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Internship report on

“An Overview of Financial Procedure & Position
Of

Kuehne + Nagel Bangladesh Limited”

Submitted to

Riyashad Ahmed
Assistant Professor
BRAC Business School
BRAC University

Prepared by

Mahabub Ibn Solaiman
ID 14104147
BRAC Business School
BRAC University

Date of submission: Saturday, December 15, 2018



KUEHNE+NAGEL

INTERNSHIP REPORT

ON



An Overview of Financial Procedure & Position Of Kuehne + Nagel Bangladesh Limited

Letter of Transmittal

Date: Saturday, December 15, 2018

Mr. Riyashad Ahmed
Assistant Professor
BRAC Business School
BRAC University

Subject: Submission of internship report for the completion of BUS401

Dear Sir,

With due respect, I would like to inform you that with great pleasure that I have prepared by internship report on the “Kuehne + Nagel Bangladesh Ltd” that you have assigned to me to express my knowledge and experience in writing of this three months long Internship. I have tried to be honest to prepare an effective and creditable report according to your instruction.

Throughout my internship period I didn't confined myself to learn different skills and knowledge, but tried to establish a good corporate network. Internship in this organization helps me to understand the corporate culture and environment of a multinational organization. While preparing the report, I ensured the rules and regulations provided by BRAC University and use of legitimate information to support my report. I hereby, submit my internship report.

Your acceptance and appreciation regarding the paper will inspire me a lot. I will be gladly available for any sort of queries regarding the paper in future.

Sincerely,



Mahabub Ibn Solaiman
ID: 14104147
BRAC Business School
BRAC University

Acknowledgements

First of all, I would like to express my gratefulness to Almighty Allah for the blessing that I got the opportunity to work in one of the leading multinational freight forwarding company in the world. Secondly, I would like to convey my special Thanks to Mr. Riyashad Ahmed Sir for his immense help and guidance, which helped me to complete this report successfully. I express my sincere gratitude to all those people, who helped me to complete this paper.

I would like to acknowledge my sincere gratitude Mr.Towhidul Islam (General Manager) Head of Finance and Accounts department to give the opportunity to do internship in Kuehne+Nagel ltd.

Finally, I would also like to thanks Mr.Aklaqur Rahman(Manager), Mr.sujan kumar Saha(Assistant Manager), Mr.Tanmay Kumar Saha(Assistant Manager) & Mr.A.K.M.Abul Hasnat(Senior Executive) for their immense support and sharing their valuable knowledge and experience. I specially thank them for treating me like one of them.

Executive Summary

Kuehne+Nagel Ltd is one of the largest global freight forwarding company. Basically the core business of KN is to serve the customer every logistics support regarding forward the desired product to its destination. In 1890 KN established in Germany by August Kuhne and Friedrich Nagel. Kuehne+Nagel incorporate a relationship among carrier, customer, third parties, Buying agents, Exporter, Importer, and other necessary parties.

Finance and Accounts always considered the backbone of a business. KN Financial activities are very complicated and sensitive. KN always maintains high confidentiality regarding financial proceedings.

Internship helps an academic to gather practical experience regarding corporate world. I have tried to reflect my three months long experience through this report. The specific objective of this paper is to present an overview of Kuehne+Nagel Ltd and the main objective of this paper is to evaluate the financial proceedings and performance of Kuehne+Nagel Bangladesh Ltd.

In this report, I have tried to explain all of my experiences which I have gathered during my internship period. I have worked as an intern in Finance and accounts Department of Kuehne+Nagel Bangladesh Ltd, so My Internship Report topic is “An overview of Financial Procedure & Position of Kuehne+Nagel Bangladesh Ltd”.

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CHAPTER 1

INTRODUCTION

1. Introduction

1.1. About- Freight Forwarding

In the era of globalization business are not confined in the national boundaries. Businesses are booming in such rate that a country's economy heavily depended on Export & Import. A lot of procedures and boundaries are incorporated with Export & Import. To deal with such obstacles Freight –Forwarder & logistics Company appears. Basically, freight forwarding is essentially an administrative industry which is involved on behalf of importers and exporters in the import and export activities.

Freight –Forwarders do all the documentation process as well as custom clearance. They also manage all the activities regarding shipping, loading as well as delivery to the destination within a specific time.

Freight Forwarder charge for their service which is known as freight charge. Basically in freight charge freight forwarder incorporate all other service charge as well. Basic services that are provided by Freight Forwarder are air and sea services, import-export support, custom clearance support, warehouse facilities, distribution and transportation. To deliver the item to ultimate destination Freight –Forwarder use different mode of transportation service such as-

- Sea Freight
- Air Freight
- Overland
- Contracts Logistics
- Integrated Logistics

Moreover, a freight Forwarder can furnish the exporter with all the vital documentation and liaise with transporter agency to deliver the item of the exporter to the importer.

1.2. Background of the Report:

Bachelor Business Administration (BBA) is academic program which is designed with combination of academic knowledge and practical experience. After completion of all the academic courses of BBA program, academics need to implement their academic knowledge in a practical work field under the Internship program. Internship program is such an opportunity that helps the student to understand to know about the corporate culture and norms as well as the specific sector of working. This report is mandatory requirement of internship program under BBA program of BRAC University. The organization which this report represents is Kuehne+Nagel Bangladesh Ltd.

1.3. Internship Involvement:

During my internship I have covered the Finance & Accounts sector of Kuehne+Nagel Bangladesh Ltd. As its logistics company, the procedures followed and the sequence of events maintained are quite different from those of manufacturing and financial companies. Basically, I witnessed and performed the transaction procedure that took place in a logistics company; apart from that I have witnessed about the asset capitalization and taxation policy of the company. Finance & Accounts plays a very vital role for the logistics and supply chain Provider Company. Budgeting different companies' accounts and negotiating with carriers all are the basic functionalities of Finance & accounts department. However, allocating the transport cost under the appropriate ledger is also conventional work for Finance & accounts Department. Some of the basic logistics accounting consists of the terminologies below:-

- **Freight Cost:** Freight cost is the rate which is decided after a customer books house and the carrier according the submitted quote. Basically, this is the rate which actually carrier incurred.
- **Freight Invoice:** Freight invoice is the form of bill where name and address of the shipper, point of the shipment, product quantity & service and amount of charge are mentioned. Basically, Freight invoice generated by carrier or forwarder to consignee.
- **Freight Payment:** Freight Payment is a bunch of process that is usually followed to make the payment for transportation invoices.

These are the very few basics that the accountants of a logistics company have to do on a daily basis. Collaboration with the operational department brings the most challenging

situation. Company compliance also very important for company's finance because it determines the productive aspects of the company are about to take place. Some of the functions that logistics companies all over the world follow are –

- Conducting credit checks on new customers
- Meeting cash & debtor targets
- Recording keeping of all client communications
- Issuing monthly statements
- Undertaking debt recovery action on behalf of the company while maintaining a level of professionalism.

1.4. Literature Review:

A Freight Forwarder is a mediator who arranges shipments for individuals or corporations to get the goods from the pickup point and deliver to the customer or final point of distribution; it is also known as non-vessel operating common carrier (NVOCC). There are above 50 Lac plus freight forwarders exist in the world and Kuehne+Nagel is leading the no 1 position between them.

Kuehne+Nagel strictly follow their company compliance. Region office always monitors their country office freight performance and system very strictly. Due to globalization free trade is ensuring a bright future for logistics industry. Increasing number of shipments demand continuous monitoring; KN also feel the same way to maintain a constant growth rate. The importance of constant monitoring has also noted in different article- the real challenge for managers of the logistics' and supply chain enterprise environment is to come up with suitable performance measures and metrics to make right decisions that would contribute to an improved organizational competitiveness. (Gunasekeran).

Relation maintenance is very important factor in logistics business. KN relies on third party to make sure that the customer gets an outstanding service. This gives KN extra turbulence of maintain relationship with third party, air transportation agencies & sea transport agencies along with direct customer. KN has been awarded for its outstanding quality of maintaining

relation with third party agencies. Several incident factors (e.g., high incorporation with customer, establishing links to customers asserting on new services, complementary relationship-specific investments, and agreement of benefit sharing) influence the joint third part logistics provider's projects. (M.Wagner, 2012).According to the article of Wagner the well maintained relationship with third party agency could give a competitive advantage to KN.

KN focuses on environment according the organization responsibility as well as the compliance of the company; as a result Kuehne+Nagel has been certified by the **BURERU VERITAS** for its outstanding maintenance of service and its concern regarding Environment. Hands-on management of environmental matters requires corporations to identify: (1) the connections among transportation activities that have negative environmental impacts, (2) the types of environmental impacts originating from transportation operations and facilities, and (3) alternative means of controlling and preventing environmental pollution and natural resource degradation. (Michael Berryb, 2000) .

The export processing zone in Mongla brings a crucial business advantage in KN business because of Padma bridge and Asian Highway because according to the expert Mongla is going to be very important factor for logistics business. "Within a short time, the Mongla EPZ would be the main economic hub of the southern region, as Prime Minister Sheikh Hasina has changed the pace of living in this region." This was quoted by executive chairman of Bangladesh Export Processing Zones Authority (BEPZA) Major Gen Mohd. Habibur Rahman Khan.

1.5. Research Objective:

During my internship I was appointed in the Finance and accounts Department of KN for three months. Here I learned about the transactions procedure as well as the asset capitalization and financial budgeting of the company. There are some objectives which turned my internship tenure into a valuable work experience.

- ❖ To know the procedure of tractions of KN.
- ❖ To learn about financial position of the company(liquidity, activity and profitability)

- ❖ To know about operational position.
- ❖ Financial Budgeting.
- ❖ Asset Capitalization.

1.6. Methodology:

Methodology is a set of activities which are conducting to perform a job. To conducting this study the following methodology was adopted regarding collecting data & information, preparation of reports. The specific methodology of this report is given below:

- ✓ Research Type: This is a descriptive research, which explains the financial procedure and position of Kuehne+Nagel ltd.

Research data source, collection, interpretation and presentation followed a specific methodology which is given below:

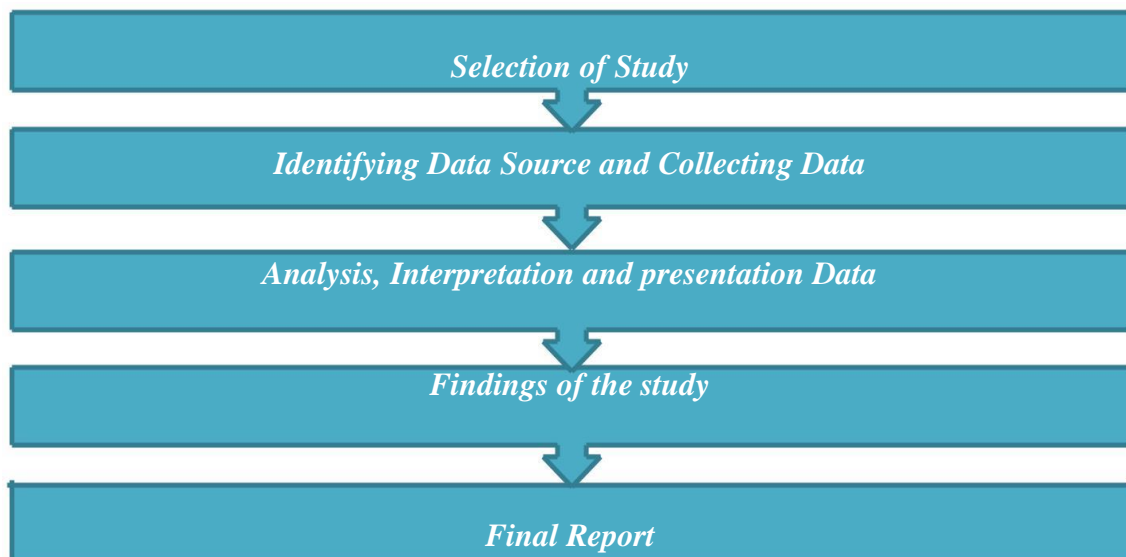


Figure: Flow chart of Methodology

Selection of the topic:

The topic “An overview of Financial Procedure & Position of Kuehne+Nagel Bangladesh Ltd” was approved by Mr. Riyashad Ahmed, Assistant Professor, BRAC Business School, BRAC University.

Source of Data:

The research data are collected from:

- ❖ Primary source
 - Direct conversation with key Officials.
 - Daily work responsibility.
 - Questionnaire
- ❖ Secondary Source
 - Web Browsing
 - KN Annual Report
 - Published Data

1.7. Limitations of the study:

The report mainly based on the face to face conversation with the key officials and little work experience. So, it's very easy to say that perfect study is not possible to conduct to measure the viability of the report. However, the following are some limitation to prepare the report-

- ✚ Confidentiality of data was a biggest barrier during conduct of the study. Every organization sensitive regarding their financial data which they do not want to reveal.
- ✚ Rush business hour was another reason to collect data to study.
- ✚ This report heavily dependent on primary data so there might be some inaccuracy with the collected data.
- ✚ KN doest prepare some well structured financial report.
- ✚ Time constrained regarding the interview.
- ✚ Less popular form of business among common people.

CHAPTER-2

BACKGROUND

2. Background

2.1 History of Kuehne+Nagel:

Kuehne+Nagel is a global logistics and transport company. Kuehne +Nagel provide every service to freight and forward of its customer's goods. Currently Kuehne +Nagel is the best sea freight forwarder and second air freight forwarder in the world. The company is developing its range of sea freight and other related services to keep its position in the top and to keep its customers satisfied with the services. Kuehne+Nagel have evolved from a conventional international freight forwarder to a number one international supplier of innovative and absolutely integrated supply chain solution.

In 1890 Kuehne+Nagel was founded in Berman, Germany by Augusta kuehne and Fiedich Nagel. Kuehne+Nagel headquarter located in Schindellegi, Switzerland. Currently, Michel Kuehne(Honorary chairman),Jeorge Wolle(Chairman) and Detlef Trefzger(CEO) of Kuehne+Nagel.

With a head count of 79000 workers and around 1300 offices in over a hundred countries, Kuehne + Nagel has been ready to enhance its business by broadening its vary of services to rail and road supply, contract supply, other than the same old air and ocean supply within which it already holds a commendable position. With a fleet of over 5,000 trucks and trailers as well as long-term conglomerates with favored subcontractors, Kuehne + Nagel provides maximum capacity and flexibility to its customers' logistics needs. Due to less handling, the company has been able to provide faster service while not compromising on the security of the shipment at all. With their Contract Logistics service, Kuehne + Nagel ensure businesses that they have their best interest in mind and help them with their complicated supply chain situations. Due to the development of global visibility and knowledge management services and enhanced inventory control, Kuehne + Nagel have managed to ace in this sector too.

The core business of kuehne+Nagel is logistics support. Basically kuehne+nagel divided their work into 4 basic units-

- i Sea Freight: Number 1 global forwarder year over year with a sustainable double digit growth in sea freight and having a great extensive partnership with reputed ocean carriers.

- ii** Air Freight: second best forwarder after DHL. Global cargo 2000 phase certification best –in-class carriers.
- iii** Contract Logistics & Integrated Logistics: leading global provider with consistent improvement process having 75 million square feet of warehouse space throughout the world.
- iv** Overland: Integrated road and rail offerings and having a great standard relation with first –class- carriers.

Apart from these four basic units Kuehne+Nagel also provide other services such as- Drinks Logistics, Hotel Logistics, Forest products transportation, Marine Logistics etc.

In logistic service business affiliation is very important, kuehne+Nagel is not different. Kuehne+Nagel maintaining some international affiliation to do business, such as-

- i** "Fédération Internationale des Associations de Transitaires et Assimilés" or "International Federation of Freight Forwarders Associations" (FIATA)
- ii** "The International Air Transport Association" (IATA).

Kuehne+Nagel have their business into 100 different countries. To maintain great service quality, they divided their business functions according 6 different regions for better management. The regions Headquarters are-

- 1) Europe
- 2) Africa
- 3) North America
- 4) South America
- 5) Middle East
- 6) Asia Pacific.

2.2 Kuehne+Nagel Asian Region:

Kuehne+Nagel (Asia Pacific) Management Ltd is a subsidiary of Kuehne+Nagel International AG. In 1961 the Asia Pacific outlet established in Hong-Kong and it incorporated in 1965. In 2010, the Headquarter of South Asia Pacific Region moved to Singapore. Over the years this region became one of the successful market player. Currently in 21 countries with 150 outlets the organization spanning its activity. Due to extensive work pressure and large number of customers Asia region has been divided into two different region, which are North Asia Pacific (shanghai, china) and South Asia Pacific (Singapore).

Kuehne + Nagel in Asia-Pacific focus on many business sectors, as well as automotive, high-tech, industrial smart & chemical, prescribed drugs & tending and FMCG & client durable goods. Additionally, the corporate provides specialized solutions in areas of building & aviation supply and is engaged in many Niche sectors as well as the worldwide transportation of food product, drinkable supply, exhibition supply, aid and relief supply moreover as within the oil and gas and project business.

2.2 Kuehne+Nagel Bangladesh Limited:

Kuehne+Nagel Bangladesh is under Asia Pacific region, which is founded in 1997 by Mr. Rafi Omar the ex-managing director of the company. Kuehne+Nagel taste the success at the very early stage of its beginning. Kuehne + Nagel Bangladesh provides transportation services of all kinds of goods from overseas countries to and from Bangladesh by sea, air, waterways, railways and roads. Currently, this company has three offices in Bangladesh to maintain continues export and import processing apart from its four different warehouses.

Kuehne+Nagel Bangladesh follows the rules and regulations set by the Asia Pacific region headquarter which is located in Hong Kong. Kuehne+Nagel Bangladesh maintain same logistics service and IT based supply chain management solutions like other Kuehne+Nagel branches around the world.

2.2.1 Objective of the Company:

Every company follows some functions to achieve few specific goals according to the company instructions, Kuhene+Nagel is no exception. The objectives that the company wants to full fill are-

- Ensuring enough orders according to the capacity of goods processing and transportation ability.
- Maintain a healthy corporate relationship among customer and other inter connected companies.
- Follow an effective and efficient module of delivery of goods.
- Make sure that houses of the vessel are using effectively and efficiently.
- Cautious about new business opportunities and new customer relationship.

2.2.2 Facts of the Kuehne+Nagel Bangladesh Limited:

Year Founded: 1997

Business Type: Service oriented

Managing Director: Mr. Tarun Patwary

Branches: Chittagong Branch (CGP), Mongla Branch, Airport Branch

Warehouse: 3 Warehouses. Gazipur, Uttara & Uttara(Diabari)

Partnership: Baghera Print Shop, Sweden.

Controlling Region: Asia Pacific Region.

Service Provided: Only Sea freight and Airfreight

Address of the main branch- House 74, Road 18, Block J Banani,Dhaka.

2.2.3 Mission:

Kuehne+Nagel show their business focus through their mission statement-"The global logistics network is our strongest asset. Dedication, integration and innovation are at the heart of our business philosophy. Focused on our customers' needs we provide integrated logistics solutions of outstanding quality and operational excellence – we are the extension of your business."

2.2.4 Vision:

Kuehne+Nagel are one of the leading global freight –Forwarder & Logistics service provider. The core vision of KN to be the best Freight –Forwarder and logistics support Provider Company in terms of all sectors through high quality service. Kuehne+Nagel create a sub vision to fulfill the ultimate vision of its own. KN launched a program which KN Next. KN Bangladesh ltd planning to increase it sells to 50 qubic of sea freight and 25 qubic of air freight by 2022.

2.2.4 Kuehne+Nagel Environment Concern:

To reduce the environmental impact most of the multinational organizations are trying to follow green official operations. Kuehne+Nagel Bangladesh also has taken some measures steps such as-

- ❖ Increase global waste recycling ratio to 60%.
- ❖ Lunch environmental practice platform for the employee.
- ❖ Strive towards annual reduction of CO2 emissions by 2% per employee and per 100 m2.
- ❖ Conscious Use of paper is considered as a compliance of the company.
- ❖ Actively collaborates with such agencies who maintain who maintain global standard of measuring environmental supply chain impact.

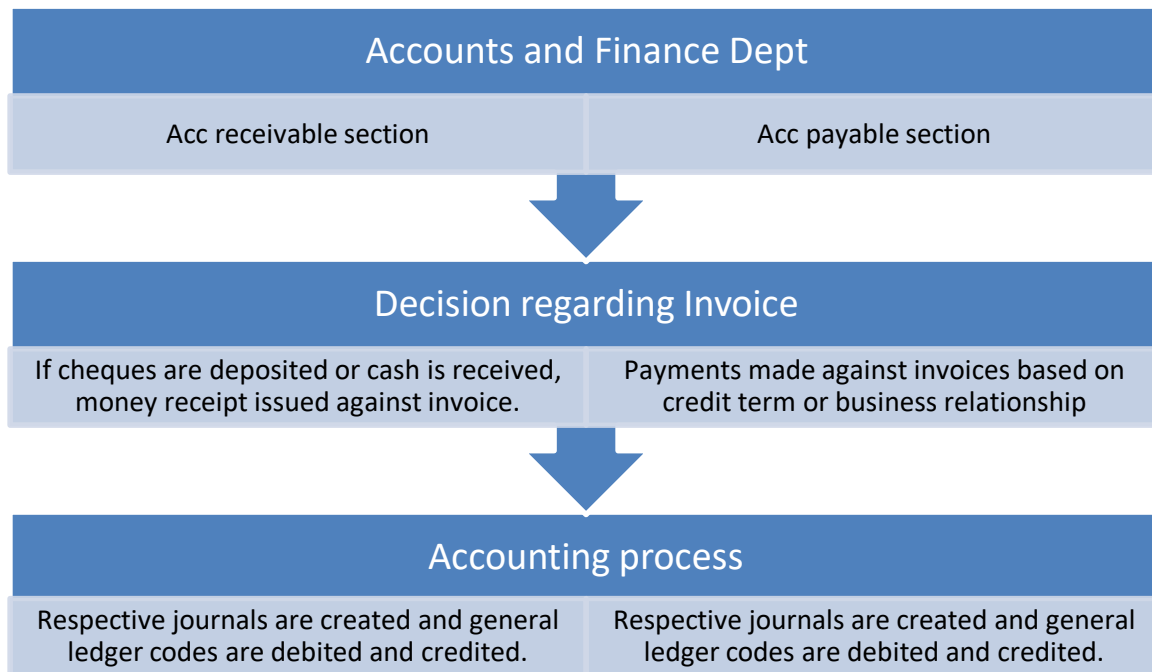
CHAPTER-3

ANALYZE

3.1. Transaction Procedure of Kuehne+Nagel Bangladesh Limited:

In This part of the report will try to find the all sort of transaction procedure as well as the financial strategies of kuehne +Nagel.

Maintaining Accounts receivable and payables is the most basic activity for Every Finance & Accounts team. During the settlement of Accounts receivable & payable KN finance and Accounts team go though different complex and simple procedure. Brief ideas about these processes are given through the below flow chart:



3.2. Accounts Receivable Section:

Account receivable section basically determines the payments done by the customer to Kuehne+Nagel. However, KN follows some proceedings which is instructed by overseas and the proceeding are determine through the flow chart



- **Enlistment:** In KN without enlistment no one can do any short of business. A Company has to enlist in KN global software for further processing with proper organization name, Address and other official papers. According this enlistment; operations of KN appoint a unique code name against the organization name. After determine the code name KN operations open a file for that specific company.
- **Bill of lading:** Bill of lading is the official paper which precisely name and enumerate the items to be transported during a freight shipment. Moreover, Bill of lading is the official's agreement between shipper and logistics provider. Bill of lading basically are two types-
 - ✓ House BIL: A House BIL is a document of contract between shipper and the forwarding company.
 - ✓ Master BIL: A Master BIL is a document of contract between the freight forwarding company and the shipping line.



In bill of lading every single detail have to mention regarding the shipment, such as item collection point, item destination, item arrival time, weight, value and description of the shipment item. According to the item weight and destination the carrier selected and the total amount to be charged is then determined. When Kuehne + Nagel assign a carrier, the carrier issues a house airway bill (Master Bill) which is a proof of receiving the goods.

- **Invoice:** After bill of lading here it come invoice. Invoice is prepared when the goods are ready to move through the customs, which mean the goods loading is done and the goods either flown or shipped. Sometimes invoice are not required after the master bill is received because of letter of credit.
- **Money Receipt:** Money receipts are printed only when the payment is made against the invoice. Payment could be done by cash, bank deposit or cheques. Money receipts are immediately issued when the payment is done by cash or bank deposit. In terms of cheques payment, the respective cheques are sent to clearing house at first. After the cheques got the positive instruction only then the money receipts is made and the transaction goes under appropriate journal through the respective accounting software which is ACON NEW.

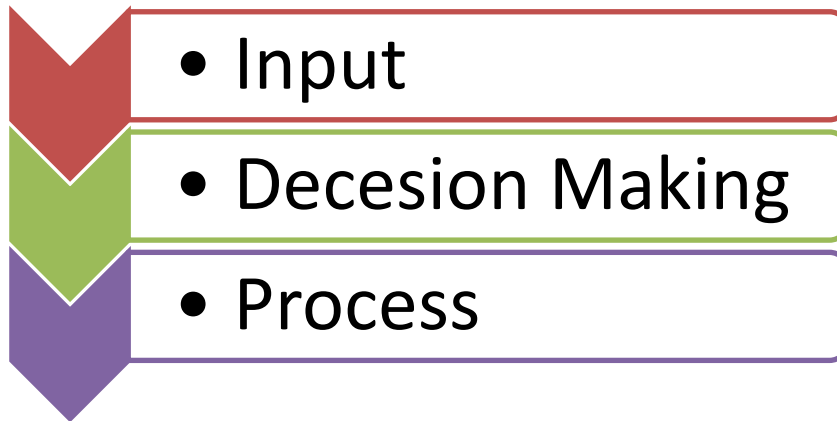
Acon new is very unique account software which is designed by Kuehne+Nagel. Acon new not only help the employees to make journal against accounts receivable and accounts payable; it also help the employee to generate various financial report to represent the financial position of the organization at the ending of the every month.

3.3. Accounts Payable Section:

Account payable section determines the payment of the organization has incurred. Basically, Account payable section is very important for such Logistics company to maintain a healthy relation with different parties. Kuehne+Nagel, differentiated their expenses into two different criteria-

- i **Direct Expenses:** Those expenses are those expenses for KN which is directly related to the organization; Such as Employee salary, provident Fund, Gratuity Fund, IOU, Convene Bill, Management Expenses, Additional service to employee, ETC.
- ii **Indirect Expenses:** Indirect expenses basically are those which are related to the organization operations. Moreover, indirect expenses are sea carrier, air carrier and the third part agencies bill. Basically, those expenses which are associated with shippers for the purpose of loading and transportation.

For both of the expenses KN Follows a line of proceedings, which is consist the following steps-

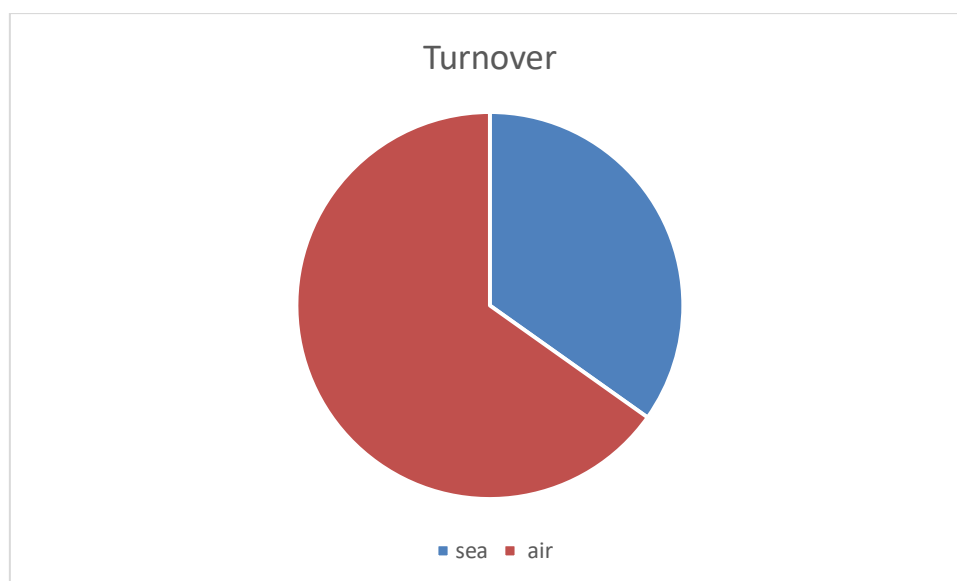


- ❖ **Input:** Input of respective payment bill according the expenses criteria as well as the respective journal account. Firstly, the respective bill have to approved by respective authority; Such as Direct expenses are approved by Human Resource Department, Sea Carrier Bills are approved by the sea freight department, Air carrier Bill approved by the Air freight Department, Third party agencies bill approved by the operations .Secondly, After being approved from respective department the bills are input into the ACON new software in terms of respective department & code. ACON new such dynamic software which automatically debit the bill according to the uploaded information.
- ❖ **Decision Making:** When the bill has been uploaded in the software here the decision making part comes .In decision making process, payment date are ascending and descending according to the credit term based on the internal agreement between KN and the counter party. However, this is not the rocket science so sometimes the payments have to pay before the mature date due to good relation with the counter party.Basically.KN trying to improve day's payable outstanding ratio day by day to enhance the operational capability.
- ❖ **Process:** In this stage the bills has been credited or disburse. After the decision making stage, the ACON new software generates the payment schedule consisting of all the bills which are mature on that specific date. According to the schedule payment cheques are printed and after that the allocation of payment has begun. In payment allocation part beginning with the debiting the accounts payable and crediting the KN

bank accounts. In payment allocation part KN also mention the respective tax amount according respective service tax rate which is fixed by the NRB.

3.4. Accounting Software (ACON NEW):

ACON NEW is global Accounting software for KN. Over 100 countries of KN office use ACON NEW as an instrument for Financial & Accounting activities. ACON NEW is one of the biggest assets for Finance & Accounts Department of KN. ACON NEW usually do every calculation regarding any sort of traction. It also helps the accountant to find the outstanding receivable and payable on the basis of creditor or debtor code. ACON NEW also shows the credit term the counterparty has with kuehne+Nagel along with the suspended payments and many more valuable information. It is also capable to generate different financial report such as accounts receivable and accounts payable which help to predict the future prospect of business. Though, ACON NEW allocate profit and expenses according to the respective department as a result it helps the management to take necessity investment according the turnover ratio of the various department. The major two departments which contribute in the profit margin of KN are i) Sea Freight & ii) Air Freight. Finance & Accounts team help these two departments to compare about their performance and decide the workers Profit participations fund. According to the recent report the turnover of the two departments-



3.5. Ratio Analyze of Kuehne+Nagel Bangladesh Ltd:

Kuehne+Nagel Bangladesh Limited of 2017 & 2016 are given below with ratio analysis with time series-

1. Liquidity Ratio:

Ratio	Formula	2017	2016
Current Ratio	Current Asset/Current Liability	1.29	1.81

Interpretation: Current Ratio:

Current ratio indicates a company's ability to meet short-term debt obligations. The current ratio measures whether or not a firm has enough resources to pay its debts over the next 12 months. In 2016 company's current Assets were 1.81 times of their current Liability; but in 2017 current ratio was 1.29. Current ratio decreased due to trade payables and accrued trade expenses increase significantly.

Ratio	Formula	2017	2016
Total Assets Turnover Ratio	Sales	4.59	4.28
	Total Assets		
Fixed Assets Turnover Ratio	Sales	79.33	66.08
	Fixed Assets		

Average Collection Period/Days Sales Outstanding	A/c Recoverable/Debt	17 Day's	0
	Sales/360		
Average Payment Period	A/c Payable	36 Day's	11 Day's
	Cost Of Goods Sold/360		

2. Asset Management Ratios:

Interpretation: Total Asset Turnover Ratio

Total Asset Turnover ratio conveys how proficiently a company can use its assets to generate sales. In 2017, every 1 Taka worth of Total Asset generated 4.59 Taka worth of Sales. Total Asset Turnover ratio has increased which is favorable for the company. Comparing to its previous year Total Asset Turnover Ratio increased at a good rate.

Interpretation: Fixed Asset Turnover Ratio

The fixed asset turnover ratio is an efficiency ratio that quantifies a company's yield on their investment in property, plant, and equipment by comparing net sales with fixed assets. In 2017, every 1 Taka worth of Fixed Asset generated 79.33 Taka worth of sales. Fixed Asset Turnover ratio increased significantly from last year, which is satisfactory. In other word KN effectively generating sales with its machines and equipment compare to previous year.

Interpretation: Average Collection Period/Days Sales Outstanding Ratio

The average collection period or days' sales in receivables, calculates the number of days required by a company to collect cash from its credit sales. The lesser day a company takes to collect the receivables the more it is convenient for them to have a healthy financial condition. On an average, in 2017 it took KN 17 days to make the collection from the customers. It increased in compare with 2016 which is not a good sign.

Interpretation: Average Payment Period Ratio

This ratio measures how much time a company takes in paying back their payables to their creditors. On an average, in 2017 KN took 36 days to make the payment to the customers. If we compare Days sales outstanding ratio of 2016, we find a favorable scenario. Which means KN collect Payment from customer faster and clearing payment thereafter.

3. Debt Management Ratio:

Ratio	Formula	2017	2016
Debt Ratio/Debt To Assets Ratio	(Total Debt/Total Assets)*100	73%	52%

Interpretation: Debt Ratio/Debt to Assets Ratio

The debt ratio exhibits a company's ability to pay off its liabilities with its assets. In 2017, Debt Ratio increased compare to 2016 due to increase of current liability.

4. Profitability Ratio:

Ratio	Formula	2017	2016
Gross Profit Margin	(Gross Profit/Sales)*100	13%	18%
Operating Profit Margin	(EBIT/Sales)*100	10%	18%

Net Profit Margin	(Net Profit/Sales)*100	39%	37%
Return On Assets(ROA)	(Net Profit/Assets)*100	3%	7%
Return On Equity(ROE)	(Net Profit/total Common Equity)*100	2%	4%

Interpretation: Gross Profit Margin

Gross profit margin is a financial metric used to assess a firm's financial health by revealing the proportion of money left over from revenues after accounting for the cost of goods sold. In 2017, every 100 BDT worth of sales generated 13 BDT worth of gross profit. Gross Profit Margin decreased from last year. Percentage change in sales was higher than percentage change in Gross Profit. KN Faced this significance change due to significance change in cost of service.

Interpretation: Operating Profit Margin

Operating margin is a measurement of what proportion of a company's revenue is left over after paying for variable costs of production such as wages, raw materials, etc. In 2017, every 100 BDT worth of sales generated 10 BDT worth of operating profit. Operating Profit Margin had decreased significantly from last year. This change is happened because of administrative expenses increased rapidly in 2017.

Interpretation: Net Profit Margin

Net margin is the ratio of net profits to revenues for a company or business segment - typically expressed as a percentage – that shows how much of each dollar earned by the company is

translated into profits. In 2017, every 100 BDT worth of sales generated 39BDT worth of Net Profit. Net Profit Margin had increased slightly from last year. This is because Percentage change in sales was higher than percentage change in the Net Profit.

Interpretation: Return on Assets

Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets. ROA gives an idea as to how efficient management is at using its assets to generate earnings. In 2017, every 100 BDT worth of total assets generated 3 BDT of net profit. Return on Assets decreased significantly from last year. This significant change might be happen due to inefficient management of asset.

Interpretation: Return on Equity

Return on equity (ROE) is the amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. In 2017, ROE decreased to 2% from 4%, which is not a good sign for KN management.

CHAPTER-4

FINDINGS

4.1 Findings and improvements from the internship:

During the internship period I have learnt about a lot of things. The working experience in KN will help me to flourish in my future career life .Working at one of the leading global logistics company helps to understand the corporate environment as well as logistics business prospect in this country. Employees of Kuehne+Nagel were over whelming and they help me a lot by their knowledge and experience. I have witnessed a quite good experience regarding KN during my internship, so I have broadly described some of the experience below-

- ✚ Working under Pressure: I have learnt how to work under pressure. Because during these three months I had to face some serious situation and systematic work condition as an intern. I believe this experience will help in my future corporate life.
- ✚ Corporate Culture: As I mention earlier KN is very strict about their compliance of the company. KN follows same corporate culture all over the world and all the KN employees are bound to follow the company's rules and regulation. It's a really remarkable experience work in such MNC at the very starting point of a new graduate.
- ✚ Practical Knowledge: During the internship, I got vast practical knowledge about the financial & Accounts problem about B2B business. During my internship I worked in such position where I had to some vulnerable decision.
- ✚ Team work: Team work is always important for any sort of organization, KN is not the exception. Though I had to take some vulnerable decision I had to do my work as a team.

- ✚ Communication skill improvement: As a finance & Accounts intern I had to communicate and collaborate with different parties which helped me a lot to improve my communication skills .Moreover, communication with overseas colleague also accelerate my communication skills.

- ✚ Effective and Enthusiastic working Environment :During my Internship I got full autonomy from the authority to do my work .The working responsibility derived an effective and enthusiastic environment to learn new things as well as corporate norms.

- ✚ Corporate Compliance: In our country business organization are not willing to follow strict rule and regulation. Our local organizations tend to ease way to do business. Hence this is one of the biggest challenges for KN as a compliance company to maintain relationship with some non compliance appreciates organization. Payments are always crucial for any sort of organization. Due to Financial record payment have to do in form of Bank deposit, Cheque or card but in Bangladesh businessman are more willing to perform business though cash; As a result to maintain a decent DSO in such organization is very complicated.

CHAPTER-5

SUGGESTIONS AND RECOMMENDATION

6.1 Suggestions and recommendations:

After conducting the research I have come up with few suggestions and recommendations about Kuehne+Nagel ltd regarding to improve their operation as well as the financial position. Few Suggestions and recommendation are given below-

- **Engage more relation:** Freight Forwarding is a B2B business form, so it's less popular among common people. Though the economic condition of our country is changing as well as the business prospect so I think KN should improve their engagement with public relation.
- **Technical Improvement:** Most of the activity of KN's Finance & Accounts is depended On ACON NEW. Though it's global software but some time it gives some turbulence as a result the regular work hampered. So technical improvement could bring more effectiveness and efficiency in regular work life in KN.
- **Improvement of Average Payment Period:** According 2017 annual report KN had 36 days of Average payment period which is better than 2016 11 days average payment period. Though KN lunch KN NEXTGEN programmer to make the double shipment by 2022.To achieve the vision KN have to increase the average Payment period to maintain continuous operation.
- **Improvement of Asset Utilization:** According to the 2017 report KN increases their total asset ratio from 4.28 to 4.59, but their ROA decreased from 18% to 10%.To increase the profit margin KN have to utilize their asset effectively or otherwise they lose their profit growth.

- **Decrease the cost of service:** KN lose their growth Profit margin by 4% and Net Profit margin by 2% in 2017. This scenario is very alarming for KN, because Cost of service increased significantly within one year.

- **Compliance:** In Bangladesh Most of the Organization do not appreciate compliance organization as a result it creates a constraint for KN business. So some key managerial decision can pave new dimension of business for KN.

CHAPTER-7

CONCLUSION

6.1 Conclusion:

Kuehne+Nagel LTD, the leading Freight forwarder and Logistics service provider Company in Bangladesh. The management of Kuehne+Nagel ltd always up to gives special efforts to enhance the trust and interest of their customers by providing excellent service. Due to its excellent service mind Khuehne+Nagel has placed itself on a strong position in the industry. The mantra that differentiates Kuehne+Nagel from other Competitors is the concentration on customer demand.KN not only differentiate itself from the competitors it also successfully established a brand image with a strong market position in the industry. Kuehne+Nagel Ltd focus on their 2022 Vision which is KN NEXT program.

To reach that goal Kuehne+Nagel Ltd have to overcome its weakness. A service oriented company cannot flourish without satisfying its customer, After preparing this report its very evident to say that there should be a benchmark to satisfy the customer ,if the customers are happy only then the business can run safe and soundly.

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