



# **Arla Foods Bangladesh Limited**





# **Internship Report**

on

# **A Rural Distribution Initiative**

From

# **Arla Foods Bangladesh Limited**

# **Submitted To:**

Mr. Kamal Hossain Senior Lecturer Department BRAC Business School BRAC University

# **Submitted By:**

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Date of Submission 03/09/2018





# Letter of Transmittal

1st August 2018

Mr. Kamal Hossain Senior Lecturer BRAC Business School BRAC University

#### Subject: Submission of Internship Report

Dear Sir,

I would like to submit my report titled "A rural distribution initiative From Arla Foods Bangladesh Limited" which is prepared as a part of the academic requirement for BBA Program of BRAC University.

I have successfully completed my internship tenure of 3 month in Arla Foods Bangladesh Limited and I have more 3 months to work and learn here as my contract was to do 6 months internship here. I am working under the department of sales at route to market wings. Preparing this report was a great learning experience for me as I got to learn various marketing, sales and communication skills. I hope you find the report to be objective, systematic and reliable.

Thank you for your support and patient in me. I am always there for you to answer any query you think necessary for understand this report.

Sincerely,

Syed Maruf Hossain

ID: 13204053

BRAC University



# **Acknowledgement**

At the beginning of preparing this report, I would like to convey gratitude to the Almighty Allah for his blessings upon me completing this report. This internship report is an actual picture of effort of so many people. For this, I am grateful to a number of numbers of people who helped me to organize this report and their kind opinion, suggestions, instruction, cooperation and appropriate guideline for this. I have received endless support, cooperation and guidance in preparation of this report from various source. I would like to take this opportunity to thank them all.

I would like to thank, my internship supervisor Mr. Kamal Hossain, Senior Lecturer, Department of BRAC Business School, BRAC University. For his kind concern, valuable time, advice and constant guideline throughout the internship period and making of the report.

I would also like to thank my organizational supervisor Hossain Md. Ruhin Sabbir, Route to Market Manager, Sales, Arla foods Bangladesh Limited. For his valuable time and constant guideline throughout the internship period. He always directs me towards the correct path and regularly review my progress in preparation of this report. He nurtured my skills during this tenure of 3 month.

I would like to express my foremost gratitude to other officials of Arla foods Bangladesh Limited, who helped me and gave me their valuable time, providing me with the most relevant information on which I have prepared this report. I am thankful to all of them for helping and guiding me and for being nice and kind to me.



# **Executive summary**

Bangladesh is a developing and densely populated country. For decades, Bangladesh has a large domestic market for milk products which was largely met through importation of subsidized milk, powder milk and milk products form developed countries. During 1989-90, Bangladesh imported milk and milk products worth 400 million taka to meet a short fall of 40 percent of domestic demand. Bangladesh milk sector is failed to provide sufficient supply for liquid milk. To minimize this shortage government has taken some steps such as urgent meet up through imported powder milk and try to develop dairy farms to the private entrepreneurs' levels. Only local dairy farm could not provide sufficient supply of liquid milk according to consumers demand.

To fill up this gap there are a lot of companies launch in Bangladesh to sell milk powder product. One of them is DANO which is a familiar word for each household in rural and urban area in Bangladesh. Mutual Group is primarily a 'Toll Manufacturing & Distribution company' with the legacy of establishing two global brands, 'Horlicks' and 'Dano', as the household name in Bangladesh. It separated from Mutual Group and created a joint venture with Arla Foods amba in Denmark in 2011. In Bangladesh, Arla foods has varieties of product for powder milk like regular and instant milk powder, filled milk powder, baby foods- Deelac, Dano mom for pregnant women in Bangladesh.

Arla Foods is home to some of Bangladesh's best-loved dairy brands. We work hard to make sure that our suppliers meet our exceptionally high standards of production and animal welfare and with nearly 1500 employees and a turnover of more than tk1.2bn. Globally we are 19,000 colleagues across 30 countries and 12,700 dairy farmer owners in Denmark, Sweden, United Kingdom, Germany, Belgium, Luxembourg, Netherlands and Bangladesh. Together, we share a strong identity Good Growth that guides our decisions as we create the future of dairy.



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# **Introduction**

Arla Foods is the largest Scandinavian producer of dairy products, as well as one of the ten largest dairy producers in the world. The company began over 130 years ago as a cooperative endeavor to establish facilities for common dairy production. The continuous pursuit of developing and delivering better quality dairy products over the years has been the foundation for one of the world's leading dairy companies.

Each day at Arla Foods is a new opportunity to refine existing products and cultivate new ideas for the future. Not only is the company devoted to producing the best possible quality dairy products through the use of new technologies and methods, it is dedicated to upholding social responsibilities by providing more natural and healthier foods. As part of its global initiative, there is a persistent attempt to improve food safety and reduce environmental impact.

What Arla Foods has accomplished so far is already a commendable achievement. However, there is always room for improvement. To meet these higher standards, the search for the answer to "What more can we do to be better?" must continue. The mission of Arla is simple; be a global leader in the dairy industry by dynamically shaping the future of dairy products and its consumption.



### **Origins of Arla Foods Ltd.**

The conception of Arla Foods began in the 1880s as a cooperative initiative by dairy farmers in Sweden and Denmark as a business strategy to build common facilities for dairy production. The merger of Arla, the Swedish dairy cooperative, and MD Foods, the Danish dairy company, in April of 2000 led to the creation of what we know today as Arla Foods. Currently, the company is comprised of 12,700 dairy farmer owners in Denmark, Sweden, United Kingdom, Germany, Belgium, Luxembourg, Netherlands and Bangladesh, with approximately 19,000 employees across 30 countries.

#### Arla in Bangladesh

The first product of Arla Foods to be sold in Bangladesh was powdered milk by Dano, when the brand was still under the MD Foods company. Dano powdered milk was imported from Denmark by Bangladeshi businessmen from 1962 to 1970, when the country was still considered part of Pakistan. In 1973, MD Foods recognized one importer of the product to the Bangladeshi market. Then in 1989, MD Foods established a company liaison office in Bangladesh to monitor market activity, sales promotions, and product marketing, eventually leading to a letter of credit being authorized from Bangladesh to Denmark until 1994.

In 1995, Mutual Trading Ltd. was given the import license of Dano powdered milk as the exclusive importer in Bangladesh. In 1998, Mutual Trading Ltd. established a new factory in Bangladesh to package Dano powdered milk in order to meet recommended international standards. In 2011, Arla Foods disengaged from Mutual Trading Ltd. and proceeded to selling its product under a newly formed branch of the company, Arla Foods Bangladesh Ltd.



### **Mission, Strategies, and Vision**

#### Mission:

"Our mission is to provide modern consumers with natural milk-based products that create inspiration, confidence and well-being. Our task is to meet your wishes and requirements. By doing so, we create the greatest possible value in the market and maximize the price paid to our owners for their milk."

#### **Strategies:**

Arla Foods strategically uses these factors for success:

- Research and development
- Product availability
- Innovation and renovation
- Strong relationships with consumers

#### Vision:

"Our vision is to be the leading dairy company in the world through considerable value creation and active market leadership to obtain the highest possible milk price. Our aim is to maximize the price paid for our owners' raw material – the milk. To achieve this objective, we are committed to creating added value and demonstrating proactive market leadership. Being market leader means a strong negotiating position. We wish to be the most attractive dairy company for our owners and employees and for our customers and suppliers."



#### **Marketing structure and Segmentation**

Arla Foods Ingredients' Milk powder items for retail deal are substantially much more than Milk powder. Buyer create group is committed to meeting the nutritious needs of all age gatherings and guaranteeing that provincial taste inclinations are fulfilled to accomplish this objective, customary reviews to discover precisely what the customers on specific markets need from milk powder, how they utilize it and the amount they consume. The data acquired structures the reason for current customer range and Future advancements. Arla Foods Bangladesh Ltd. has divided its entire geographic market into 9 Regions; these are:

Dhaka-Central, Dhaka-North, Dhaka-South, Chittagong, Comilla, Sylhet, Khulna, Barisal and Bogra.

ARLA also used promotional techniques lo vary the image of their products needs of certain target segments. In selecting the target segment, organizations usually follow any one of the following strategies:

- \* Single segment concentration
- \* Selective specialization
- \* Product specialization
- \* Market specialization
- \* Full market coverage

Based on analysis of marketing practice Of Arla Foods, it seems they are currently follows a "Product Specialization Strategy". Aral Foods' concentrates on making a certain product that it sells to several segments through the strategy of organization build up a strong reputation in a specific product area.



### **Target Marketing Strategies**

Arla Foods Bangladesh Ltd tries to win the market by Differentiated marketing. They chose their marketing segment very carefully and there is a huge diversity that can be found in their target market. They think through each diversified market and promote their products using many techniques. Such diversified segment includes targeting the market by family size, age, income, region, gender and occupation. Their objective is to gain loyal customers from all the segments who will buy their products regularly so that the sales improve.

#### **Products of Arla Foods in Bangladesh**

Arla Foods' milk powder products are marketed under the brand names of **Dano**. Dano powder gives a progression of practical and nutritious properties, making it broadly utilized both as a fixing in nourishment and dietetic items and in its own particular perfectly fine customer item, Organization need to hold their current market and increment sales through Company procedure. To accomplish this objective product must be expanded through fulfilling customers require. In this connection company's ranges of milk powder products and its functions are as follows:

#### i) Full cream milk powder (FCMP) – the family's choice

Give your family the fundamental vitality and sustenance they require with Dano full cream milk powder. This product is one of the most focused and nurtured in Arla. They see this as their mother product although they focus on their other products as well. Its available in Regular and Instant forms. This highly nutritious product has an identical composition to liquid cow's milk – not to mention an authentic creamy taste. Dano full cream milk powder is also rich in vitamins A and D3 and contains a high level of calcium, essential for development, growth and the maintenance of bones and teeth.



#### ii) Dano Daily Pushti (DDP) - for a good start in life

Dano Daily Pushti is a very affordable nutritious answer for your entire family. Made from the best quality milk, DDP contains Calcium, Protein and necessary Vitamins and minerals that are essential for your family's regular health. It is moreover appropriate for tea and other milk based items. One glass of nourishment of DDP costs only Ten tk. per glass.

#### iii) Dano Mom (DEELAC)

Dano Mom is a milk based nourishing supplement with all the fundamental vitamins and minerals for those women who are intending to get pregnant, women who are pregnant and for ladies who breastfeed their children to help the help of breast milk. It meets the stringent international and government standards of hygiene and nutritional quality. Every day 2 glasses of Dano Mom satisfies the everyday necessity of 100% Vitamin D, Folic Acid, Iron, 94% Calcium, 70% Zinc and other necessary supplements.

#### iv) Dano FIT (NEW)

Dano Fit was named Dano Slim at first. This amazing milk product's name was changes recently and has been launched again recently with an exclusive packaging. Dano Fit contains only 0.1% fat, greater amount of Calcium, Vitamin A and Vitamin D. With Dano Fit, you are making an active commitment to health and vitality while getting all the goodness from tasty milk.

#### v) Sterilized canned cream

In addition to powder product the company also supplies sterilized cream with all the regular, rich kind of fresh cream. Sterilized cream is a unique product and its one of the best in Bangladesh. This cream can be used to make cakes, faluda, shemai and all dairy sweets that Bangladeshi people loves to eat.



#### vi) Dano Captain (NEW)

This is the new product that Dano has introduced to us. This was launched a few days ago with a grand party in the office. The unique thing about having this product in the Dano family is that it's basically a chocolate milk product. This is the first flavored milk product that Arla has launched through Dano. The company is targeting the kids for this rich chocolaty milk. That's why is product has its own character to address the kids with. It's a very exciting moment for Arla and everyone is expecting a high sales outcome of this new member. Personally, it felt amazing when they product was being launched in front of me. I was thrilled.

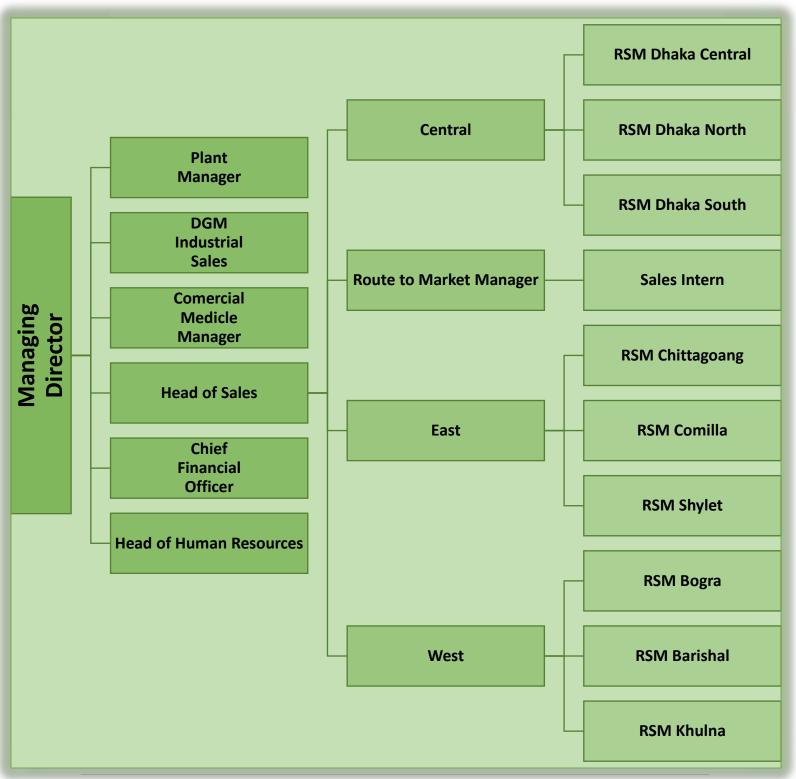


# SKU wise Arla Products

Brands	SKU Name	Basic Information				
		Size	Packs	KGs /	Product	Instant /
		in	in	Cartoon	type	regular
		kg	each			
			CTN			
	Dano Instant 2.5 Kg	2.50	4	10.00	Wmp	Instant
	Dano Instant 1250 Gm	1.25	8	10.00	Wmp	Instant
	170gm St. Cream	0.17	48	8.16	St Cream	St Cream
	Dano 1 kg Instant	1.00	12	12.00	Wmp	Instant
9	Dano 500gm Instant	0.50	24	12.00	Wmp	Instant
Dano	Dano 400gm Classic	0.40	24	9.60	Wmp	Instant
I	Dano 400gm Instant	0.40	24	9.60	Wmp	Reg
	200gm Instant	0.20	45	9.00	Wmp	Instant
	100gm Instant	0.10	108	10.80	Wmp	Instant
	50gm Instant	0.05	192	9.60	Wmp	Instant
	25gm Instant	0.03	336	8.40	Wmp	Instant
	Dano Daily Pushti - 2 Kg	2.00	6	12.00	NR 2.0	Daily
	Dano Daily Pushti - 1 Kg	1.00	12	12.00	NR 2.0	Daily
hti	Dano Daily Pushti - 500 Gm	0.50	24	12.00	NR 2.0	Daily
Daily Pushti	Dano Daily Pushti - 400 Gm	0.40	24	9.60	NR 2.0	Daily
ly I	Dano Daily Pushti - 200 Gm	0.20	45	9.00	NR 2.0	Daily
Dai	Dano Daily Pushti - 100 Gm	0.10	108	10.80	NR 2.0	Daily
1	Dano Daily Pushti - 20 Gm	0.02	432	8.64	NR 2.0	Daily
	Dano Daily Pushti - 8 Gm	0.01	1296	10.37	NR 2.1	Daily
ice	Dano Slim 350 Gm	0.35	24	8.40	Choice	Slim
Choice	Dano Mom 360 Gm	0.36	12	4.32	Choice	Dano Mama
ac	Deelac 1 BIB - 180 Gm	0.18	24	4.32	Stage 1	Deelac 1
Deelac	Deelac 1- 400 Gm	0.40	24	9.60	Stage 1	Deelac 1
De	Deelac 2- 400 Gm	0.40	24	9.60	Stage 2	Deelac 2



# **Organogram of ARLA Foods Bangladesh Ltd.**





### **Objective of the study**

#### **Primary Objective:**

The primary objective of this report is use the knowledge that was gained by the university and use it in the practical world. The relation between the theoretical knowledge and practical knowledge is complicated sometimes but I tried y best to connect those two and learn as much as possible.

#### **Secondary Objective:**

 $\neg$  To connect with the people involved with the full business process.

 $\neg$  To connect the bridge between real life and theoretical knowledge to understand distribution and operation

 $\neg$  To be acknowledge the education and learning that was taught to me by Brac University.

 $\neg$  To understand practical environment and find the connection with the theoretical knowledge.



#### **Literature review**

In any case, the country conveyance rural distribution a bigger number of levels, contrasted with the urban one. The long distance to be secured from the product focuses and the scattered areas of the devouring family units cause this circumstance. At the base, the rustic circulation chain needs the village level retailer, the Mandy-level merchant and distribute/stockiest in the town. What's more, over them are the makers' own stockrooms/branch office activities at chose focuses in the advertising an area. Such various levels and scattered outfits push up expenses and make channel administration a noteworthy issue. The degree for producers' immediate outlets, for example, indicate rooms or stops is very constrained in the country advertise dissimilar to in urban regions.

Numerous organizations find that there are a set number of appropriate merchants. Regardless of whether the firm will begin without any preparation and experiment with rank newcomers, the selection of competitors is extremely restricted.

Deficiency of institutional/bank credit is another requirement. Country outlets can't convey satisfactory stocks because of absence of credit offices. They can't stretch out credit to their clients. Hence there is an endless loop of absence of credit offices prompting deficient stocking and loss of business, finally bringing about poor practicality of outlets.

A guest lecture session was organized for PGDM-first year students on 'Rural Distribution'. Mr. **Vineet Mittal**, Director Upwards and Emerging started the session with clarification on ideas of promoting. He thinks that advertising understands the need and human experiences. This is central for any market. Nonetheless, advertising methodologies and systems contrast if there is an occurrence of country promoting.

Populace thickness, purchaser conduct and conveyance organize require the real difficulties in the event of provincial advertising. Regardless of this, it doesn't slaughter the hidden chances to advertise effectively in the provincial regions. One simply need a decent comprehension of schools, Health Centers, Anganwadi, Transport, Haat Bazaar and Feeder Towns.



### **Job Description**

As a sales intern I worked under route to marketing department. There were so many tasks that multitasking was the only way to complete my works. First I had to gather five types of data from all the nine regions, and then those data needed to be processed and give it to the person that I was assigned to give. Also the monthly manual had to be updated every month by me. There were couple of incentive programs that needed to have updated key performance tracker which was something I was involved in. One of the big projects was to create a sales representative guideline book for the sales representative when they go out on the field to sell our products. The book was distributed all over Bangladesh to our sales representatives. Then there is out software that is used to generate important data's and is being used to cut orders from outlets. The software is called "Compass" and there were some tasks that were assigned to me regarding this software. Plus a new android application needs to be made for the territory officers so that they can track their sales representatives and selecting the vender for the software and briefing them is my current responsibility. But the main project that I have been working on is the rural distribution project. It's an amazing project and idea to accomplish.



### Specific job responsibilities

- 1. Collecting the data from all the nine regions and process them for reporting.
- 2. Supervise the Rural Distribution project.
- 3. Create materials for communication purpose for the RD project.
- 4. Compiling SR performance tracker, Sku assortment and placement, Arla premier league and monthly factsheet.
- 5. Defining the KPI modalities for the territory officers to understand and translate it in Bangla for the sales representative to understand.
- 6. Updating the slides that are created by Arla foods sales team.
- 7. Help prepare the SR book for their guideline.
- 8. Observing the vendors and keep trac of the results and check for errors.
- 9. Collecting the outlet visibility of our net SKU( Stock Keeping Unint) Dano Captain and report on that.

#### **Project Summary**

To conform with academic requirement of getting practical learning, I connected in a few association and from them Arla Foods Bangladesh has offered me to do as such. Answering to

The director, the entry level position period has been begun since the third of May and will be continued till October 2018. This was an extended internship from the very beginning and my aim was to learn from Arla as such as i can. Rural distribution was a key focus for me to work on. The modality and planning for different issues were done by me by the help of my line manager. There are specific reports that had to be prepared by for my supervisor. Those reports were then used by the top level management to make important decisions.



### **Methodology**

This report was completed with knowledge and experience gained during the internship. Steps taken to accomplish the objective were topic selection, research, data collection, data analysis, and report writing.

### **Sources of Data**

#### • Primary data sources:

- 1. Interviews with company officials and employees.
- 2. Personal observation.
- 3. Consumer feedback.
- 4. Practical work experience.

#### • Secondary data sources:

- 1. Official company website
- 2. Archive files of Arla Foods Bangladesh Ltd.

### **Report Limitation**

1. Limited time for report completion as it was an additional assignment to my regular office work.

2. Limited access to information, such as confidential company reports, and lack of communication with international Arla officials.

3. There was no time for me to visit the RD project which would've been a huge source of information for this report.





# **A Rural Distribution Initiative**





### **A Rural Distribution Initiative**

# A Rural Distributor...

At the age of 14, Sheikh Samad dropped out of school due to poverty. He went abroad by selling his only land and came back losing everything due to economic downturn.

Fortunately, he met with a field supervisor of Celero Rural and came to know about the rural market distribution expansion. Since then, he worked hard and grew his own distribution business. Currently, he covers more than 70 outlets and sells products from Unilever, RFL, Olympic, etc. He has his own delivery vehicle to supply the products in the market.

Sheikh Samad has become a renowned businessman in his village and the poverty is not in his courtyard anymore. He is now a happily married person with children going to school.

If Sheikh Samad becomes a Rural Distributor of Arla Foods, his monthly income will increase even higher and Arla Foods will have indirect coverage of 70 more outlets.

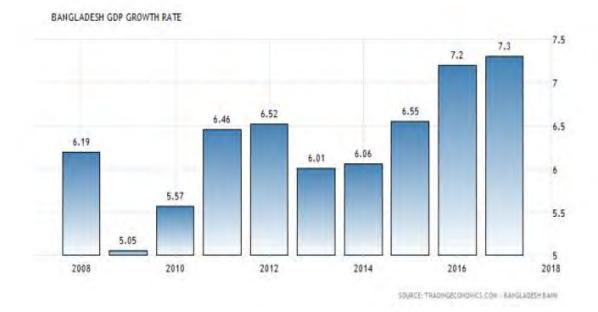




### Strategic approach

#### **Bangladesh on the Rise**

- Steady economic growth
- Significant rise in people's expectation
- Average spending power of the middle class and lower class people
- Consumer expectation
- Increasing demand of a wider range of products and services



#### **Opportunity for Arla**

- As par Nielsen's RCS data, Bangladesh has 1.1 million outlets (appx)
- Big FMCG companies cover 0.35 to 0.5 million outlets
- Arla covers 0.15 million outlets
- Huge coverage opportunity remaining in rural areas



#### **Challenges for Arla**

- Low sales per market/cluster
- High distribution cost for regular distributors
- Unsustainable return on investment for many vendors

#### What Does Arla Need?

- Innovative methods of connecting with consumers
- Increase local employment opportunities

#### Alternatives for Arla distribution

- Increase sales to smaller communities
- Develop distant markets for future expansion
- Increase penetration into rural markets
- Develop more effective brand awareness

#### **Celero Rural – Leverage**

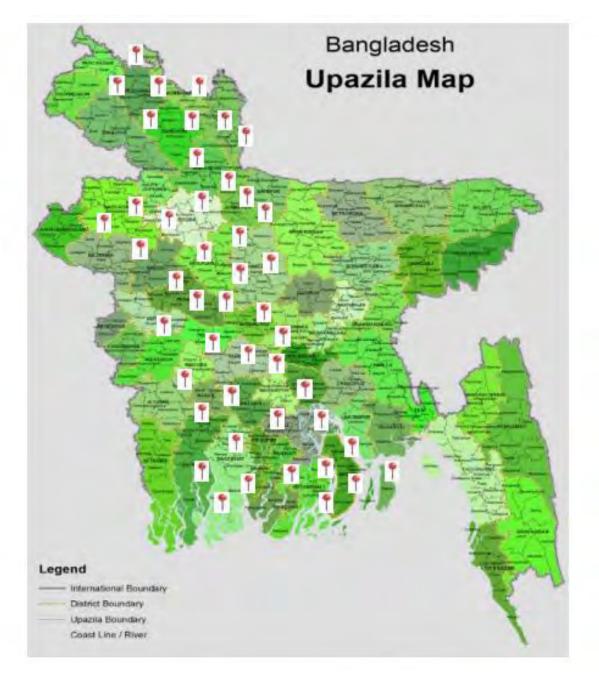
It is a third party organization which will

- find new opportunities for expansion
- recruit rural distributors, supervisors, and other necessary employees
- monitor rural distributor operations
- monitor direct distribution
- provide sales and key performance indicator reports
- ensure communication between Arla Foods and distributors



# **Rural Distributor**

- Left side of the map
  - Bogra Region
  - Khulna Region
  - Barisal Region
- 507 Rural Distributors (RD)
- 45,000 outlets (approximately)





### Modality of Rural Distributor

#### **Product Flow & Pricing:**

### Arla

- Arla sells to its distributors as per the regular distributor price (DP).
- Arla supply chain already does this job

# Arla Distributor

- Distributors sell to RDs at distributor price. So, no commission from this sale
- Distributors earn 1% incentive from Arla by selling to RDs
- Distributors need to purchase and deliver the extra products to a point which is the farthest covered area by distributor and nearest from the RD

# Rural Distributor

- RD purchases from distributor at DP and sells to retailers at TP.
- RD gets distributor margin to pay off its operational cost and earn livelihood
- RD collects and pays for Arla products from the nearest market covered by Arla distributor

# Retailer

- Retailer purchases products from RD at TP and sell it at MRP
- Retailers do not need to spend extra to get Arla products from nearby wholesale markets



### **Commission Structure and Arla Cost**

#### **RD** Commission

Arla distributors will pass their full margin to rural distributors Distributor Margin = RD Margin

Distributor Incentive Arla Foods will pay its distributors 1% incentive on RD sales turnover

#### **Agency Commission**

Arla Foods will pay Celero Rural 2% commission on RD sales turnover.

Arla Cost Distributors: 1% incentive on RD sales turnover Agency Cost: 2% commission on RD sales turnover

### How does the project benefits Arla?

#### BY:

- Sales base Upgrade
- Coverage expansion
- Future direct distribution expansion
- Efficiency in direct distribution cost
- Ready sales
- Further growth in DDP and Dano
- Help us to leverage on partnership to increase our distribution opportunities
- Creating more jobs in rural

### **Difficulties for Arla**

- Control mechanism
- Selecting product Lifting place and schedule



### **Sales Projection**

April, 2018 to July, 2018

Total DDP (Kg Volume)	25,000	30,000	40,000	50,000	145,000
DDP 20gm + other minis	9,106	10,928	14,570	18,213	60,102
DDP 100gm	4,288	5,146	6,861	8,576	28,302
DDP 200gm	3,940	4,729	6,305	7,881	26,007
DDP 400gm	3,415	4,098	5,463	6,829	22,536
DDP 500gm	4,250	5,101	6,801	8,501	28,053
	APRIL	MAY	JUNE	JULY	From the firste APRIL- end of JULY

### Analysis on Rural Distribution Project:

Rural distribution project is an advanced distribution design of Arla Foods Bangladesh Ltd. This task just connected in west zone of Bangladesh. To look forward how much scope and volume the organization can achieve. Once the rural distribution project is launched all over the country, Arla sales volume will go sky high.



### **My Involvement in Rural Distribution Project**

I was new to this project and yet I haven't had the chance to leave my mark on this amazing project. But I was beefed some of the sectors and aspects that I will be involved in as:

- $\neg$  Assist in creating modality for this project
- ¬ Prepare communication material for this project
- Conduct survey to prepare incentive modality
- Maintain business to business communication
- Preparing spreadsheet format for territory executive to keep track of RD
- Present report to management regarding this project update
- ¬ Solving problem regarding incentive issue
- $\neg$  Checking with Celoro Rural



### **Rural Distributor Onboarding Session**

On mid-November there were 40 daylong sessions held in three

Regions on the west zone (Bogra, Barisal and Khulna) to onboard rural distributor about this project.

Region	# of RDs	# of Onboarding Sessions	Start Date	End Date
Khulna	108	11	1-Nov-17	7-Nov-17
Barisal	70	14	1-Nov-17	10-Nov-17
Bogra	329	15	1-Nov-17	10-Nov-17
Total	507	40	1-Nov-17	10-Nov-17

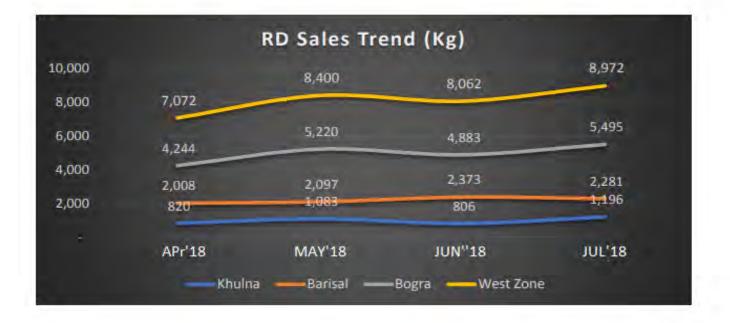
#### At onboarding session rural distributor communicated with...

- Introduction and significance of Arla Foods
- ¬ Introduce product profile
- ¬ Product price at distributor end and retail end
- ¬ General work process of rural distributor
- $\neg$  How to start and end call in an outlet
- $\neg$  How to generate indent
- $\neg$  How to get delivery
- $\neg$  How to store product
- $\neg$  Least amount of product have to purchase
- $\neg$  Drop point to take delivery from distributor vehicle
- $\neg FAQ$



### **Actual Sales**

RD Sales Growth (Kg)							
Region	APRIL	MAY	JUNE	JULY	MAY18 MOM Growth	JUNE18 MOM Growth	JULY18 MOM Growth
Khulna	820	1,083	806	1,196	32%	-26%	48%
Barisal	2,008	2,097	2,373	2,281	4%	13%	-4%
Bogra	4,244	5,220	4,883	5,495	23%	-6%	13%
West Zone	7,072	8,400	8,062	8,972	19%	-4%	11%



- In May'18 Arla declare 3 slab incentive for RDs according to their lifting amount

 $\neg$  In Jun'18, RDs faced 4% MOM volume de-growth mainly due to DDP 20gm shortage from the middle of the month till the end.

 $\neg$  Lifting frequency number dropped from 327 to 285 in Jun'18 mainly due to DDP 20gm shortage.

 $\neg$  In July'18, RDs achieved 11% MOM volume growth, which is 1 ton additional sales compared to Jun'18 sales.

 $\neg$  In July'18 previous incentive slab revised and introduce 5 slab incentives for RDs.





### **RD Incentive Slab**

RD	Monthly Volume (ctn)	Reward (BDT)	Monthly Volume/Per RD			
			DDP 8GM (ctn)	DDP 20GM (ctn)	Total KG	
Slab 1	3	500	2	1	29	
Slab 2	5	800	3	2	48	
Slab 3	10	1500	6	4	97	
Slab 4	16	2200	10	6	156	
Slab 5	24	3500	16	8	235	

#### Note:

1. Our recommended SKUs are DDP 8g and 20g but any SKU's lifting will be considered.

- 2. One RD will be eligible for one slab.
- 3. Lifting from 1st February will be considered for new slabs.

### **Number of RD Lifted Product**

# of RD Lifted Products							
Region	Nov'17	Dec'17	Jan'18	feb'18			
Khulna	24	29	22	26			
Barisal	20	22	24	21			
Bogra	60	74	80	86			
West Zone	104	125	126	133			

Out of 497 RDs till now 133 RDs lifted product and Arla get indirect coverage of 8446 outlet through rural distribution.



# **My Personal Experience and Learning**

I am working with Arla for just a couple months so explaining the whole organization is difficult, few month isn't short however not exactly long enough to see every last bit of it. but I still have 3 months left yet so far the memories that I have here, is priceless.

Working with Arla is a wonderful experience of my life. As my major is marketing, I think I am very lucky to start my career in sales specially, when the sales department is one of the best in country. There is huge scope for learning in Arla. I really enjoy working with them and I feel proud to be a part of this amazing group of people.

As far as I can tell I am learning a lot from this organization. It will enable me to make a decent impact in my farther professional life. Arla helps me how to oversee individuals, how to make identify the problem, how to find the solution of the problem, how to execute the solution process, how to talk to vendors, how to manage such complex ideas and the most important thing, culture. I enjoy their culture very much. They are very much friendly and every Thursday everyone eats breakfast together. It's an amazing feeling which motivates more to learn about the organization and work hard.

There's another even I am very excited about is that the **CEO** of Arla Foods Ltd **Peder Tuborgh's** visit in Bangladesh. It will be a great honor for me to meet the Head of our company. I look forward to meet him.

My supervisor Hossain Md. Ruhin Sabbir is giving me a huge chance to work with Rural Distribution project, SR book project, some important reports that top level management monitors, sales force, Arla Premium League, Coordinating in the TO meet and he helps me in every step that i mess up. Additionally I work with MIS and IT group so I think I am fortunate for getting the opportunity to be a part of them.



#### **Recommendations**

During my internship at Arla Foods Bangladesh Limited, I observed the inner workings of some of the aspects of the company and learned many things about business on such a large scale. Based on my limited exposure and experience, the following recommendations may be worth some consideration.

- Work often goes beyond the normal office hours of 9 AM to 6 PM due to the workload. Overtime pay would be a great motivator for employees in this situation.
- Dano powdered milk prices should be reviewed for more competitive pricing with other companies to increase volume of sales.
- Commissions should be introduced to distributors and local vendors to promote sales effort and healthy competition.
- Arla products should be made available at smaller local vendors for consumer convenience, which would increase overall sales.
- Product marketing should be increased by renting display shelves at larger retailers for better brand awareness.

#### **Conclusion**

Arla Foods Bangladesh Ltd. is a well-established and highly recognized company in the food industry. The company is continuously growing with evolving policies of innovation and consumer satisfaction. Its commitment to producing high quality food products and providing them at affordable prices has kept them in high regards amongst its consumers. As one of the largest producers of dairy products in the world, it is sure to become a leader in setting standards for international business and food production on a global scale.



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