

**Report On**  
**Performance Management Review of Supply Chain Department of**  
**Avery Dennison**

**By**

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**An Internship report submitted to the BRAC Business School in partial**  
**fulfillment of the requirements for the degree of BBA**

**BRAC Business School**  
**BRAC University**  
**Jan, 2020**

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## **Declaration**

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

**Student's Full Name & Signature:**

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**Supervisor's Full Name & Signature:**

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Mr. Zaheed Husein Mohammad Al-Din  
Senior Lecturer  
BRAC Business School

## Letter of Transmittal

Zaheed Husein Mohammad Al-Din

Senior Lecturer,

BRAC Business School,

BRAC University

66 Mohakhali, Dhaka-1212

**Subject: Performance Management Review of Supply Chain Department of Avery Dennison**

Dear Sir,

With due respect I would like to state that I'm submitting my internship report on **Performance Management Review of Supply Chain Department of Avery Dennison** and it's my pleasure to inform you that I've completed my internship report under your supervision.

I'll be grateful to you if you receive and accept my internship report. I've tried my best to prepare my report with my limited knowledge.

Your approval and acceptance about my report would inspire me. If you have any query, I would be pleased to clarify that.

Sincerely yours,

---

**Tamanna Ferdous Tasnim**

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BRAC Business School

BRAC University

Date: 6th Jan, 2020

## **Non-Disclosure Agreement**

This agreement is made and entered into by and between Avery Dennison Bangladesh and the undersigned student of BRAC University .....

## **Acknowledgement**

At the very beginning, I would like to thank almighty Allah for giving me the strength to finish my internship report on due time. This paper couldn't be here if some people weren't there beside me while I was struggling to prepare this paper.

At that point, I would like to convey my deepest gratitude and thanks to Mr. Zaheed Husein Mohammad Al-Din Senior Lecturer, BRAC Business School, BRAC University, for his constant guidance and advice throughout the entire period.

Then I must take this opportunity to thank “Avery Dennison Bangladesh Limited” and Shahriar Malik, Head of Supply Chain, for giving me the opportunity to complete my internship program in the organization. I would like to express my heartfelt gratitude to Mr. Syed Zahidul Alam Chowdhury, Senior Manager, Supply Chain Department (Export), Avery Dennison Bangladesh, who was my supervisor in the organization. He spent his valuable time for me and gave me valuable suggestions, which helped me to complete this report. Finally, I would like to thank all the employees of Avery Dennison specially the Export team for their kind co-operation in the organization and I also would like thanking all my friends without their help and assistance of whom it would have been tough to complete this report.

## **Executive Summary**

Avery Dennison Bangladesh is a front line company in the industry of retail branding an IT solution. They are serving millions of customers from a long time through the globe. They are a Brand and a name of excellence in the RMG industry. The topic of the report is Performance Management Review of Supply Chain Department of Avery Dennison. This report was prepared based on primary and secondary data sources. The report starts with a general introduction and the history of the company. It also includes history from different timeline, expansion of their business and history of merger and acquisition. Then comes the objective of report and methodology of the report. Vision, mission, core values of the company are included in the report. Then there are existing products offering in the market. There are three type of analysis included in the report. They are SWOT, PESTEL and Porter analysis.

The main body part of the report explains the departmental synopsis and performance appraisal review of the supply chain department. Avery Dennison uses Global Performance System for their Performance appraisal. I have tried to give a clear idea about the departmental hierarchy and organogram of the supply chain department. This report also contains the pros and cons of their previous and current performance appraisal method. Lastly, I have included my learnings and findings from the internship.

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## Introduction

Avery Dennison has been flourishing as a global pioneer by providing labeling and packaging materials and promoting solutions for the retail and clothing industry for a substantial time. The organization has business action in 75 countries all over the world and continues developing its impression in order to create markets. In Bangladesh Paxar is working as a subsidiary of Avery Dennison Corporation under the name of Paxar Bangladesh Limited. It has unswervingly turned out on being one of the major manufacturers of this particular industry in South East Asia. Avery Dennison Corporation acquired Paxar Corporation in 2007, which is one of the finest MNCs of USA and working in more 50 nations around the world.

Avery Dennison Corporation is a FORTUNE 500 Company with sales of \$6.3 billion from its running tasks in 2014. It was started up in 1935 by Mr. Beam Stanton Avery. Avery Dennison is prominent for its labeling and branding materials and preparations everywhere throughout the world. The head-office of the corporation is located in Glendale, California. After the acquisition of Paxar in 2007, now Avery Dennison has more than 30,000 employees in more than 50 countries around the world. Avery Dennison Corporation creates, makes and develops pressure sensitive labeling materials, packaging materials, display graphics, retail graphic, embellishments, an assortment of tickets, labels, marks, radio frequency identification (RFID)

Avery Dennison Bangladesh is working with their buyers by including an enticement for them, building customer's brand image, constructing client's brands, ascertaining new ideas, creating new items, dealing with their information and dispersing their merchandise throughout supply chain. They design and manufacture tickets, tags and labels and provide the technology, including the printers and software controlling systems. Their pressure-sensitive adhesive labels, tags and

packaging materials enrich shelf-appeal of readymade garments, beauty products, food items, beverages and health products; at the same time provides consumers with important information. The major clients of Avery Dennison Bangladesh are the world's major RBOs (Retailers & Brand Owners), branded clothing companies and manufacturing markets.

### **History of Foundation:**

The Corporation has a long and prosperous history of growth. The story of Paxar began with the inauguration of Meyer Tag and Label Company by two brothers Louie and Jack Meyer in New York City in 1918, the company started some of its activities back in late 1800 A.D. Mr. Leon Hershaft the founding father of Paxar Corporation, was a young migrant from Europe who worked at Meyer Tag and Label as a pressman. When the company grew gradually and became a reputed company, then Mr. Hershaft was appointed as a general manager. In 1940, his brother also joined the company. Later in 1940's, when Meyer brothers divided, Mr. Leon Hershaft and Fred Hershaft purchased the company from Jack Meyer. In 1951 they moved their main factory from Brooklyn, NY to Sayre to avoid labor difficulties in the City. The Hershaft brothers asked other members to be a part of the company.

Mr. Arthur Hershaft the oldest son of Mr. Leon Hershaft served as Paxar's Chairman of the Board from 1986 to 2006. Paxar became a public limited company in 1969 and changed its name as Packaging Systems Corporation. The production process developed rapidly in later years. Paxar presented its first patented printing system called "FASCO" in 1971. The new printing system coated fabrics and colorfast inks that chemically cross-linked with the fabric. With this new technology a label producer could harvest 5 million labels within a day on offset paper. The company soon became the leading printed fabric label producer in United States.

## Intercontinental Extension and Development:

In 1987 Paxar started the epoch of acquisitions with a major change in their business strategies, in order to grow the company's tag and label business. They sold their carded visual packaging division all their resources were re-allocated. The new innovative strategy helped the company to start their first European invasion in England, Germany and Italy. The organization kept acquiring new businesses for the next 17 years and also established their other branches in the Middle Latin America, North America, Europe, Asia, and Africa. Paxar introduced new invention and designed new product. They also introduced bar code products, soft apparel labeling, heat transfers, woven labels, graphic tags, and other items. They acquired a big corporation in Hong Kong and two woven label company in New York and North Carolina which made them to be the foremost woven label producer not only in America but also in Far East.

Paxar became the biggest printed fabric label company in the world during 1988 and formed PAXAR after purchasing Crosspatch of Lenoir Inc., North Carolina (its largest competitor in the printed label business). Paxar acquired the National Tag Co. of Vandalia, Ohio in 1991. In the meantime, Paxar utilized all the opportunities of NAFTA. Increasingly it expanded its businesses and made achievement in European countries and became MNC through setting up Paxar Benelux, Paxar Turkey, Paxar France, Paxar Poland, a sales office in Athens & Greece. Also, they procured a coated fabric company in Italy from early 1994 till late 1998. In these following years Paxar also acquired and formed companies in Columbia, Mexico, Brazil, Honduras, Canada and Dominican Republic. Between all the South East Asian Countries Bangladesh is greatly emerging country in global economy and it has become a proud beneficiary of Paxar Bangladesh.

## **History of Avery Dennison Corporation:**

The story of Avery Dennison began in 1935 with a loan of only \$100, a few spare parts and with one optimistic idea. Mr. Ray Stanton Avery the founding father of Avery Dennison who was a struggling administrator in Los-Angeles. He became the pioneer of the labeling industry by inventing a more helpful way for shops and stores to price their products. With the help of some simple ingredients Mr. Avery created and patented the first self-adhesive, die-cut labeling machine. Avery International merged with Dennison Manufacturing and became Avery Dennison in 1990.

## **Extension, Acquisition, Development & Becoming the Fortune 500 Company**

New industrial uses for self-adhesive labels increased significantly at the time of World War II in 1945 and triggered the Company's quick growth. Avery Adhesive established its first license holder in England and created a new customer base in abroad. In Painesville, Ohio the Company also created a new self-adhesive base materials business and raised the first base materials plant. The inaugural of new manufacturing facilities introduced new technologically superior adhesives. Avery Adhesives gained sales of \$5 million at the end of its second decade.

Avery Dennison started its first overseas subsidiary in the Netherlands in 1955. Avery Adhesives become a public limited company and distributed its first cash share in 1964 and sold 250,000 shares of common stock. Their sales stretched to \$40 million with 15 plants existing in the United States and overseas at the end of third decade. Products of Avery was broadly acknowledged because of their continues growth with and annual sales of around \$300 and its existence on the Fortune 500 company list of largest industrial corporations of USA .

### “Avery” merging with “Dennison” (1990)

During 1990 the Corporation took a big strategic decision and merged with Dennison Company to become Avery Dennison that made the organization stronger and helped in securing global leadership position in labeling and packaging materials, office products, adhesives and label converting technology. Avery Dennison moved their head quarter to a new location at that time in Pasadena, California, while their sales move toward \$1 billion.

### Global Leadership:

In 1995 Avery Dennison achieved the global leadership by quickly increasing consumer markets in developing economies like Asia Pacific, Latin America and Europe. Embracing new expertise and equipment augmented its chances to a prodigious point. In the year 2002, Avery Dennison did acquisition of L&E Packaging, RVL Packaging and Jackshaft GmbH.

Avery Dennison earned a sale of \$6.3 billion and considered as 382 number companies on the 2007 Fortune 500 list of the largest USA establishments. United with Paxar Corporation, Avery Dennison employs around 30,000 plus people all over the world. Now they are producing and distributing labeling and packaging materials in over 50 countries. Within 75 years, it has developed from one upbeat idea to a global corporation which has created new benchmark for excellence and revolution in materials science.

## Significant Dates at a glance-

**1844:** Aaron Dennison and his father, Andrew Dennison, started producing paper jewelry boxes in Brunswick, Maine.

**1863:** The business became a partnership business, Dennison and Company, between Eliphalet Whorf (E. W.) Dennison, younger brother of Aaron, and three nonfamily members; as an addition with jewelry boxes, the company started making jewelry tags, display cards, and shipping tags at a factory in Boston.

**1878:** Company was merged as Dennison Manufacturing Company.

**1898:** Dennison's business operations were integrated in Framingham, Massachusetts.

**1917:** Henry Sturgis Dennison, grandson of E.W. Dennison, became company president.

**1935:** R. Stanton Avery formed Los Angeles based Kum-Kleen Adhesive Products Co. in order to manufacture self-adhesive labels.

**1938:** Kum-Kleen was renamed as Avery Adhesives.

**1941:** Avery started supplying labels to Dennison Company, then they use to sell under the brand called PRES-a-ply.

**1946:** Avery Adhesives merged with the Avery Adhesive Label Corporation.

**1952:** Henry S. Dennison died which ended more than 100 years of Dennison family leadership at Dennison Manufacturing.

**1954:** Avery created a division called Avery Paper Company which was named as Fasson later that was specialized in creating and selling self-adhesive base materials and every so often competing with other label makers.

**1961:** Avery becomes public limited company.

**1964:** Avery Adhesive was renamed as Avery Products Corporation.

**1990:** Avery International and Dennison Manufacturing merged and formed Avery Dennison Corporation.

**1999:** European office products joint venture was created with Zweckform Büro-Produkte G.m.b.H.

**2002:** Jackstädt GmbH was acquired. They were privately held producer company of self-adhesive materials based in Germany.

**2004:** Radio Frequency Identification (RFID) label was created for the first time.

**2009:** Avery Dennison Retail Branding and Information Solutions was formed, transposing as the Corporation's second large business unit.

**2016:** With Platinum Equity Avery Dennison completed acquisition of European business of Mactac

**2017:** Avery Dennison acquired Finesse Medical, which was an Irish-based company. That brought new product manufacturing abilities in high-value healthcare resources business. Avery Dennison completed the acquisition of Yongle Tape Company Limited. Which was a manufacturer of specialty tapes and related products.

### **Acquisition of PAXAR Corporation in Bangladesh (2007)**

In the Annual Meeting of Paxar's investors on 14<sup>th</sup> June, 2007 Avery Dennison Corporation finished its acquisition of Paxar Corporation by exchanging the endorsement. The President and CEO of Avery Dennison, Dean Scarborough mentioned "This acquisition will reinforce a dynamic and vital structure of our business". On 22<sup>nd</sup> March, 2007 Avery Dennison declared an exemplary agreement to acquire Paxar for \$30.50 per share through a cash transaction valued around \$1.34 billion. The procuring of Paxar has been funded through the viable paper.

The Corporation is dedicated in keeping up a compacted investment grade and to reinstate its monetary ratio magnitudes to marked levels. The acquisition of Paxar was a terrestrial checking endeavor, since; it extended the proximity of Avery Dennison Corporation worldwide in the developing trade and brand distinctive market.

Currently, Avery Dennison is distributing finest items and management for the clients and giving the direction within reasonable time. This acquirement also enabled them to catch the new sections of the markets including vendors serving local customers in evolving markets such as China and India. Avery Dennison's Retail Information Services (RIS) business was anticipated to epitomize about 24 percent of Avery Dennison's revenues with the acquisition of Paxar, which was around 12 percent plus of the amount before the amalgamation.

Paxar Bangladesh Ltd is the newest ground of Paxar family. The industrial plant of the organization is located in Dhaka Export Processing Zone (BEPZ, Savar Factory) and the corporate office is located in 3/F Uday Tower, 57 Gulshan Avenue, Dhaka 1212. Overall there are roughly 1500 agents and 500 employers in this organization.



## Avery Dennison Bangladesh at a glimpse

<b>Beginning of the venture</b>	<b>Oct 10, 2002</b>
<b>Date of marketable production</b>	<b>March, 2003</b>
<b>Factory</b>	<b>Paxar Bangladesh Ltd. Plot #167-169 Dhaka Epz Extension Area (DEPZ) Savar, Dhaka</b>
<b>Main/City office</b>	<b>57, Gulshan Avenue (south) Uday Tower, 3rd floor, Gulshan-1, Dhaka</b>
<b>Number of employees</b>	<b>250+</b>
<b>Expatriate</b>	<b>13 persons</b>
<b>Officers, Executives &amp; others</b>	<b>70+ persons</b>
<b>Workers</b>	<b>1500+</b>



### Vision of the Company:

The businesses of Avery Dennison are incorporated by the shared vision of making brands more inspiring and the world more intelligent. Throughout the world, they focus on making products more engaging, brands more compelling, inventories more creative, information more valuable and our surroundings more understandable. Avery Dennison profoundly put emphasis on making more lucrative brand, expanding brand esteem, making items more attractive, more productive inventories and eye catching tags. From apparel branding to food and beverage packaging, building graphics and traffic safety signs Avery Dennison play a powerful part in the human life all over the world. Avery Dennison Bangladesh is working to be recognized as the fastest growing organization and to be most profitable unit in Avery Dennison worldwide by generating outstanding revenues in the upcoming years. Avery Dennison Bangladesh will set their high standard by providing excellent product quality, ensuring business ethics, complying the rules &

regulations imposed by Bangladesh Export Processing Zone Authority (BEPZA) and also by ensuring better working environment in Bangladesh.

### Missions of the company:

- ❖ **Best Quality of Products and Services:** The product labels portfolio of Avery Dennison offers an enormous variety of well-designed options, from eye-catching finishing, including embroidery, to holograms. Avery Dennison delivers good quality merchandises within the shortest prime time. The state-of-the-art of Avery Dennison on labeling & packaging technology conveys the fancy of consumers to look at the brands with fresh eyes, and unite form, purpose and meaning.
  
- ❖ **Further Business Growth:** Avery Dennison is constantly working towards accomplishing additional development of the industry and it significantly weights on its organizational goals. They believe in sharing and discussing customer perceptions and emerging trends in order to generate individual care label amplifications that can achieve right product variation.
  
- ❖ **Customer Satisfaction:** Avery Dennison continuously maintains a decent relationship with their clients. Large RBOs and other clients are correspondingly significant to them and they are also dealing thoroughly with third parties and brand owners. Their consumers are loyal and always consider Avery Dennison first every time they need to order.
  
- ❖ **Working Station for Employees:** The organization is dedicated to confirm the best kind of working place atmosphere for their employees. The recompenses and benefits that are given to the employees are exceptional than other organization.

- ❖ **Stakeholders:** Avery Dennison gives significant amount of priority to their stakeholders. They deliver the uppermost possible return to their stakeholders and the payment amount against dividend always shows a worthwhile figure.

### **Core Values of Avery Dennison:**

- ❖ **Integrity:** It's never wrong to do right by a customer or employee. They put integrity, standing behind their products, and the welfare of the employees ahead of all other issues. they are driven by doing the right thing always.
- ❖ **Courage:** They claim to be brave in the face of adversity and the unknown. Believes in thinking big and setting ambitious goals. Always stands and speak up for what is right, takes risk and recognize the opportunity in failure.
- ❖ **Teamwork:** Avery Dennison has become a business spearhead by promoting teamwork. They say they are better while working together as a team and put others ahead of themselves. The safety of a teams is priority before anything. They believe in collaborating to influence combined strength and developing the team members.
- ❖ **Innovation:** Stan Avery assembled the first self-adhesive label-making machine in a 100-square-foot loft above a nursery in Los Angeles. This invention and his invention of the first die-cutting method, in-line machinery and rotary dye was the pioneer of a new industry. The motto of this organization is using imagination and intellect to create new possibilities. They challenge the status quo and use failure to improve and learn. Also look for ways to disrupt themselves.

- ❖ **Excellence:** From the last 23 years, Avery Dennison's Leadership Excellence employee awards program has documented more than 550 employees for standard contentment of the Company's strategic priorities of growth, productivity, people, values and ethics. They expect the best from themselves and deliver their commitments. Continuous improvement is their commitment.
- ❖ **Sustainability:** Avery Dennison is more focused on the long-term health of their business, sphere and people. They continually reduce the environmental impact of their business and work to improve humanities. Their employee community teams in offices around the world detect and implement opportunities on a local level.
- ❖ **Diversity:** The organization increases strength from their diverse ideas and teams. They encourage different viewpoints and debate. As well as wishes to creates a broad and respectful environment for people of all backgrounds and locations.
- ❖ **External Focus:** Avery Dennison is motivated by their customer's success and they are tremendously external focused organization. They believe in getting out to get better and explores the external environment to expand perspective and thinking.

## Summary Of the report:

### Objectives of the Report:

The main objective of this report goals toward developing an appropriate report on the Performance management process review in supply chain department of Avery Dennison (AD). Also to fulfill my academic requirement of completion my BBA Degree. As I have worked in export team of Avery Dennison (AD) which is one of the section of supply chain Department hence, have recognized the original objectives of this report are as follow –

- Recognizing current state of garments label manufacturing company market in Bangladesh
- Achieving a better view of the practical scenario of supply chain practices in an industry.
- How to bring success within business in a shortest possible time.
- Knowing how the external and internal factors affect the operation of a company closely.
- Find out how to satisfy existing customer and attract new customer for the company.
- To gain a genuine idea of how the system works in the company.
  
- Get to know about the company's sourcing, supplier selection, storing, and relationship perspective.
- To achieve a clear idea on performance appraisal process in the supply chain department.
- Fulfilling the essential requirement of completing my BBA program.
- To identify the effectiveness of performance management of the selected company.

### Methodology:

The main topic of this report is the supply chain departments performance managements process. While preparing the report I tried to focus and emphasize on the original facts and my observation

during my working period in the supply chain departments Export team. I have seen how my coworkers perform different roles on their job. The information included in this report has been collected from primary and secondary sources.

### **Primary sources**

- Direct interviewing the Sectional manager, HR officer and Coworkers
- Personal observation while working in the organization
- Regular conversation with employees from different departments as well.

### **Secondary sources**

Some data like history of the corporation, products, publicly shared information's that are universal are collected from secondary sources as it is a descriptive study and includes different types of information. Therefore, it was not possible to find out everything from the primary sources. The secondary sources were-

- Internet
- Published documents
- Company website

### **Limitation:**

While preparing this report there were limitations. The limitations are as follows:

- The employees were not willing to share information because of strict confidentiality rules.
- The HR person were suggesting to rely on the internet sources more than giving necessary information.
- All the existing information were not updated and there was conflict of information as well.

- There was not enough information and no study done on the similar topic before.
- As an intern I did not have much professional knowledge about the HR works.
- Most importantly I was assigned to work with the export team and they were not very much related with the HRM work process.

### Existing products in the Market:

Avery Dennison offers an extensive range of products and services. Avery Dennison has many activities like designing, manufacturing and distributing a wide variety of tags and labels, bar-coded labels, RFID tags, tickets etc. They are at the vanguard of helping customers utilizes RFID technology. Avery Dennison has essential proficiencies that range from graphic design to coating, weaving, and design of mechanical and electronic printers, systems integration and creation of software. Avery Dennison manufactures five types of label for Garments industry which are-

- **Woven:**

Avery Dennison Bangladesh Ltd manufactures woven label. Their woven department produces woven labels. The raw material required to produce woven level is called yarns. They use Yarn to weave as Warp ends (horizontal yarn) and Weft ends (vertical yarn). The patch which we usually see behind the Jeans pant, jackets, pullovers, shirts etc. are called woven. There are three types of woven label:

1. Satin Label
2. Damask Label
3. Taffeta Label





❖ Flexo:

Avery Dennison receives orders of vast amounts of Stickers & Tags on a daily basis from different parts of the world. In the Flexo section of the company stickers and T/T tickets are being manufactured on a bulk scale. A board paper or broad 250mm sticker paper is used to print stickers and tickets on Flexo machine. There are 5 types of item being produced are:

1. Blank Transit Label (TRL)
2. Blank Unit Price Label (UPC Blank)
3. Hanging Promotional Labels (HPL)
4. Hanger Label
5. Hook Label



❖ **Litho:**

Avery Dennison Bangladesh makes millions of Tickets and Tags in the Litho printing section. This process is called offset printing. Different types of offset papers are used for printing various types of Tickets and Tags.

1. Tickets
2. Price Tickets
3. Tags
4. Promotional Tickets
5. Swing Tickets
6. Inside Card
7. Book Label



❖ **Thermal:**

Avery Dennison Bangladesh used their thermal printing technology only for semi-finished goods. With the use of thermal technology, bar code is printed in the colored part of a label through flexography. The ways these bar codes are being printed are called thermal technology. By using Thermal Technology Avery Dennison produces the following 4 items:

1. Unique Price Labels (UPC)
2. Tags
3. Transit Labels (TRL)
4. Box End Labels (BEL)



❖ **RFID:**

Avery Dennison produces Radio frequency identification (RFID) tags, which has brought incredible opportunities for manufacturers, retailers and suppliers to improve the track records of their inventory and to enable proper customer service. RFID technology uses microchips to

wirelessly transmit product serial numbers to a scanner without the need of human involvement. Avery Dennison Bangladesh (Avery Dennison) is a global leader in RFID. These track-and-trace technologies ensures the track record for the movement of inventory, ensures proper management of goods throughout the stages of entire supply chains and also prevent any losses of goods items.



❖ **Rotary:**

By using Rotary Printing System, Fabric Labels are printed. The main technologies which are used in Rotary manufacturing are mainly Hot Stamp technology & Wet ink technology. Different types of label are being printed using Rotary technologies which include:

1. Care Label
2. Main Label
3. Fabric Label



### PESTEL Analysis of Avery Dennison Bangladesh:

PESTEL stands for political, economic, social, technological, environmental and legal. PESTEL analysis is basically a tool used to analyze the external marketing environment which is called the macro environment. In this analysis the external factors that affects a business positively or

negatively are discussed. The result of PESTEL analysis helps to identify the SWOT of a business. The PESTLE analysis of Avery Dennison is discussed below-

1. **Political:** Political environment basically indicates the political situation of a country. It affects a business in many ways. In Bangladesh the current political situation is stable but there is corruption in many levels. The politicians try to control the business environment. In Bangladesh the wage rate is lower than the host country's wage rate. Though MNCs like Avery Dennison has the ability to deal with this political environment. Therefore the situation is in favor of the business.
2. **Economic:** Economic Factors points at the current economic situation of a country like GDP growth, interest, inflation rate, foreign currency rate etc. In Bangladesh the economic condition is not very stable at this moment. Though there is no inflation or economical fall right now and the GDP has increased but still the economist's forecasts are saying a negative scenario. The country has many debts in its pocket right now and the economic condition might get bad at upcoming days. So, this is not a very good economic environment for new investment.
3. **Social:** The social factors indicate the culture, values, norms, ethics, beliefs, religion of a society that the business exist in. Even though Bangladesh is a Muslim country but it has religious balance. The products AD is offering does not go against the social values of this country. Therefore the social environment is suitable for Avery Dennison's business.



4. **Technological:** Technological factors points at the technological advancement of a country and how adoptable the country is in case of new innovation and technology. Bangladesh is pretty good at this point. There is lot of industries that is entirely depended on technology. This country always welcomes new invention and digital stuff. As AD is a branding and IT solution company they have many possibilities and scope of investing in this country.
5. **Environmental:** The environmental factors include the weather, climate change, frequency of natural disaster of a place the business operates in. Bangladesh has got a suitable climate and weather for a packaging and branding solution industry like Avery Dennison.
6. **Legal:** Bangladesh does not have many legal barriers against the business that Avery Dennison does. The laws and regulation here are suitable for Avery Dennison as they are offering products that are legal and does not do much environmental damage.

## SWOT Analysis of Avery Dennison:

SWOT analysis is basically a framework to identify the internal and external factors of a business that has positive and negative impact. SWOT analysis shows the strength, weakness, opportunity and threat of a business. The SWOT analysis of Avery Dennison are as follows-

### **Strengths:**

- Avery Dennison has operations in more than 75 countries and 200 plus production facilities with more than forty-five thousand employees all over the world.
- A fortune Five hundred company with strong credibility through the globe
- They have a positive revenue status
- Has got a strong brand image and quality products offering.
- Has the ability to produce bulk amount product.

### **Weakness:**

- Avery Dennison provides high quality products therefore their product price is higher than the competitors price.
- Work load is more than other organization so the work life balance is weak there. Which is demotivating for the employees.

### **Opportunity:**

- The garments industry is expanding in many countries like Indonesia, China, Sri Lanka, India because of cheap labor cost.
- Acquisition of Paxar Corporation and merging with 3M has given them new customer base and segmentation.

### **Threats:**



- Increasing the cost of labor in many countries and labor strikes and garments shutting down has become very common.
- Competitors are bringing same category products at lower price because of technological advancement.
- Governments rule regulation on other related industries like garments, raw material can be a risk for Avery Dennison.

### 3D SWOT Analysis PowerPoint Template



### Porter's Five forces of Avery Dennison:

Porter's five forces analysis is the tool of analyzing the completeness and attractiveness of a business. There are five factors to look at in this tool they are mentioned below:

1. **Threat of new entrants:** The threat of new entrants for Avery Dennison is low in Bangladesh. As the initial investment is high in amount so it's not easy to start this business for anyone out of the blue. Also, it takes strong expertise to do this business.
2. **Threat of substitute product:** For Avery Dennison the threat of substitute product is moderate, because they offer some product that are exclusive and not easy to replace like RFID tags, pressure sensitive adhesive, anti-theft micro cheap and IT solutions. On the other hand, the price tags, woven labels and packaging solution are replaceable by other substitute products.
3. **Rivalry among the existing firms:** The rivalry among the existing firm is moderate in here for Avery Dennison. As there are not many market players in this industry and they don't produce all type of products like Avery Dennison does. But the existing firms are offering some of the products in cheaper price than Avery.
4. **Bargaining power of supplier:** The bargaining power of supplier is low here because there are multiple supplier in the market and the switching cost is not very high. Another thing is there are different type raw material required like yarn, fabric, papers, wool, microchips so its not possible for one individual supplier to copy their product.

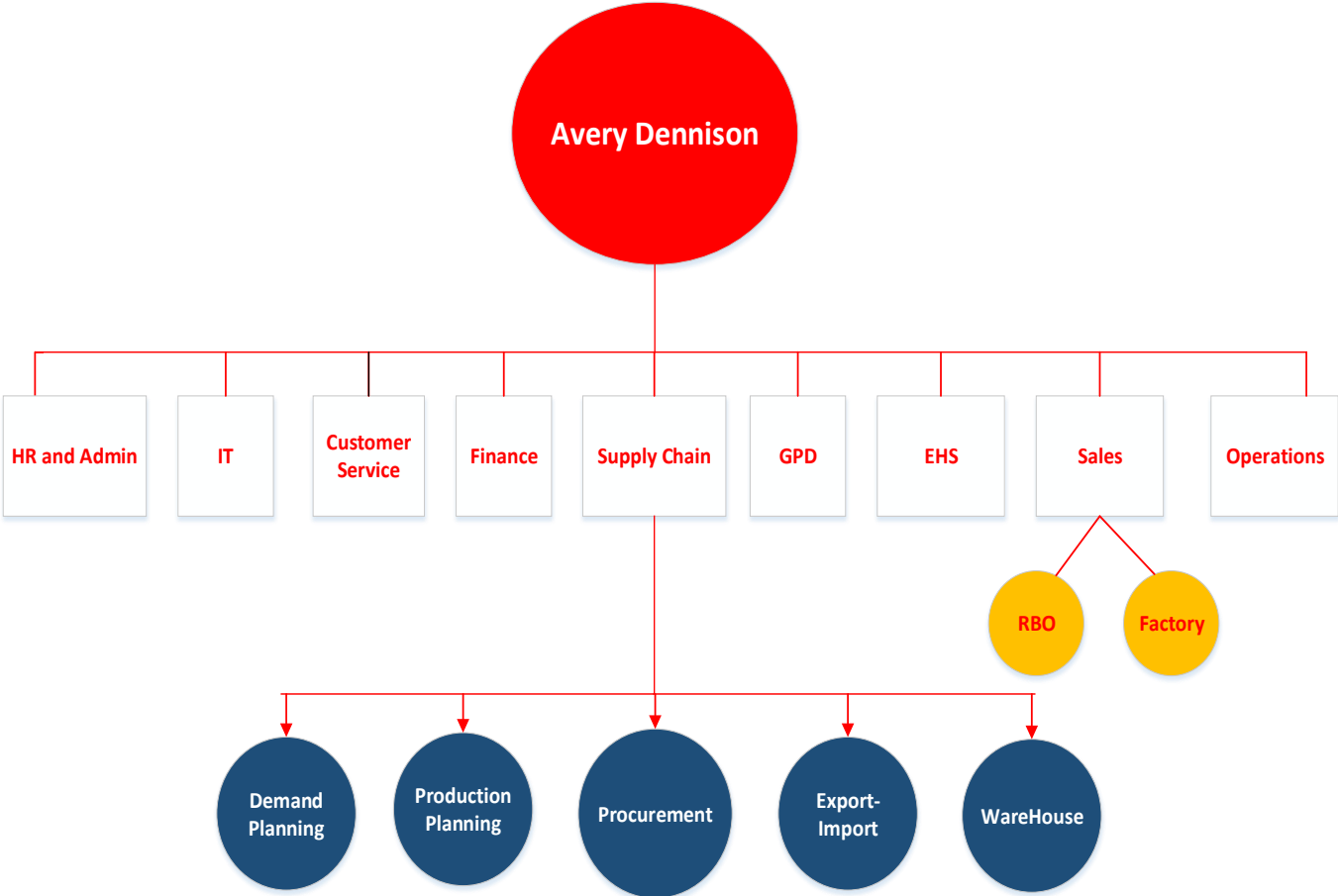


5. **Bargaining power of buyers:** For Avery Dennison the bargaining power of buyers is moderate because they are not the only market player in this market. There are other competitors exist in the market and they can supply few products in lower price. The switching cost is not very high. On the other hand, Avery Dennison offers some exclusive products that are not regular in the market which make them different from others. That's where is balances it out.

### Summary of the Departments:

Avery Dennison has operations in more than 75 countries and different activities around the world. Though in Bangladesh this company fundamentally operates on the grounds of RBIS (Retail Branding Information Solution). Different departments here work based on RBIS. There are several divisions among which the activities of Avery Dennison are divided. The organization is basically a flat organization and follows a horizontal hierarchy for the ease of decision making process and minimization of difficulty. Presently the functional departments of Avery Dennison are HR & Administration, Finance, IT, Customer service, Supply chain, GPD, Sales, operations

and EHS. The Sales department has two other sections one is RBO Sales and the other one is Factory Sales (FS). Another significant department of Avery Dennison is their supply chain department. There are Five (5) existing sections in the supply chain department. For a better overview a summarized organogram is given below:



## The Supply chain Department:

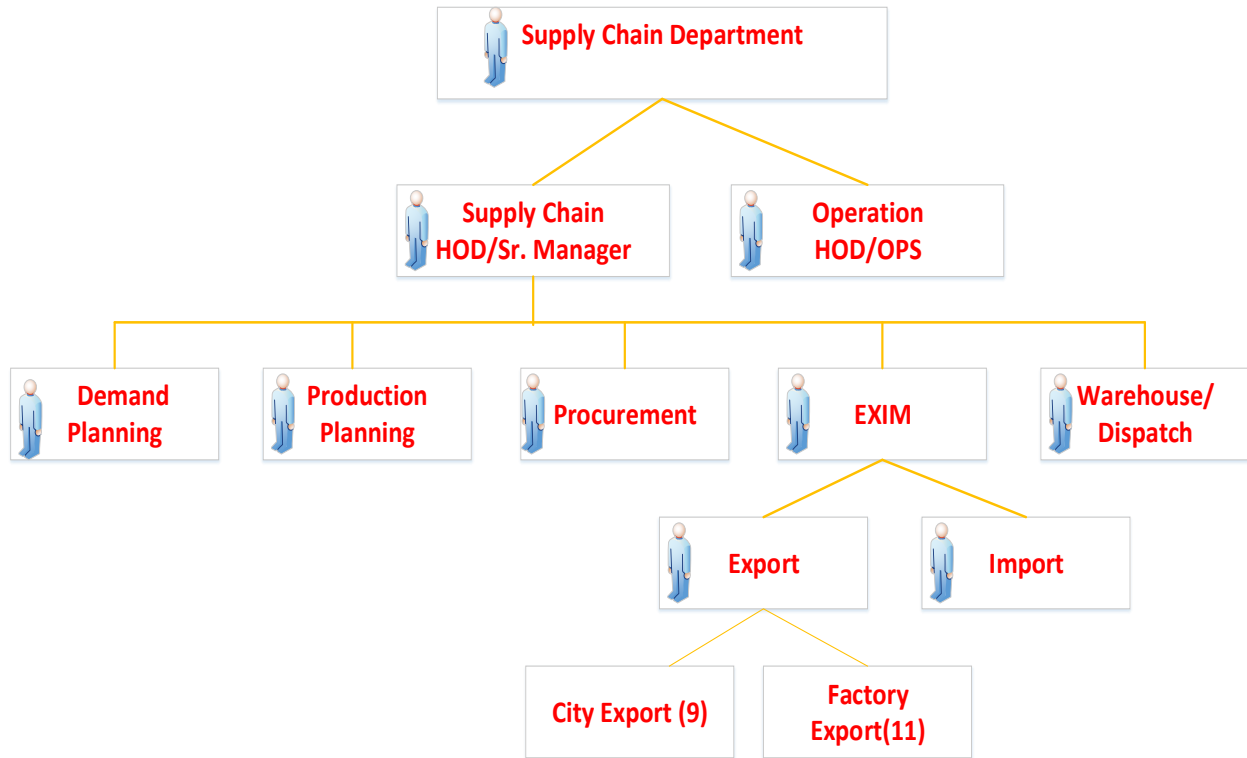
Here in the organogram it has been shown that the Supply chain department of Avery Dennison has 5 sections under it which are demand planning, production planning, procurement, export-import and warehouse. These five section has to perform different works to ensure smooth operation. The functions of these sections are shortly described below:

- ❖ **Demand Planning:** Demand planning is the process of predicting the demand of a product or service so it can be manufactured and distributed more proficiently as the satisfaction of customers. Demand planning is measured as an essential step in supply chain planning. Demand planning section of Avery Dennison is responsible for gather information from the sales and marketing, operations, and finance departments to evaluate how much of the company's products customers are willing to buy at different points in the future. Then they prepare a demand plan to influence supply planning.
- ❖ **Production Planning:** Production planning includes everything from arranging each task in the process to implementation and distribution of products. It also contains deciding the quantity of goods to be produced and supplementary cost involved for the same based on the sales forecast. The Production planning section of Avery Dennison is concerned with implementing the plans such as the comprehensive planning of jobs, transfer the amount of workloads to machines and people, and planning the real flow of work through the system. Production planning receives data related to orders from sales and marketing departments.
- ❖ **Procurement:** Procurement is the method of finding and approving to terms, and obtaining goods, services, or works from sources out of the organization, mostly through a proffering or reasonable bidding process. Procurement usually includes taking buying decisions under

conditions of inadequacy. The Procurement Department of Avery Dennison is responsible for the procurement of all type goods, materials, services, and building in support of the business. Their Procurement Department issues buying orders, develops term and conditions of each contracts, lastly obtains purchases.

- ❖ **Export-Import:** Export import is basically helping to exchange of goods and commodities between local and foreign companies by following certain rules and regulation of both countries. The Export Import team of Avery Dennison does the required documentation work for export and import of goods and services also ensures hassle free smooth transections. The export-import team in Avery Dennison operates from the city office and also works from the factories end. They look after the issues like in time shipment, bank discrepancy, error free documentation, cargo booking, CNF issues etc.
  
- ❖ **Warehouse:** Warehouse is a basically a place used for the storing or gathering the goods. It's an establishment that has the responsibility of the safe custody of goods. Warehouses help the business to continue production through the whole year and sell their products according to customers demand. It supports the business to do advance production and store for future sale. The Warehouse of Avery Dennison located in the DEPZ and looked after by the warehouse team. This team is responsible for keeping account and maintains the goods of warehouse.

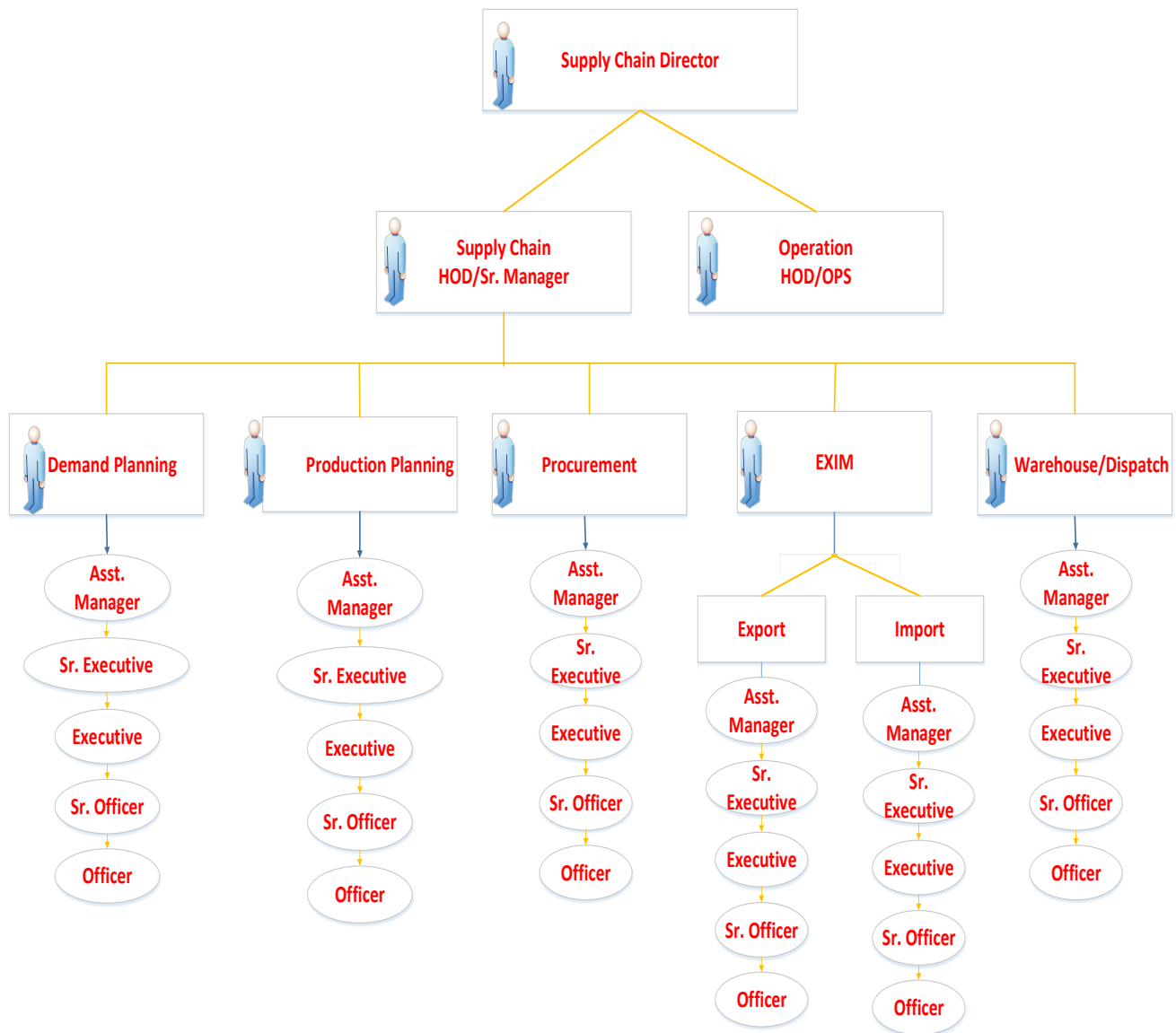
## Organogram of supply chain department:



## Departmental Hierarchy:

Organizational hierarchy is like a pyramid. This is a way to assemble an organization using different levels of ability and chain of command. Among the superior and subordinate levels of employees in the organization superior levels of employees controls the lower levels of the chain. Like every other organizations Avery Dennison also follows organizational hierarchy to run their organization. It has been mentioned before that the supply chain department has two major sections supply chain and operations. The operations basically control the production and related issues and located in the factory office in DEPZ. The other part of supply chain has five sub sections under the wing called Demand Planning, Production Planning, Procurement, Export-Import

(EXIM) and warehouse. The director of supply chain is the top level manager of supply chain. The HOD/Sr. Managers are the second in command and next level managers. They directly report to the director. At the third level of every section have a manager and he/she is the concerned reporting person for all the Asst. Manager, Sr. Executive, Executive, Sr. Officer and Officer under him/her. Only the Export import section has two managers individually to deal with export and import. The Departmental hierarchy is shown in the organogram below:





## Performance management review of the supply chain Department

### **Performance management system:**

Performance management system is the organized method to evaluate the performance of employees. This is a process by which the organization line up their vision, mission, goals and objectives with existing assets such as human resources and set the significances. Performance Management is a procedure which uninterruptedly identifies, evaluates and advances the performance of the staff in the organization. In order to do that each employee's performance and objectives are linked with the mission and goals of the organization.

### **Categories of Performance Appraisal System:**

Performance appraisal not only include supervisors also other factors like peers, employees themselves, managers who adds significant remarks to the employee's performance appraisal process. Not only that, also support them to grow according to the occupational needs. There are few common categories or methods of performance appraisal exists those are mentioned below-

- **General Appraisal:** General appraisal process is enduring communication among the supervisor and the subordinate through the whole year. At the end of a year the managers would find out while the pre-decided goals and achievable objectives were met or not. The managers would also give necessary feedbacks regarding current performance and give them new goals to attain.
- **360-Degree Appraisal:** This is the type of performance appraisal system review where the subordinates, peers and managers anonymously rate an individual employee and provide

feedback regarding their experience with that employee. The manager can review the response and takes measurable feedbacks.

- **Technological Performance Appraisal:** According to this category the technical expertise of an employee is measured. This appraisal method shows that how sound the employee is technologically.
- **Employee self-assessment:** Here the employee measures their performance by themselves and then its equated with the managers assessment result. If it does not match with each other then there is further discussion regarding the differences among the employee and the manager.
- **Manager Performance appraisal:** In this category the manager faces the performance appraisal process. A manager always holds critical and sensitive role in an organization. They need to be able to operate the team and deal with the clients as per their need. Not just that they need to please the customers without disputing the team's morale. In most of the cases the managerial performance appraisal is done with the feedbacks from the top managers, team members and sometime customers as well.

### **Performance Appraisal Methods:**

There are many different ways of doing performance appraisal and they could be divided into two kinds. One is Traditional approach and another one is Modern approach. Each of the approach has got their strength and weaknesses. It varies from organization to organization that which approach and method would be suitable for that particular organization. There is no specific or individual method to follow. Also, many organizations change their ways after several years of using a method. The traditional and modern methods are as follows-

Traditional Methods	Modern Methods
1. Ranking method	1. Management by Objective (MBO)
2. Paired comparison	2. Behaviorally anchored rating scale
3. Grading	3. 360-Degree appraisal
4. Checklist method	4. 540- Degree appraisal
5. Confidentiality method	5. 720- Degree appraisal
6. Graphic Rating Scale Method	7. Global performance system

The performance appraisal methods are not necessarily applied individually in an organization, this is very common in an organization to apply more than one method. It completely depends on the requirement of each business setup. These traditional and modern methods are not entirely flawless they have different weaknesses.

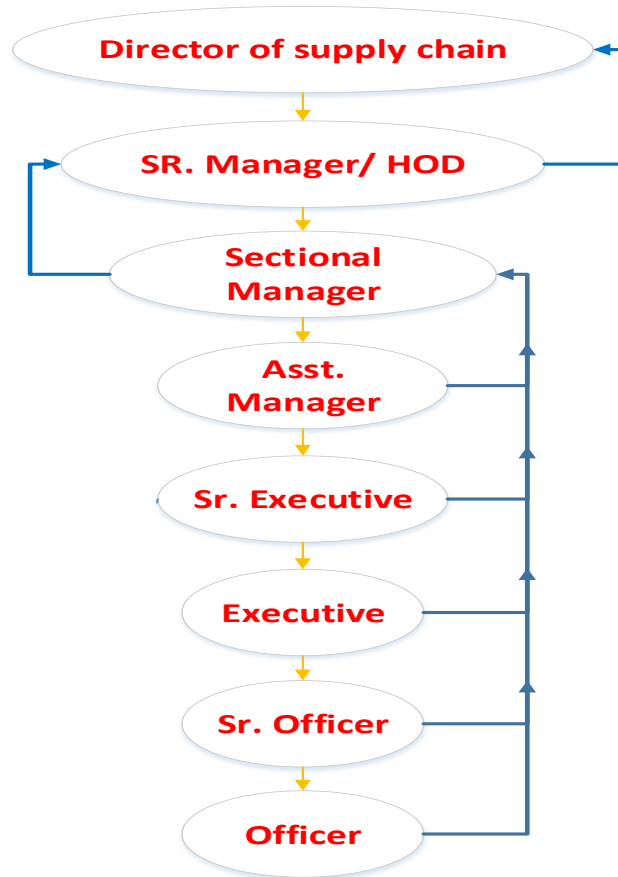
### Performance Appraisal management system of Avery Dennison:

Like every other organization Avery Dennison also have performance management system. In past they use to follow traditional methods to do their performance appraisal. They use to apply Graphic rating scale and confidentiality method for their yearly performance appraisal method. They use to review the performance of the employees quarterly three times in a year. The performance review meeting with the employee was a mandatory meeting for the managers to conduct. They were bound to conduct the meetings 3 times in a year within a fixed timeline, usually a 5-7 days. It was a bit tough for the managers and employees to make time for that meeting session by putting the other important office works aside. They used these methods till 2001. After that they changed their performance appraisal method and adopted Global Performance System (GPS) to evaluate

their employees. This is a modern and upgraded method to evaluate the employees of an organization. The current process of the employee evaluation is done in two layers at the 1<sup>st</sup> layer the evaluation is done by the second level managers and in the second layer the manager reviews with the employee and lastly it becomes activated.

GPS is a very popular method among the Multinational Companies. With this method the performance management system has become more easier, upgraded and hassle free. With this new method also, the managers and employees both has got flexibility, now they can sit for the performance review session at any suitable time. The managers keep regular updated data and inputs at the system. The performance appraisal can be seen by the manager and employees both as every individual employee has their own ID and they can simply login and check their appraisal. It is totally an automated process the whole appraisal process is done and the HR department, employee and manager can see the results. In here the employees can also see their shortcomings and weak points by looking at the comments made by the supervisor, which is supporting them to further development. The organization also does goal setting, and KPI setting with the help of GPS. In Avery Dennison the employees set their KPI initially and the supervisor or manager reviews the KPI and ensure if it fits in the SMART tool (Specific, Measurable, Attainable, Relevant and time oriented) or not. They also make necessary correction if required. The top-level managers do the same in order to evaluate the second level managers. The managers also set Goal and performance plan and distributes that among the team.

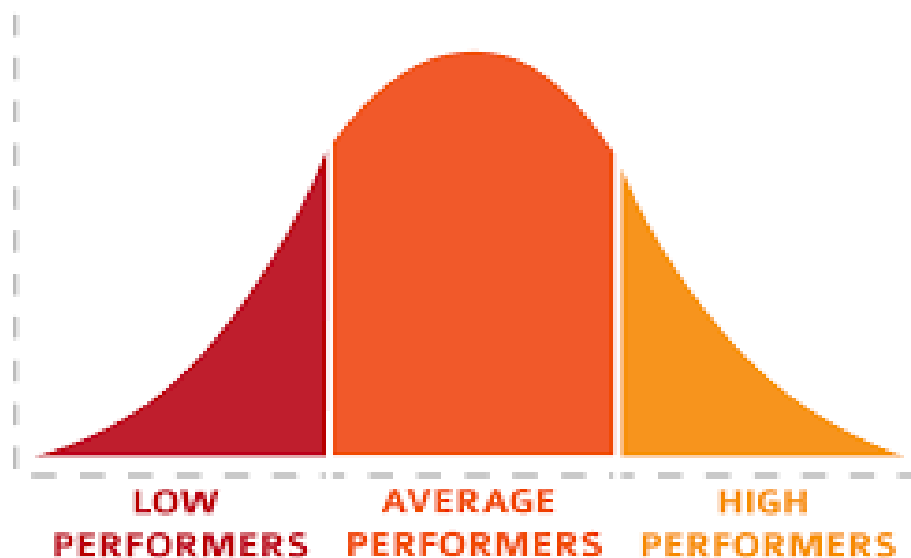
Performance management in supply chain department:



The supply chain department does their performance appraisal according to the rules of the organization. They also follow the GPS system and input their information's in the GPS portal while maintaining the departmental hierarchy. Here in the diagram it has been shown that the Officer to assistant manager reports directly to the sectional Manager. The sectional manager is the responsible person to prepare performance plan and evaluate these employee's performance. There are five different sections in supply chain department. They are Procurement, EXIM, Demand planning, Production planning and warehouse. These five sections have got Five sectional managers who evaluates the persons working under his supervision. The Sr. manager or Head of supply chain is responsible for evaluating and performance planning for these five managers. The

director of supply chain does the evaluation and performance planning for the head of supply chain and the senior manager. He also determines the fiscal goal and budgeting for his department. Before all these managers evaluates their subordinates, they assign them with different goals, objectives, targets to achieve and sets annual KPI (Key performance indicator) in order to figure out their performance and give feedbacks on that. While measuring the performance the managers follows a few things those are-

- **Bell Curve Grading system:** While measuring the employee performance the managers follows bell curve grading system. This is a grading method enforced on the employees by the management where the organization tries to identify the high, medium and low performers. Also tries to find out the deficiency and reason of that, does training need analysis and arranges training if required for the low performing employees.



- **Individual skill or efficiency:** During the performance appraisal the managers also prioritize an employee's individual skill. Individual skill means the ability of a person to

perform something well and being proficient. These are actually gained or advanced through training and real life experiences. Employees that are having high Individual skill and efficiency are mostly the high performers and these skills influences the performance evaluation as well.

- **Technological skill:** Technological skill basically indicates an employee's efficiency in adopting, learning and using ability of new and existing technology. A technologically skilled employee is always have a bit more efficiency than others. This is more often noticed by a supervisor while evaluating an employee.
- **Different Perimeters:** While evaluating the subordinates the managers always marks on a few perimeters. According to a manger of Avery Dennison there are four major perimeters the manager's takes in count are employee's performance, goal achieving ability, behavior and punctuality.
- **Training need identifying:** The mangers not only does the performance evaluation and finds out the high, average and low performer they also find the ways to develop the average and low performing employees performance. They try to pin point the problem and also identifies if the employee would perform better in an area with a proper training.

# How to identify training needs



- **Relevant comments:** The managers of the supply chain department emphasizes on making relevant comment about the employee’s actual performance and also notices the significant comments from a peer of that individual employee. They belief this way they can actually help to develop and encourage an average and a high performer accordingly.
- **SMART Tools:** When the managers does the performance evaluation they always follow the SMART method and judge that the KPI, objective and Goals they are giving the employees which will be the indicators of their performance in a year , are they really specific, measurable, acceptable or attainable, realistic and time bound or not.



## Global Performance system Vs. Traditional System:



**GPS:** Global performance system is basically a software and a modern method of doing performance appraisal, it's more like a powerhouse which has an Artificial intelligence that runs with sophisticated algorithms and gives transparent results that human cannot provide. This software gathers critical information quickly, forecasts and also suggests helpful solutions without causing any trouble in running business. This software has become very popular among the MNCs and many successful businesses because of its capability and transparency at the time of giving appropriate evaluation. Avery Dennison started using it in their business since 2001 and it made their performance management process far easier than before.

#### **Pros of GPS:**

- **Right tool:** This is 2020 the era of technology, with this continues development in the business environment has become more challenging than it was before. To run business in this environment an organization always follows challenges. It is important for an organization like Avery Dennison to keep upgrading themselves and use technology as much as possible. Using technology helps to gain transparency in the business and to cope up with this challenging environment. GPS is the right tool here.
- **Perfect guide:** Global performance system is a perfect guide for making right business decision at right time. As mentioned before that GPS provide transparent data and helps to face challenges in decision making. It's a fast performance appraisal process and shows various data in one place.
- **Complex to simple:** this process of performance appraisal made the complex process into a simple one. Traditional processes of performance appraisal is pretty complicated and time

consuming. On the other hand this process is less time consuming and transparent from all end. Managers can't be too biased and the employee and to managers also gets too see his/her appraisal. Which is better for both supervisor and subordinates.

- **Frequent update:** This GPS method ensures that the company performance is updated and constantly aligned with the organizations objectives and vision. The software get updated regularly as it is an artificial intelligence software with that there is always something new addition in the software pattern. Therefore it's always updated as per the need of its end user.



## Cons of GPS:

Everything has pros as well as cons. The cons of GPS are –

- **Expensive:** GPS is a very helpful software system and it has many perks as well as cons too. One of the major thing about the GPS is its very costly and not affordable for many organization. Only the large companies has the ability to afford it.
- **Requires expertise to use:** The end user needs training to use this software smoothly. Without proper knowledge and guidance it's not possible for an end user to use it.

## Traditional method:

Avery Dennison use to do their performance appraisal by using confidentiality and graphic scale method before they started using Global performance system software. Graphic scale and confidentiality methods are old methods of performance management, these are called traditional methods. Traditional methods are not usually very effective in this era of technology then again it's still effective in some fields too. In graphic rating scale method personalities or behaviors which are vital for effective performance are listed and employees are appraised according to these traits. The final score assists the manager to measure the performances of the employee. Confidentiality method is that where the manager does the evaluation and does not give any feedback to the employee only the authorized person gets to see the appraisal. The employee cannot see the performance appraisal only gets the final result.

## Pros of traditional method:

- Only the strength and weaknesses are highlighted with the confidentiality method.
- It's easy to check the result of graphic rating scale.
- Evaluation sores doesn't go too down.

- Useable in different fields and easier to response.
- These methods are not too expensive, all type of organization can afford it.

### **Cons of traditional methods:**

- The managers can be biased to some employees.
- Employees don't get to see the result so they don't know what traits they need to improve.
- Answers are mostly not correct.
- The perimeters are less visible and unclear.
- Preparing the performance appraisal form is time consuming and critical.
- Don't focus on the other major things like objective, goals and result could be manipulated.
- There is Lack of transparency and less credible at some places.

### **Findings and learnings:**

- During the internship in supply chain department I had the opportunity to work as a part of Export team, because of that I have learned the export process.
- Got to know the processing of LC and sales contract Documentation.
- Learned about their performance management system.
- While working there I have noticed that they have extreme work load.
- Not enough Manpower in documentation department.
- Employees have less work life balance, which causes demotivation.
- There is lack or amusements in workplace, employees get paid well but gets bored because of the lack of amusement.

### **Recommendation:**

Avery Dennison is an MNC, they provide good facilities to their employees also they are well paid. But they don't have work life balance in the organization. From my point of view there should be a balanced distribution of work and recruiting as per need can reduce this problem. Another thing I have noticed that they don't have amusement facilities at work. Working for long hours and not having any way of entertainment makes the work place very monotonous. They can arrange entertainment facilities to motivate employees. Taking the employees for outdoor picnic or get together can also help in this situation.

### **Conclusion:**

Avery Dennison is one of the prominent and successful multinational company in our country, it has earned this position at within a very short time. They are the prominent labeling and packaging industry of our country that has been serving millions of consumers successfully all over the world. The working environment is very clean and employees are very friendly to work with. The power distance is very low in the organization. Their performance appraisal process is very transparent and biasness free. Organizations now a days don't have clear HR practices in the but the HR department is Avery Dennison is following proper HR practices which is really appreciable and not only their HR department but also the managers are well aware of their role.

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