Bangladesh to introduce their mobile brand Walton Mobile in 2010. Walton Mobile is performing in the market with a view to enhancing lives and lifestyles through technology and innovation. They want to the market leader in the domestic market very soon.

2.1 ORIGIN OF THE REPORT
This report is prepared as a part of completion of internship program of BRAC Business School. The supervisor of this course was Mr. Hasan Maksud Chowdhury, BRAC Business School.

2.2 OBJECTIVES
2.2.1 BROAD OBJECTIVE
To Measure the Supply Chain Performance of Walton Mobile

2.2.2 SPECIFIC OBJECTIVES
- To analyze the whole supply chain process
- To analyze customer’s related data to find out reliability
- To analyze customer’s point of view to find out flexibility of supply chain
- To analyze organizational related data to find out assets
- To analyze organizational data to find out cost
- Analyze the overall mobile industry of Bangladesh

2.3 SCOPE OF THE STUDY
This study is done for academic purpose and study is limited within the territorial boundary of Bangladesh where Walton Mobile conducts its sales. The study is conducted in Dhaka, as this is the capital city and I worked in Dhaka at Walton Headquarter. The mobile phone brands which are currently functioning in Bangladesh are considered to form the strategies. Global brands like Apple, Samsung etc. are not considered. And this study is limited with the mobile phone section of Walton Group. Their other product lines are not considered. All the strategies mentioned is all about mobile phone only not any other electronic devices. The study does not explore the present market scenario and future market growth prospects.
2.4 LIMITATIONS

The population of interest for this research was vast; therefore there were some constraints to the research that limited the scope. Those limitations are mentioned here:

- The survey was conducted in Dhaka as per researcher’s convenience and the results are generalized. So there might some gap from the reality.
- The respondents were also not so interested towards the filling of the questionnaire. Some of them almost filled it just for the completion sake, not in a serious and thinking manner, which might affect the outcome.
- Many respondents were very reluctant to go through the questionnaire themselves and instead asked us to save them the trouble by filling it up based on their spoken opinion. This obviously distorted some results.
- Some of the respondents did not have a good understanding of aspects of the questionnaire (ranking, or in some cases continuums) despite explaining it to them multiple times and seemed to have provided faulty or random answers, which posed a problem.
- Report is highly depended on secondary source of data collected from the company. As they were not interested to disclose too many data because of their business strategies. Approximate data are used mostly here which may differ slightly from the reality.
- Here the performance of partial supply chain is analyzed (Warehouse to Customer Point), not the whole chain.
3.0 LITERATURE STUDY

Supply chain management (SCM) has been a major component of competitive strategy to enhance organizational productivity and profitability. The literature on SCM that deals with strategies and technologies for effectively managing a supply chain is quite vast. In recent years, organizational performance measurement and metrics have received much attention from researchers and practitioners. The role of these measures and metrics in the success of an organization cannot be overstated because they affect strategic, tactical and operational planning and control.

The supply chain operations reference (SCOR) model, developed by the Supply Chain Council, is a strategic planning tool that allows senior managers to simplify the complexity of supply chain management. It is firmly rooted in industrial practices and is poised to become an industrial standard that enables next-generation supply chain management. The Supply-Chain Operations Reference (SCOR) model developed by the Supply Chain Council provides a framework for characterizing supply-chain management practices and processes that result in best-in-class performance.

Planning processes are important in all SCOR supply chain planning decision areas. Collaboration was found to be most important in the Plan, Source and Make planning decision areas, while teaming was most important in supporting the Plan and Source planning decision areas. Process measures, process credibility, process integration, and information technology were found to be most critical in supporting the Deliver planning decision area.

A supply chain is a network of facilities that procure raw materials, transform them into intermediate goods and then final products, and deliver the products to customers through a distribution system. To achieve integrated supply chain management, a number of researchers and practitioners have devoted their efforts in developing models to describe the elements and activities of a supply chain. The supply chain council, supported by over 650 member organizations (both academia and industry) worldwide, has developed the supply chain operations reference (SCOR) model. The SCOR model is a process reference model, which is intended to be an industrial standard that enables next-generation supply chain management. It contains a standard description of management processes, a framework of relationships among the standard processes, standard metrics to measure process performance, management practices that produce best-in-class performance, and a standard alignment to software features and functionality.
4.0 METHODOLOGY
To analyze factors that affect the performance of supply chain of Walton Mobile, two types of data are used- Primary and secondary data.

4.1 SECONDARY STUDY
Secondary data was collected from the various departments of Walton Mobile, journals, books, magazines, newspapers, internet etc for the purpose of qualitative study. Secondary source of data played a major role in this study.

4.2 PRIMARY STUDY
Primary data were collected from customers, distributors and plaza managers of Walton Mobile. A sample size 30 is used. Interview method is also used to collect data.

4.2.1 QUALITATIVE RESEARCH
For better understanding about the product we have to know all pros and cons and the factors that affect or be affected by the product or service. Qualitative research techniques can be a useful mean to explore those factors. Considering these issues we have conducted several KII (key Informant Interview) with key resource persons.

4.2.2 QUANTITATIVE RESEARCH
We have done a questionnaire survey to understand people’s attitudes towards our brand and also to understand some key factors regarding performance analysis. In consideration of our respondents we keep it easy, short and simple.

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Question</td>
<td>10</td>
</tr>
<tr>
<td>Question Type</td>
<td>All are MCQ</td>
</tr>
<tr>
<td>Location of Study</td>
<td>Dhaka</td>
</tr>
</tbody>
</table>

To analyze the data MS Excel-2007 is used. To measure the performance of Walton Mobile supply chain SCOR model is used.
5.0 INDUSTRY ANALYSIS

Mobile phone industry of Bangladesh is not depended on international brands only. Local brands are doing very well in recent years. According to Bangladesh Mobile Phone Importers Association (BMPIA), during last one year international brands of mobile phone lost their market share 3% in Bangladesh and now it is 15%. During 2014 this market share was 18%.

Local brands are cheaper and quality is satisfactory, so people are being interested on local brands. Bangladesh has mobile hand set market of BDT 60,000 million. Last year, in 2015 local brands earned 65% i.e. BDT 40,000 million.

In Bangladesh, Symphony is market leader now. Last one year they sold approximately 10 million mobile hand-sets. They have 46% market share on smart phones and 35% market share of feature phones. Second position hold by Walton mobile, they had 10% market share in 2015 in 2016 it falls to 6%, but introduction of 4G can promote its future growth. In recent years many new brands were introduced like STYLUS by ACI, Okapia, Zelta etc. Now more than 10 local organizations are selling mobile phones in the market and the number is increasing day by day.

Import value of handsets is increasing day by day. Although smart phone market in increasing day by day but still feature phone market is not smaller. In 2012, import value of smart phone was $12 million and now in 2016 it is $379 million. Market growth of feature phone in 2015 was 22%, which increased in 2016 to 23%. Smart phone market growth was 6% in 2015, which

![Import Value of Handset](image_url)

**Figure 5.1 : Import Value of Handsets**
is 8% in 2016.

Figure 5.2: Mobile Hand-Sets Imports Quantity (Source: BMPIA)

![Handset Imports Chart]

**HANDSET IMPORTS**
**(QUANTITY IN LAKH, FISCAL YEAR 2014 - 2015)**

- Basic Phones
- Smart Phones

![Handset Imports Chart Details]

**Growth of Feature Phone vs Smart Phone**
**Quantity in Million**

![Growth Chart]

**Fig 5.3** : Growth of Feature Phone and Smart Phone Market (Source: BMPIA)

According to above analysis we can arrive at following decisions,
• In Bangladeshi mobile market, there is still the quantity demanded of basic and feature phone is higher than smart phone.
• Feature phone market is also growing with the smart phone market
• May be the import value of basic and feature phone is lower than the smart phone but still it’s a very big amount around $171 Million (year 2016)

Fig 5.4: News about Bangladesh mobile phone market (source: Prothom Alo, February 01, 2016)
NEWS ANALYSIS:

Day by day local brands are taking over the mobile market in Bangladesh. In 2015 85% of the total sales of mobile phones have been made by local brands. According to the businessman our local brands are not only ruling the Bangladeshi market by number of sales; it has also achieved huge profits. According to the statistics of BMPIA (Bangladesh Mobile Phone Importers Association) the market share of MNC mobile companies has decreased to 15% in year 2015 which was 18% in year 2014. Symphony is the leading local brand in the current mobile market; second position is held by Walton. Besides these there are some other local brands such as Stylus, Okapia, Goldberg, Elite etc.; who are expecting to grab the market in very near future. The reasons behind their success are local brands mobile phones come with more customization, they are cheaper and people are enjoying almost the same features as of foreign brands. According to Mr. Rejwanul Haque (Chief Secretary of BMPIA) within 2 years Bangladesh will be efficient enough to ensemble mobile phones locally and in a near future we will be able to manufacture mobile handsets locally. Although local brands are leading our mobile market; foreign brands are also doing well. But some illegal importing of foreign brands is becoming a threat to our mobile market. If Bangladesh Government take effective initiative now to stop illegal importation then mobile business would be one of the most potential economic sector.
6.0 COMPETITOR ANALYSIS
With evolution, we are experiencing the technological changes over the years. Mobile technology has also provided us such experiencing. From feature phone to smart phones, the operating systems are also getting more user friendly as it got more developed from Symbian to iOS and android. But Bangladesh being a good market for the mobile industry, has still got a higher number of feature phone users than the smart phones. The graph shows the ratio of smart phone to feature phone uses around the country over the past couple years.

![Market share of Mobiles by Segment](image)

Fig 6.1 : Market Share of Mobiles by Segment

Though the statistics show that the feature phones are have taken the higher number in market, but the leaders in terms of revenue are still the giant brands. The graph below shows the share of presence in market for the different brands in Bangladesh.
Currently, the mobile market in Bangladesh is very strong. There are a variety of brands providing different criteria’s and option to this market. The upcoming market is going to be more tuff, as more brands are on their way to enter the Bangladesh mobile market. There are brands with international image, whereas there are also some local brands who are basically holding up the rural area markets. The brands are:

- Lava
- Samsung
- OPPO
- Walton
- Symphony
- Micromax
- Nokia
- Itel
- Zelta
- Okapia
- Winstar
- Winston
- Smile
- Titanic

Among these brands, the smart phone based ones are basically dominating the market not only from the sales point of view, but also for doing maximum advertisement. The top brands are doing aggressive branding in order to gain more visibility. They are getting the maximum exposure. The local brands on the other hand are investing very small on the advertisements, and following the push strategy through the dealers and retailers to bring out maximum sale. Their presence through media is almost negligible. The below chart reflects the number of advertisements placed on television media over a period of six months. There are many more
brands operating in the market, but their branding is at minimal compared to the bigger companies.

Fig 6.3: No. of Ad Spots

Placing television media ad is very expensive. The rates vary depending upon the peak times. Bigger companies target these peak times to gain more exposure advantage. The numbers of viewers in these times are more, so visibility is also maximum. The rates charged by the television channels are also higher than the normal rates. Below are given charts showing the approximate percentage of spots taken, and an approximate percentage of money spent by the handset companies over the past six months.

Fig 6.4: Share of Spots
The maximum gainer in these regards placing the television ads and bringing the most out of there is measured by the term “Share of Voice”. This actually states how big share of advertisements of the company are than its competitors. It is the ratio of the total brand advertisements to the others brand advertisements. The chart below shows the share of voice in the handset industry over the past six months.

![Share of Voice](image)

Fig 6.5: Share of Voice

As the television advertisement is quite expensive, another mode of communicating with the customers is the print media or also known as newspaper advertisement. The newspaper also has various spots to select and the rates also vary on these selections. The front and the back are bit expensive than the inner pages.

The newspapers are also categorized into national and local ones. The local ones come at a very cheap rate which makes the small brands easier to use this as the branding mode.

The bigger companies place a very little advertisement in the local newspapers. For being in limelight, they carry out their advertisement in the national newspapers mainly. Occasionally they go for the local newspapers. Just is the reverse case in the case of the smaller companies. They generally place advertisements in the local newspapers, and occasionally go for the national ones.
Below are given two charts which show the placement of advertisement in the newspaper by the different handset companies in both the local and national newspapers over a period of six months.

**Ads in National Newspaper**

**Share of Expenditure**

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Fig 6.6: Ads in Newspaper

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Ads in Local Newspaper

Fig 6.8: Ads in local newspaper
7.0 SUPPLY CHAIN OF WALTON MOBILE
Walton Mobile has two types of production system for their mobile phone. Most of the smartphones and all feature phones come from China. Few models (Currently 4 models; E8i, E8s, F7s, NF3) are assembled in Bangladesh in Walton Digi-tech, Chandra, Gazipur.

Their supply chain can be split into two parts,

- Supplier to Warehouse Chain
- Warehouse to Customer Point Chain

Mobile sets made in Bangladesh are assembled here. All parts required are imported from China. Handsets and parts follow the same type of supply chain.

7.1 SUPPLIER TO WAREHOUSE CHAIN
This is a complicated chain. Several steps are involved here. For better understanding this chain is discussed in two parts. In first part following process is included,

![Fig7.1 Supply Chain of Walton mobile (Part 1)]
MOBILE SOURCING

In this stage forecasting for mobile demand and criteria needed are done. For forecasting competitor analysis is the first priority here. Walton has good terms of relationship with the suppliers in china. They placed order to them according to the requirement and then suppliers send the first sample. Quality control checks the sample and finalize after several trial and error process. Finally a golden sample is selected. And final is placed according to those criteria. Several departments are involved here like Project Management, Human Resource, R&D, Software R&D etc. price for the sets are also determined here.

APPROVAL FROM MANAGEMENT

All the terms decided are presented in front of management for approval. If management approves the proposal further process is conducted. If any special requirements are needed to be added are also specified in this stage.

COMMERCIAL DEPARTMENT

Project selection, Agreement, purchase order etc are done in this stage. This stage actually includes documentation of contract with the suppliers.

LC OPENING

Back to Back LC is opened here. Several banks are involved here for whole process. LC opening is not a simple process and in case of international business this method is not widely used. But this is the most trustworthy system of payment and Walton follows this method to keep payment procedure fair.

PRE SHIPMENT INSPECTION AND INSPECTION REPORT

After LC opening and other formal procedure mobile got ready to ship. Before shipping an inspection by QC team is conducted and they produce an inspection report. On the basis of that report further process flows. If inspection report is positive then import process is started. If inspection report is not positive then it goes for repeat inspection, find out the problem, find a solution of that and at last make it approval worthy.

If inspection report is failed, company can demand compensation to the supplier as per contract.

If inspection report is positive, following stages are conducted,
Fig 7.2 Supply chain of Walton Mobile (part 2)
After approval, shipment of products is done. After formal procedures goods are stored in warehouse. Then accounts department done the costing and products got ready to sale.

7.2 WAREHOUSE TO CUSTOMER POINT CHAIN

Fig 7.3 Supply Chain of Walton Mobile (part 3)

After entering the warehouse VAT and other costing process is done and then goods are ready to sell. Walton mobile has three types of selling points; Walton Plaza, Distributors channel and direct customers.

According order placed through the online system, plaza and distributors got the products and sell it to customers. In case of pre order of any particular set, customer can collect it direct from the logistics department. But in this case, product is sent to customers through distributor or plaza.
8.0 SUPPLY CHAIN PERFORMANCE OF WALTON MOBILE
To measure the performance of supply chain efficiency here we use the score model. Following things are analyzed here,

- **Customer facing points**
  - Reliability
  - Flexibility
- **Internal facing points**
  - Cost
  - Assets

For customer facing points we get the following results,

**RELIABILITY TEST:**
**Delivery Performance:**

![Delivery Performance Chart]

Fig 8.1 Delivery Performance

Here 57% of customers are saying that they got their delivery within 1 to 2 days. Only 3% says they got delivery exceeding 4 days. 27% of customers claim that they got delivery less than 24 hours. That is an indicator of efficient delivery performance.
Order Fulfillment Performance:

Fig 8.2: Order Fulfillment Performance

Majority that is 53% of customers said their order cannot be fulfilled 0 to 1 time in a month. Rejection of order in a month exceeds 4 times is only 3% cases.

Order Fulfillment Lead Time:

Fig 8.3: Order fulfillment Lead Time

Customers get their product within 1 to 2 days after placing the order. 64% claims that they got their products within very short time.
FLEXIBILITY TEST:

Supply Chain Response Time:

Fig 8.4 Supply Chain Response Time

The question “Supply Chain team response quickly”.. 60% of customers agree with that. For order placing, ORACLE based software is used so response time is almost instant.

Production Flexibility:

Fig 8.5 Production Flexibility
Walton does not produce customized sets. They produce standard products. So whatever customer demand is not always possible to deliver. 17% agree with the statement that “Walton produce mobile phone as per customer demand” because they got their desired hand set within the product line.

**INTERNAL FACING POINTS:**

**Total Logistics Management Cost**

Here we analyze 3 years data of 2015, 2016 and 2017. We find average logistics management cost is 2 to 2.25% of total cost.

![Logistic Management Cost](image)

Here years are taken in X-axis and percentage of cost is taken in Y-axis.

Year1= 2015, Year2= 2016, Year3= 2017

Costs are shown in percentage of total cost.

**Warranty Cost:**

Warranty cost is 5.5 to 6% in average in last 3 Years (2015, 2016 and 2017). Warranty cost is measured in percentage of total logistics management cost. As sales of mobile phone are increasing and that required more after sales services so this cost shows an increasing manner.
Cash to cash cycle time

Currently it is 1.5 to 2 months in average. But this figure varies a lot because the demand of mobile is not always same. Seasonal variation occurs and for this reason this time shows large deviations.

Inventory days of supply

When mobile sets are entered in the warehouse it is ready to supply from next day. It is 1 day or hardly 2 days if any unexpected situation occurs.

Total days in procurement to sell in average are 40 to 45 days.
### DECISIONS ACCORDING TO SCOR MODEL ANALYSIS

<table>
<thead>
<tr>
<th>SCOR Model Supply Chain Measures</th>
<th>Customer Facing</th>
<th>Internal Facing</th>
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<tbody>
<tr>
<td></td>
<td>Reliability</td>
<td>Flexibility</td>
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<td>Delivery performance</td>
<td>1 to 2 days</td>
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<td>(57% said)</td>
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<td>Order Fulfillment Performance</td>
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<td>zero rejection</td>
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<td>Order Fulfillment Lead Time</td>
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<td>1 to 2 days</td>
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<td>(64% said)</td>
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<td>Supply Chain Response Time</td>
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<td>Very Quick</td>
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<td>Production Flexibility</td>
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<td>Standardize</td>
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<td>products, less</td>
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<td>Logistics Management Cost</td>
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<td>Cash to cash cycle time</td>
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<td>Inventory Days to supply</td>
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9.0 FINDINGS

- Unwanted time killing for hanging around “EBS” and “POS”, two components of ORACLE e-Business Suite to complete and approve just one order.

- The online promotional activities of WALTON MOBILE are not engaging enough.

- Unknowing of the dealers and plaza managers regarding whom to contact while facing any technical problem related to ORACLE.

- Promotion of Walton Mobile products is not satisfactory as much as we expect it. They do not share much space on printed ads.

- The models of Walton Mobile are not consistent in the market. Models change frequently.

- Walton Mobile has observed a decline in its profitability in the year 2016 after an increase in 2015 due to immense competition in mobile market.

- Standardize products, but they have a lot of options to choose in various price ranges.

- Increasing logistics management cost and warranty cost due to increase of selling.

- They have very responsive supply chain team. From customer facing points, they have satisfactory performance.
10.0 RECOMMENDATIONS

➢ WALTON MOBILE can try to integrate “EBS” and “POS” to save the precious time and efforts of the employees

➢ The company should effectively communicate with their dealers along with plaza managers and ensure that they know whom to contact while facing any technical problem related to ORACLE

➢ Training session for the plaza managers and distributors should be more frequent so that they could participate inside the chain to make it more efficient and time saving.

➢ Walton has own production system in Bangladesh. So they can introduce customized products for their customers for few selective models of mobile. And this should be done in different segmentation, where customers are ready to pay extra for a mobile set according to their wish.

➢ Adding some technical features in their on-line ordering system can save more time. Such as, there must be some minimum quantity to order, and software will accept not less than that minimum quantity. That will save more time and also transportation cost.

➢ Walton Mobile models are frequently changed. This is good for some extent because customer demand also changing. But they should keep more stability in some model of handsets which are high in demand and give Walton a distinguishing identity. Like handsets with longer battery support could be made more available which can create an image of durability for Walton mobile.
11.0 REFERENCES


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- Linking SCOR planning practices to supply chain performance: An exploratory study, Archie Lockamy III (Samford University, School of Business, Birmingham, Alabama, USA), Vol. 24 Issue: 12, pp.1192-1218, https://doi.org/10.1108/01443570410569010


- Web site of Walton Group; www.waltonbd.com

- International Data Corporation (IDC), Quarterly Mobile Phone Tracker

- News about Bangladesh mobile phone market (source: Prothom Alo, February 01, 2016)
APPENDIX
QUESTIONNAIRE:

BRAC BUSINESS SCHOOL

(These data will be used for academic purpose only, please select the most suitable option according to your own judgment or experience with Walton Mobile)

Name:

Occupation:

Contact:

1. Delivery Performance
   How long does it take to get the delivery of the products?
   a. 24 hours or less
   b. 1 to 2 days
   c. 3 to 4 days
   d. 4 days or more

2. Order fulfillment performance
   How many times your order get cancelled in a month?
   a. 0 to 1 times
   b. 2 to 3 times
   c. 3 to 4 times
   d. 4 or more

3. Order fulfillment lead time
   How many days does it take between order placement and receipt of goods?
   a. 24 hours or less
   b. 1 to 2 days
   c. 3 to 4 days
   d. 4 days or more

4. Supply Chain Response Time
   “Supply chain management team response quickly”
   a. Strongly Agree
   b. Agree
   c. Neutral
   d. Disagree
   e. Strongly Disagree
5. **Production Flexibility**

“Walton Mobile produces the goods according to your demand”

a. Strongly Agree
b. Agree
c. Neutral
d. Disagree
e. Strongly Disagree