

Supply Chain Management of Metro Battery Industries Limited

By

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Internship Report submitted to the Department of MBA in partial fulfillment of the requirements for the degree of Master of Business Administration (MBA)

MBA
Brac University
Summer | 2013

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Declaration

It is hereby declared that

1. This Internship report submitted is my own original work while completing my MBA degree at Brac University.
2. Internship 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. Internship 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 have acknowledged all main sources of help.

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Approval

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of Summer , 2013 has been accepted as satisfactory in partial fulfillment of the requirement for the degree of MBA.

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Executive Summary

Today marketplace with an competitive scenario provides Supply chain management as an unbelievable competitive gain for a trade. Companies plan, schedule, and control that stream of objects to help the agency remain competitive and manipulate costs. They construct the bridges between suppliers, companies, and consumers. Metro Battery Industries Limited being the dominating Battery producer in Bangladesh has been contributing to the economy by offering fine consumer product in a comparatively sensible price. In this report I focused on the entire supply chain management process of my assigned company which is Metro Battery Industries Limited. The report reflects the forecast of demand, material planning, capacity planning, analysis of their operation strategy also the tedious operation process, factory layout and supply chain management execution from the production to warehouse from the distribution to ultimate consumer. Metro Battery Industries Limited aims to have a reduction in the inventory and simultaneously increasing stock availability. The reader can get the overview of the total supply chain management process through this report.

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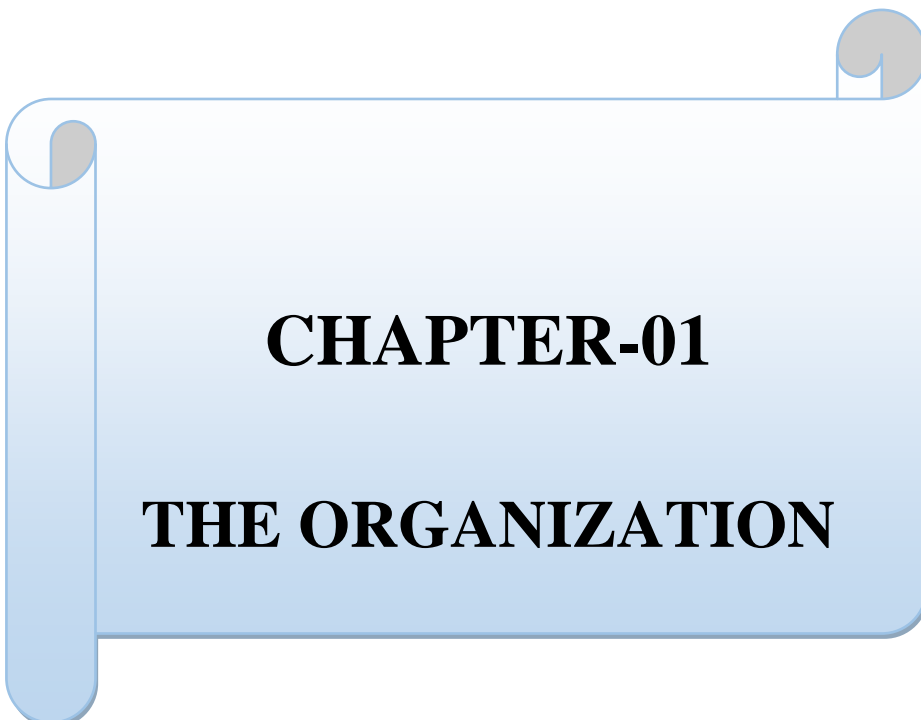
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MBI: Metro Battery Industries Limited



CHAPTER-01
THE ORGANIZATION

1.1 INTRODUCTION

Over the last two decades, particularly since 1985, the use of various types of Vehicles has shown a definite increased trend. Reasons are many, namely, increased income of particular segment of people, availability of financial support, improved roads and high ways, increased level of economic activities, increased mobility of people from one place to another in search of jobs, increased volume of trade, commerce and export, etc.

It may be mentioned here that only the export oriented readymade garment and textile industries required a large number of various types of vehicles starting from heavy duty carrier, pickup van, truck, etc. to motor cars. This single largest sector needs various types of vehicles for various purposes and account for about 65% of the country's commercial transport requirements.

Increase in the mobility of individual people has also resulted in a tremendous increase in the use of various light motor vehicles. There are few assembling houses that assemble small quantity of vehicles compared to the total demand of the country. However, frequent electricity falls to raise the use of IPS both in households and offices. So the battery business in Bangladesh is emerging.

Most typical character of Bangladesh Battery industry sector is that there is a wide variety of brands and mainly LUCAS, VOLVO, HAMKO, VOLTEX, NAVANA, RANGS, BT.

Moreover, there are many Battery Manufacturers in Bangladesh. At present among other manufacturer METRO Battery Industries Limited operating their operations effectively and efficiently and meeting customers' demands with a view to acceleration socio-economic development of the country. METRO battery is one of the growing battery brands in Bangladesh in terms of efficiency, capital adequacy, asset quality, product quality, market force, human resources, sound management and profitability having strong liquidity. Day by day new competitors appears with better ideas and products as well as services.

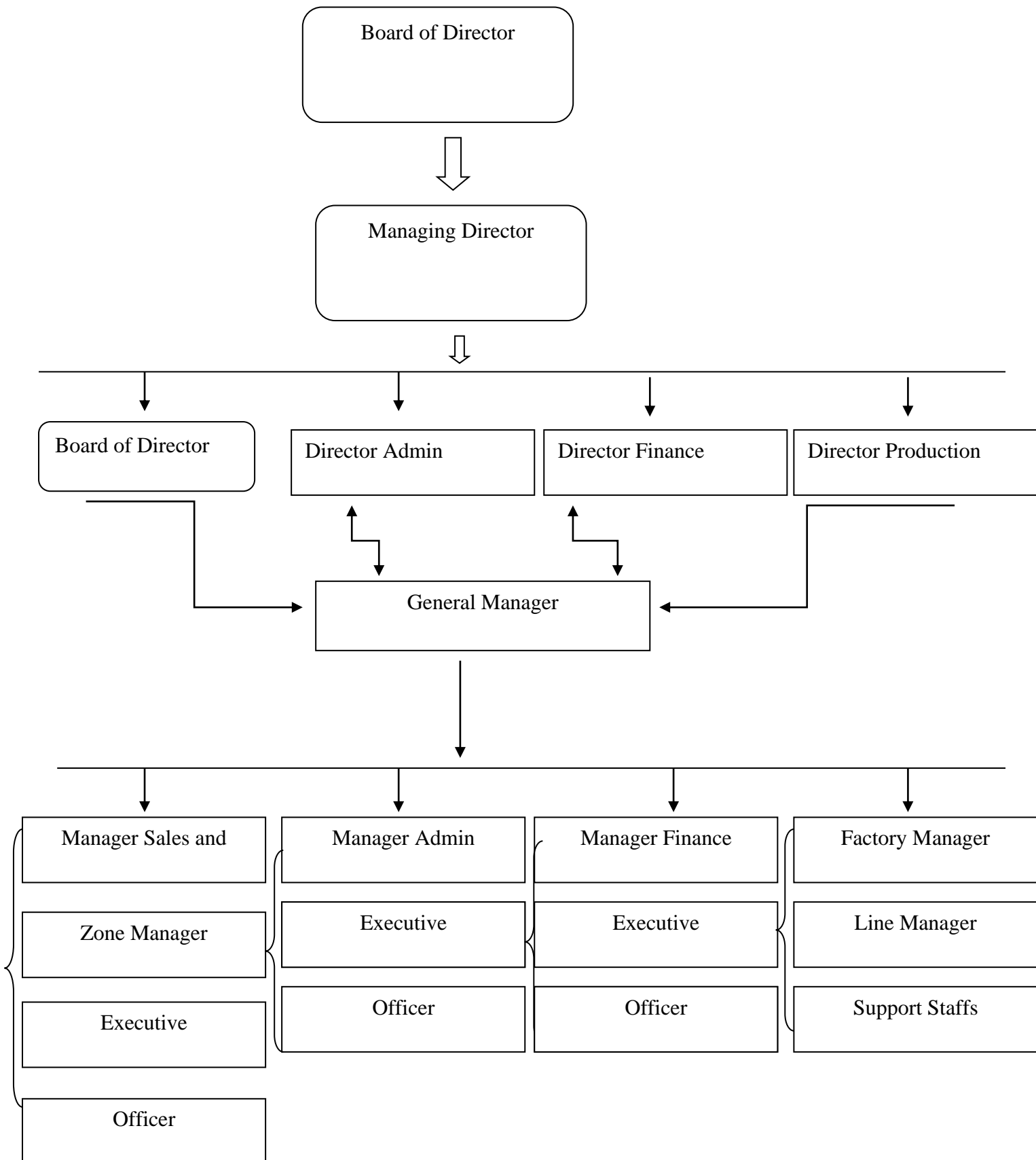
1.2 Historical Background of METRO Battery Industries Limited.

METRO Battery industries limited came in to existence in 2010. METRO Battery industries Limited was incorporated as a private limited company with an authorized capital of Tk.10 core and paid up capital of Tk.5 core. METRO Battery industries limited commenced its operation on February 28, 2010.

Previously METRO Battery Industries Limited was named as Parietal Battery Industries Limited. The founder of METRO Battery Industries Limited is Nazmul Haque. Currently it consists of 24 board of Directors. Among them seven are executive committee.

METRO Battery industries limited is the growing lead-acid battery manufacturer in Bangladesh and offers an extensive range of automotive, IPS & customized industrial battery. It produces all kinds of automotive, IPS and industrial batteries. It manufactures over 50 different types of automotive, IPS and industrial batteries. Its plant is ISO 9001 & ISO 14001 certified. METRO has also extended its product line to secure power solution with UPS, Rectifier. It produces and markets a range of battery products – automotive, motorcycle, and appliance batteries, Industrial (deep cycle, traction, VRLA) batteries, IPS and UPS batteries.

1.3 Operational Network Organugram



1.4 Mission & Vision of METRO Battery Industries Limited

Mission

“Our Mission is to provide the best products to our customers with the help of a skilled, trained experience and dedicated workforce whose creative talents, innovative actions and competitive edge make our position unique in giving quality products and services to all customers that we care for.”

Vision

We want to have large market share among other battery manufacturers in Bangladesh.

1.5 Goal of the company

To exceed customer expectations through innovative products & services and establish a strong presence to recognize shareholders’ expectations and optimize their rewards through dedicated workforce.

a) Long Term Goal

Keeping ahead of other competitors in productivity and profitability.

b) Short Term Goal

To attain budgetary targets fixed in each area of business.

1.6 Organization Principles of METRO Battery Industries Limited

- Integrity in all their dealings
- Excellence in everything they do
- Total commitment to customer satisfaction
- Thinking ahead and taking new initiatives

1.7 Strategic and Financial Objectives

Strategic Objectives:

- A bigger market share through dealer based network

- Broader and more attractive products than rivals.
- Superior customer service
- Wider geographic coverage than rivals
- Financial objectives:
- Growth in earnings
- A more diversified revenue base

Strategy:

- Low cost provider strategy
- Offensive Strategies to build market share
- Vacant niche strategy
- Superior Product Strategy

1.8 Products and Services of Metro Battery

Product Overview

METRO Battery markets three major segments of automotive batteries: PC, TB and IPS. All the batteries are produced under strict quality controlled plant of the METRO Battery Industries Limited. It has introduced new brand Ricksa 50 for the Ricksa. This specially designed to take the load and frequency of the Ricksa.

METRO Automotive Dry Charge Battery:

- 12 Volt Battery
- German Drive Range
- Heavy Duty Range
- 6 Volt Batteries

METRO manufactures specialized Industrial Batteries. The plant is equipped with modern production machineries and testing facilities including those for tubular plates. It conforms to international standard ISO 9001 & ISO 14001.

Specific features of our automotive battery are:

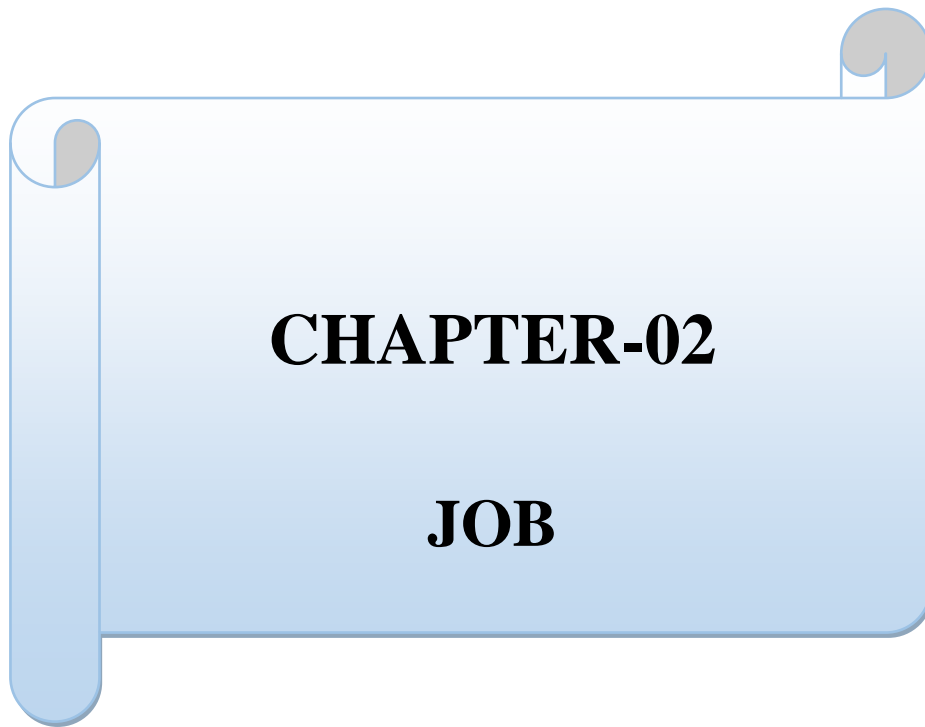
- Long life

- Minimum maintenance
- Low internal resistance
- High rate of discharge performance
- High resistance to adverse mechanical and electrical condition
- Tolerance to extremes of temperature

Special Features:

- Excellent cycling ability provides high reliability and exceptionally long life
- Large electrolyte reservoir means high tolerance to water loss and minimal maintenance.
- High charging efficiency
- Low self discharge, dry pre-charged plates
- Robust, clear case and rugged construction ensures mechanical durability

The quality, dependability, reliability and long service life of thicker Flat Plate deep cycle batteries are the result of balanced design of the plates, separators and incorporation of latest technical developments in lead acid battery technology.



CHAPTER-02

JOB

2.1 Role Summary:

- To be responsible for developing and maintaining marketing strategies to meet agreed company objectives.
- To evaluate customer research, market conditions, and competitor data and implement marketing plan alterations as needed.
- To oversees all marketing, advertising and promotional staff and activities.

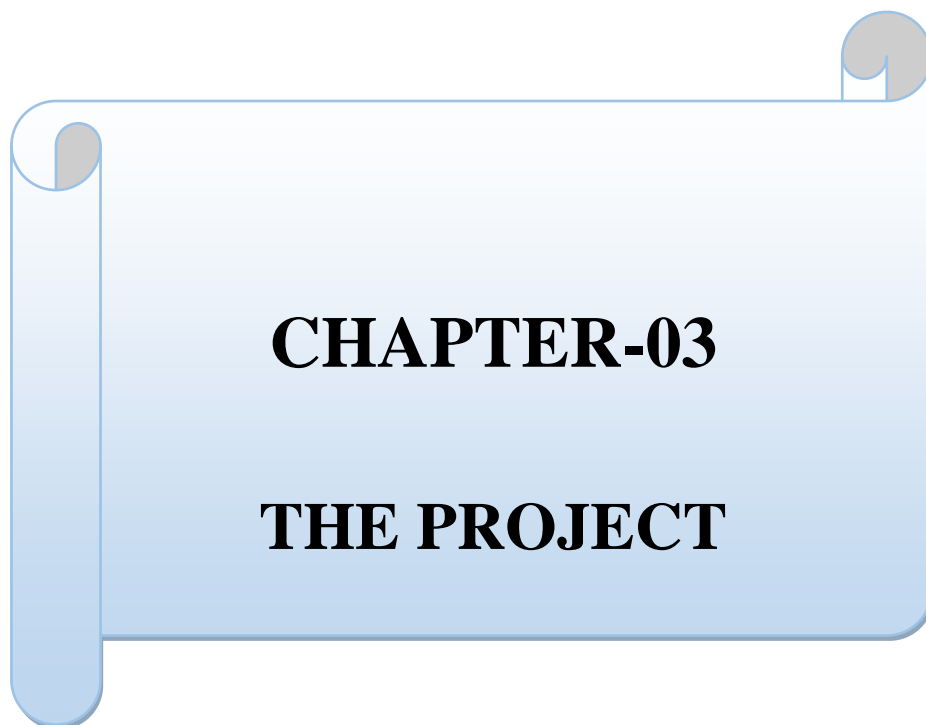
2.2 Responsibilities:

- Responsible for the marketing of company products and services to the right market
- Demonstrate technical marketing skills and company product knowledge.
- Develop an annual marketing plan in conjunction with the sales department. This should detail the year's activity to meet agreed company objectives.
- Budget management. To deliver all marketing activity within the agreed budget.
- To direct marketing staff where budgets are devolved.
- To manage all aspects of print production, receipt and distribution.
- To achieve frequent, timely and positive media coverage across all available media.
- To managing the entire product line life cycle from strategic planning to tactical activities.

- To conduct market research in order to identify market requirements for current and future products.
- To develop and implement a company-wide plan to push product, working with all departments for its execution
- To analyse potential strategic partner relationships for product lines.

2.3 Relationships and Roles:

- To demonstrate the ability to interact and cooperate with all company employees.
- To build trust, value others, communicate effectively, drive execution, foster innovation, focus on delivery to customers, collaborate with others, solve problems creatively and demonstrate high integrity.
- Maintain professional internal and external relationships that meet company core values.
- Proactively establish and maintain effective working team relationships with all support departments.



CHAPTER-03

THE PROJECT

3.1 Description of the Project

The report has been prepared as a mandatory requirement of the Master's of the Business Administration (MBA) program under Department of BRAC Business School, BRAC University, Bangladesh. This report entitled "Supply Chain Management of METRO Battery Industries Limited." My institutional supervisor Mahmudul Haque assigned me the topic of the report. The primary goal of the project papers is to provide on the job coverage to the student and an opportunity for translation of theoretical conceptions in real life situation. And also my supervisor suggest me to compare supply chain of my company (METRO Battery Industries Limited) with other competitors and that is why I choose RAHIMAFROOZ, NAVANA, RANGS, HAMKO, VOLVO.

3.1.1 Objective of the Report

The core objective of this study is to analyze supply chain management of METRO Battery Industries Limited & other competitors in Bangladesh and draw a comparison between these manufacturers to identify the position in the battery industry. The objectives of the report are as follows:

Broad Objective:

- ❖ To partial fulfilment of my MBA degree.
- ❖ To match my academic knowledge with the real corporate business set up.
- ❖ To enlarge my experience from a real corporate exposure
- ❖ To enhance my adaptive quality with the real life situation
- ❖ Specific Objective:
- ❖ To know organizational profile of METRO Battery Industries Limited.
- ❖ To evaluate the factors affecting supply chain of METRO Battery.

- ❖ To identify areas where this brand is performing well in terms of supply chain.
- ❖ To emphasize areas where improvement is possible.
- ❖ Comparative analysis to identify its position
- ❖ Supply Right products in Right place in Right time.

To minimize total supply chain cost to meet fixed and given demand, where the total cost is composed of raw material and other acquisition costs, inbound transportation costs, facility investment costs, direct and indirect manufacturing costs, direct and indirect distribution centre costs, inventory holding costs, inter-facility transportation costs, and outbound transportation costs

3.1.2 Methodology of the Study

Data Collection:

Both the primary as well as the secondary form of information was used to prepare the report. The details of these sources are highlighted below:

(a)Primary Source

I have collected primary information by interviewing my colleagues, employees, managers, general manager, managing director, other competitors' employees, raw material suppliers and observing various organizational procedures, structures. Primary data were mostly derived from the discussion with the employees of the organization and competitors.

(b)Secondary Source

I have elaborated different types of secondary data in my research. Sources of secondary information can be defined as follows:

Internal Sources

- ❖ Annual Report – 2011- 2012
- ❖ Business Instruction Manual
- ❖ Procurement method
- ❖ Sales policy
- ❖ External Sources

- ❖ Different books and periodicals related to the battery sector
- ❖ BABMA Circulars
- ❖ Website Information

3.1.3 Limitations

- ❖ In this study, a whole-hearted effort was applied to collect, organize, analyze, and interpret the related data and finally to attain the optimum outcome of the research. In spite of these efforts, there exist some limitations that acted as a barrier to conduct the research.
- ❖ The main limitation of this report is competitors' policy of not disclosing some data and information for confidential reason, which could be very much useful for the report.
- ❖ Time period of twelve week was too limited to get practical experience. As I am a permanent employee during the twelve week period of internship report I had to work weekend. Also I had to visit our factory, which is remote from my working area to collect data.
- ❖ Because of the limitation of information, some assumptions were made. So there may be some unintentional mistake in the report.
- ❖ In case of performance analysis secondary data are used.
- ❖ This study completely depended on official records and annual reports.
- ❖ It is difficult to make a information based rich report in a short time period.
- ❖ Company's policy did not permit to disclose various financial data and information related to Business Portfolio
- ❖ I am not assigned by my organization to analyse any confidential policy regarding raw materials supply, which is included in backward linkage .
- ❖ Nevertheless, I have tried utmost to avoid mistakes.

3.2 Supply Chain

A supply chain is a network of facilities and distribution options that performs the functions of procurement of materials, transformation of these materials into intermediate and finished products, and the distribution of these finished products to customers. Supply chains exist in both service and manufacturing organizations, although the complexity of the chain may vary greatly from industry to industry and firm to firm. Supply chain management, then, is

the active management of supply chain activities to maximize customer value and achieve a sustainable competitive advantage. It represents a conscious effort by the supply chain firms to develop and run supply chains in the most effective & efficient ways possible. Supply chain activities cover everything from product development, sourcing, production, and logistics, as well as the information systems needed to coordinate these activities.

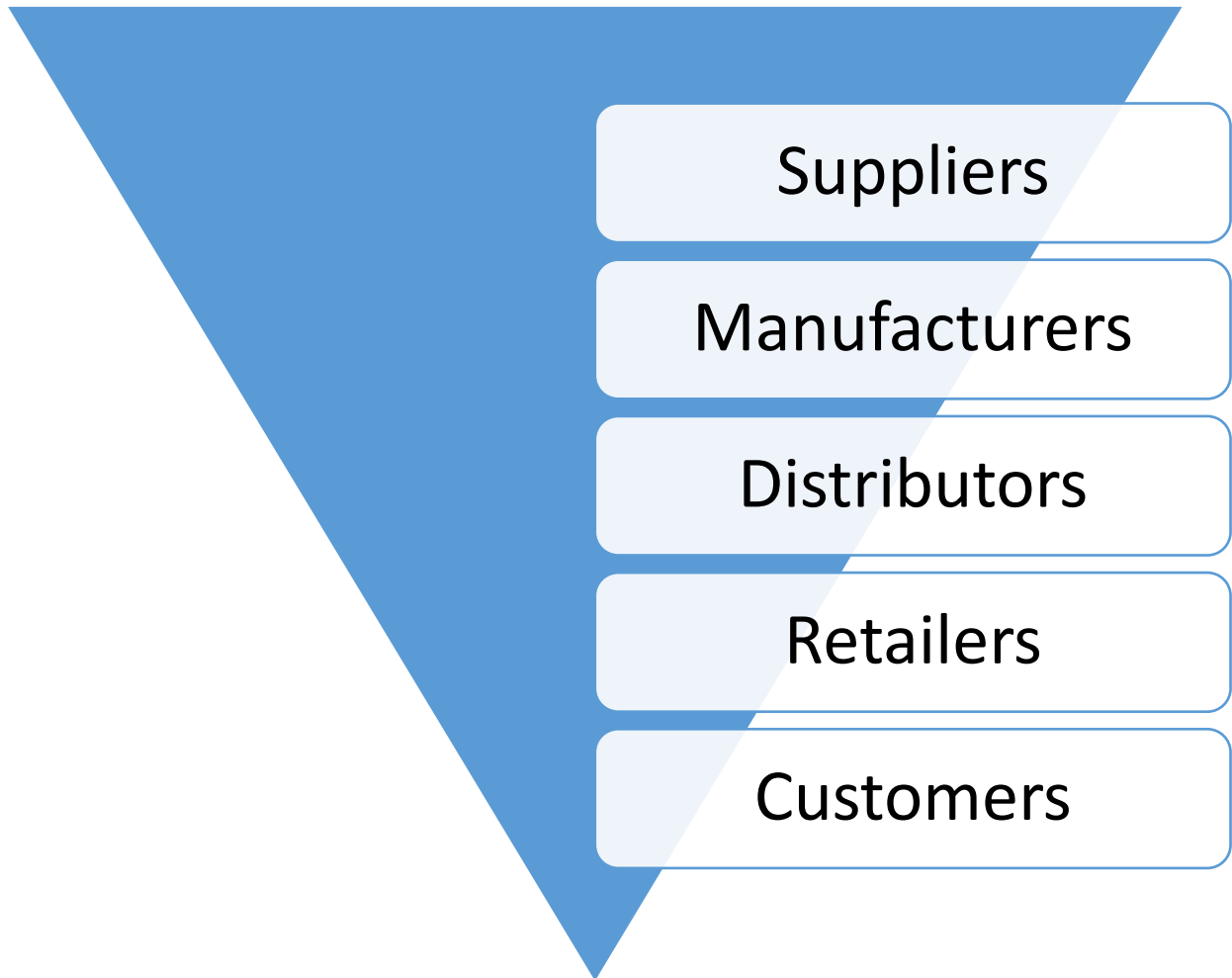
The organizations that make up the supply chain are “linked” together through physical flows and information flows. Physical flows involve the transformation, movement, and storage of goods and materials. They are the most visible piece of the supply chain. But just as important are information flows. Information flows allow the various supply chain partners to coordinate their long-term plans, and to control the day-to-day flow of goods and material up and down the supply chain.

Supply chain management is typically viewed to lie between fully vertically integrated firms, where the entire material flow is owned by a single firm and those where each channel member operates independently. Therefore coordination between the various players in the chain is key in its effective management. Cooper and Ellram compare supply chain management to a well-balanced and well-practiced relay team. Such a team is more competitive when each player knows how to be positioned for the hand-off. The relationships are the strongest between players who directly pass the baton, but the entire team needs to make a coordinated effort to win the race.

3.2.1 Stages of Supply Chain

All stages involved, directly or indirectly, in fulfilling a customer request are called supply chain. It includes manufacturers, suppliers, transporters, warehouses, retailers, and customers. Within each company, the supply chain includes all functions involved in fulfilling a customer request (product development, marketing, operations, distribution, finance, customer service). Customer is an integral part of the supply chain. It includes movement of products from suppliers to manufacturers to distributors, but also includes movement of information, funds, and products in both directions. It is more accurate to use the term “supply network” or “supply web”.

3.2.2 Supply chain stages: Pyramid of Supply Chain



Customers
Retailers
Distributors
Manufacturers
Suppliers

All stages may not be present in all supply chains. So, Supply chain management is the management of flows between and among supply chain stages to maximize total supply chain profitability.

3.2.3 The Goal of a Supply Chain

3.2.3.1. Maximize overall value created:

Supply chain value is the difference between what the final product is worth to the customer and the effort the supply chain expends in filling the customer's request. Value is correlated to supply chain profitability (difference between revenue generated from the customer and the overall cost across the supply chain).

3.2.3.2. Maximize total supply chain profitability:

Supply chain incurs costs (information, storage, transportation, components, assembly, etc.). Supply chain profitability is total profit to be shared across all stages of the supply chain. Supply chain success should be measured by total supply chain profitability, not profits at an individual stage. Sources of supply chain revenue: the customer Sources of supply chain cost: flows of information, products, or funds between stages of the supply chain

3.3 Supply Chain of METRO

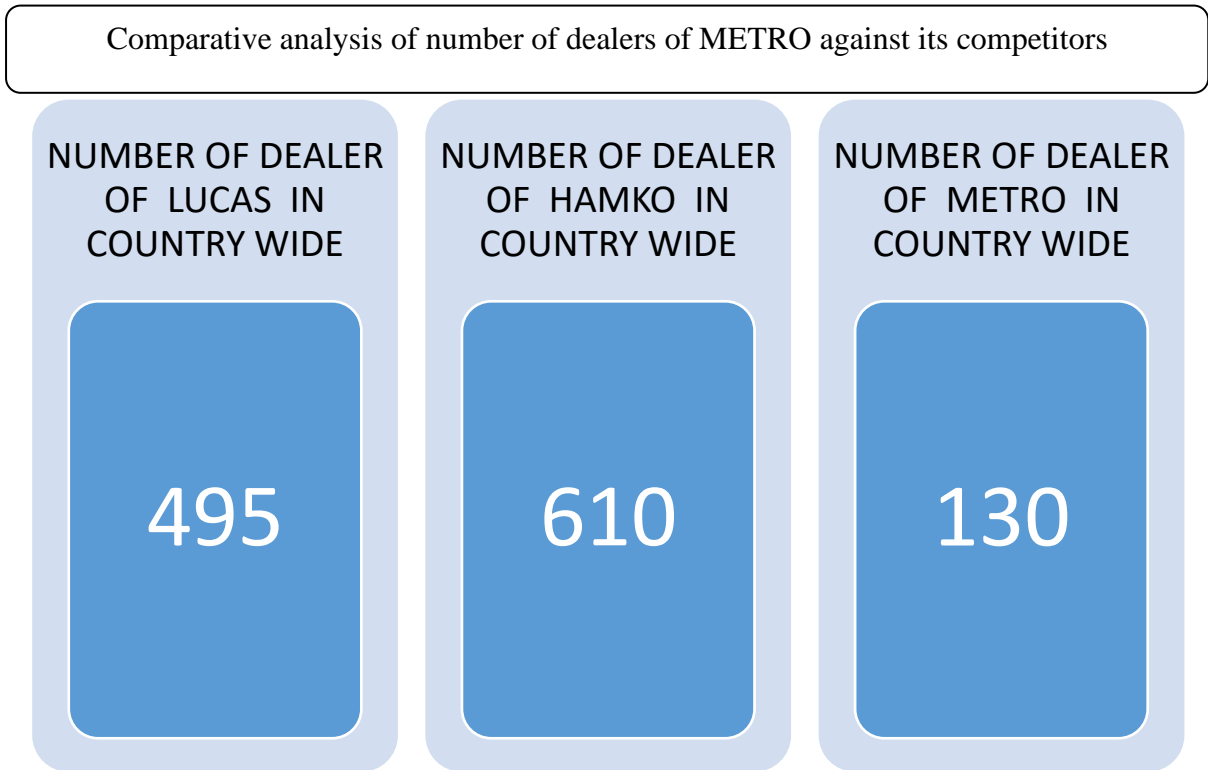
Corner of the rural as well as urban area of Bangladesh. The company has a very large and competent having 130 dealers and 6 distributors to ensure product availability throughout the country.

3.3.1 Stages of supply chain: Stages of supply chain in MBI are as follows:

Customers: MBI target customers are automotive aftermarket for battery

Comparative Analysis of customer segments in the Battery industry			
After producing Battery			
Target customers Rahimafrooz for brand (LUCAS)	Target customers Hamko corporation for brand (HAMKO)	Target customers Panna battery for brand (VOLVO)	Target customer Metro battery industries for brand (METRO)
DEALERS (Automotive Car, 4 wheeler, Light Truck, Bus, Truck, users)	DEALERS (Automotive Car, 4 wheeler, Light Truck, Bus, Truck users)	DEALERS (Automotive Car, 4 wheeler, Light Truck, Bus, Truck, users)	DEALERS (Automotive Car, 4 wheeler, Light Truck, Bus, Truck, users)
Industry (various industries for industrial battery)	Industry (various industries for industrial battery)	Industry (various industries for industrial battery)	
Institution (Various government and private corporate houses)			Institution (Various government and private corporate houses)

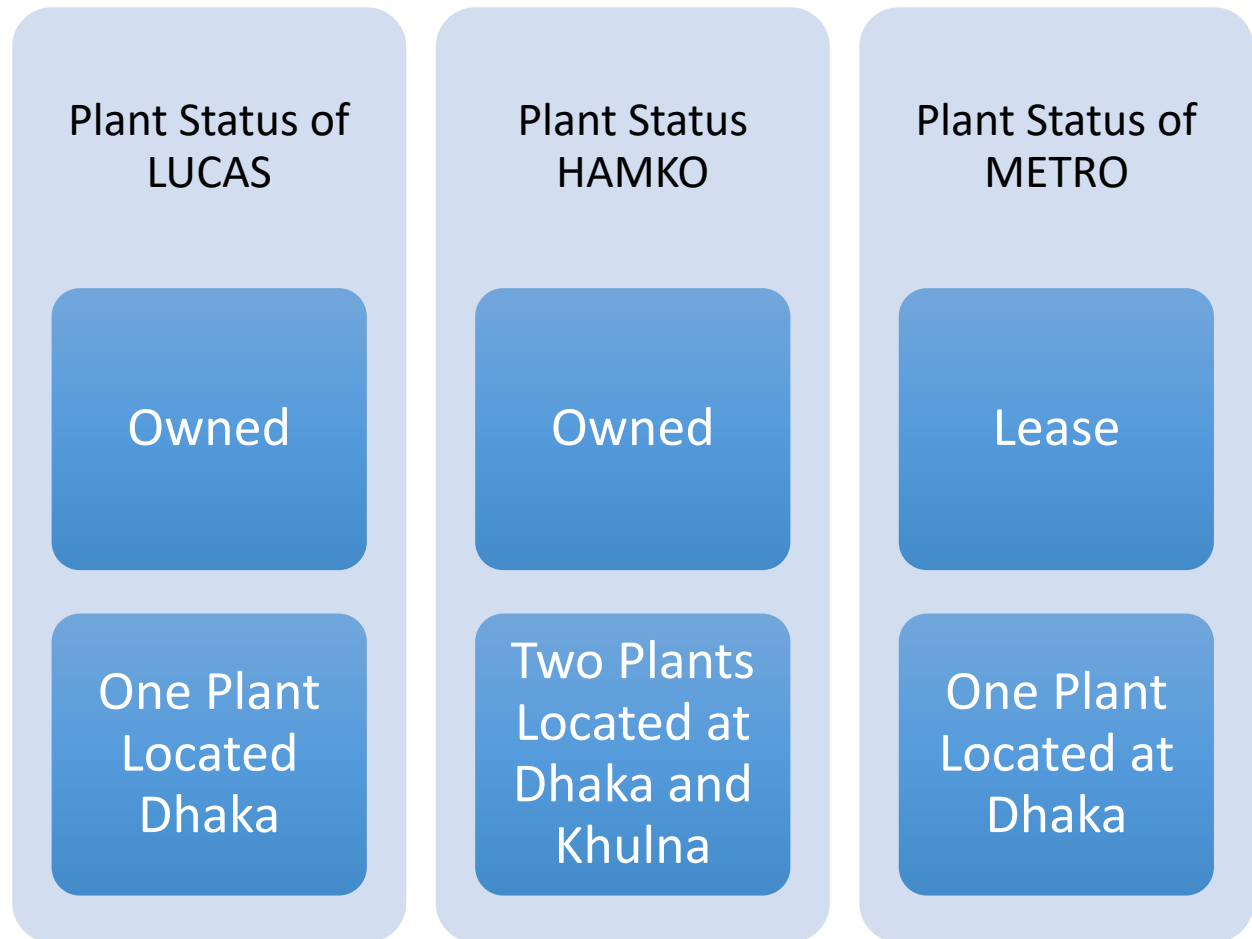
Retailers: MBI has more than 130 dealers all over the country through which MBI distribute the batteries and sale to final users.



Distributors: MBI has 6 exclusive distributors in the country who are controlling the dealers, obtaining information related to supply and demand of battery, handling customer complaints etc.

Comparative Analysis of Number of Exclusive Distributors of Battery Industry			
Number of Distributor LUCAS	Number of Distributor HAMKO	Number of Distributor of VOLVO	Number of Distributor of METRO
8	15	5	6

Manufacturers: The main manufacturing plant of METRO Battery Industries Limited situated in Lalbagh, Dhaka.



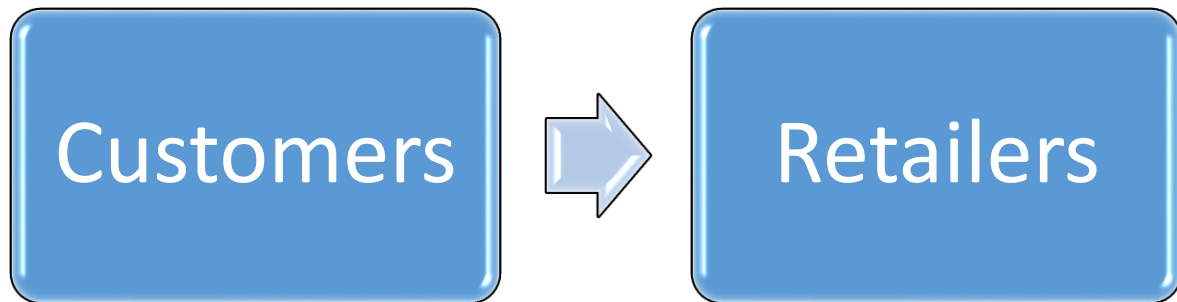
Suppliers: MBI has many suppliers for their lead acid, packaging, accessories etc.

COMPARATIVE ANALYSIS OF SUPPLIERS			
Name of Company	Lead Acid	Packaging	Accessories
Rahimafrooz	Imported	Local suppliers	Local suppliers
Hamko corporation	Imported	Local suppliers	Local suppliers
Volvo	Collect from local buyer and sometimes import	Local suppliers	Local suppliers
Metro	collect from local supplier	Local suppliers	Local suppliers

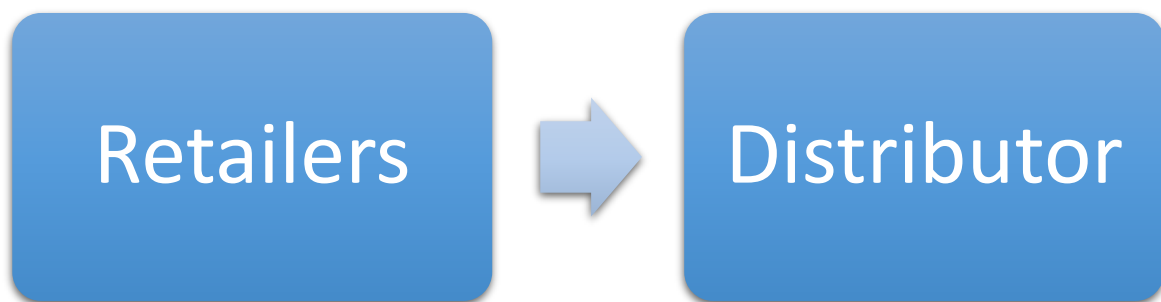
3.3.2 The Cycles of Supply Chains

Processes in a supply chain are divided into a series of cycles, each performed at the interfaces between two successive supply chain stages. Each cycle occurs at the interface between two successive stages

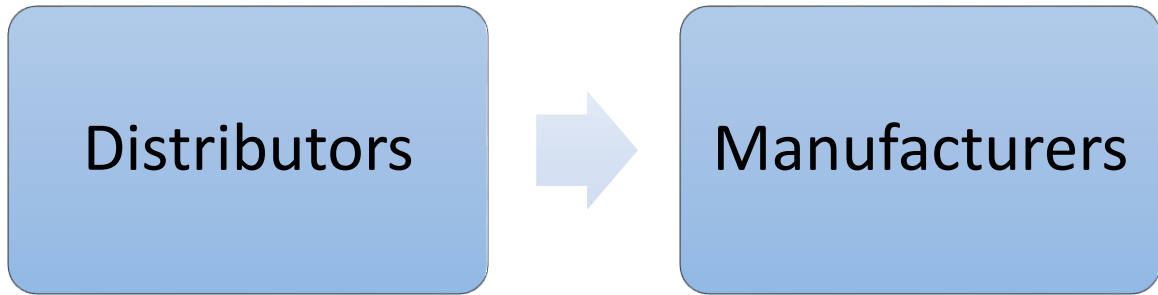
Customer order cycle (customer-retailer)



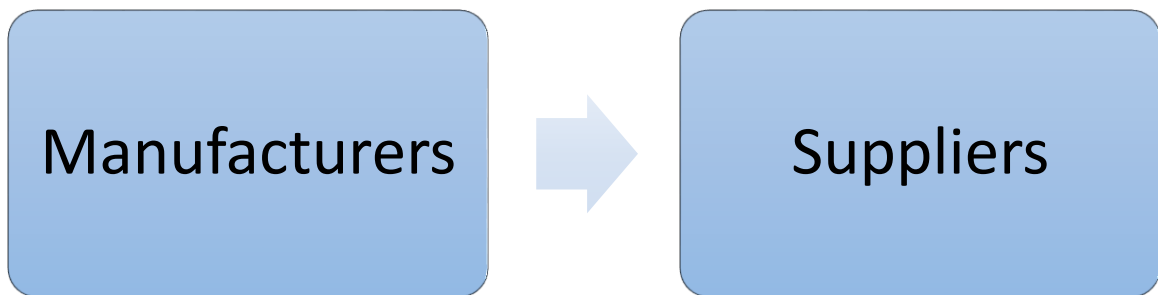
Replenishment cycle (retailer-distributor)



Manufacturing cycle (distributor-manufacturer)



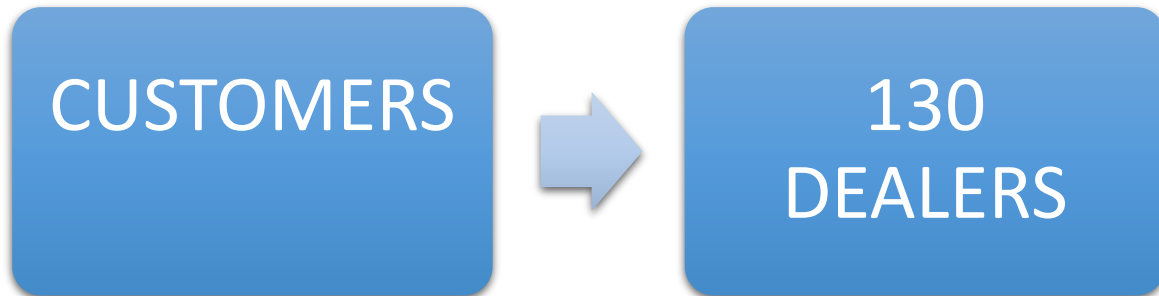
Procurement cycle (manufacturer-supplier)



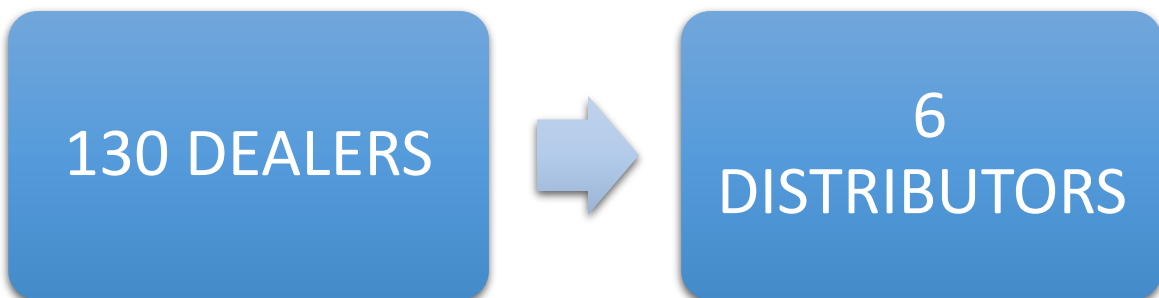
Cycle view clearly defines processes involved and the owners of each process. Each cycle specifies the roles and responsibilities of each member and the desired outcome of each process.

3.3.3 Cycles of Supply Chain of MBI

Customer order cycle
(Customer-dealer)

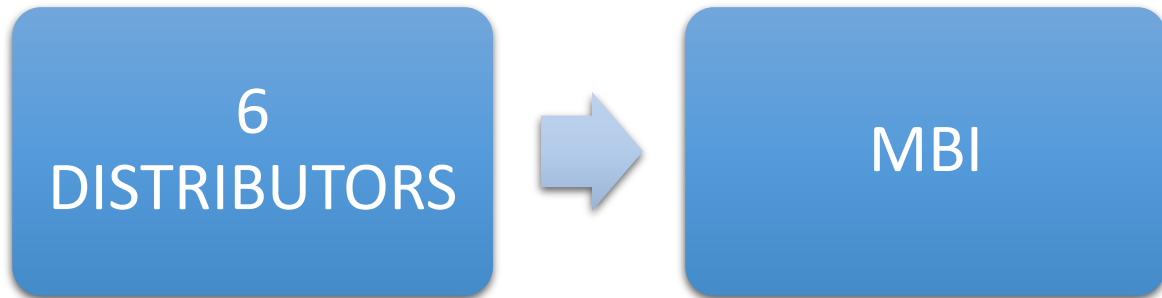


Replenishment cycle
(Dealer-distributor)



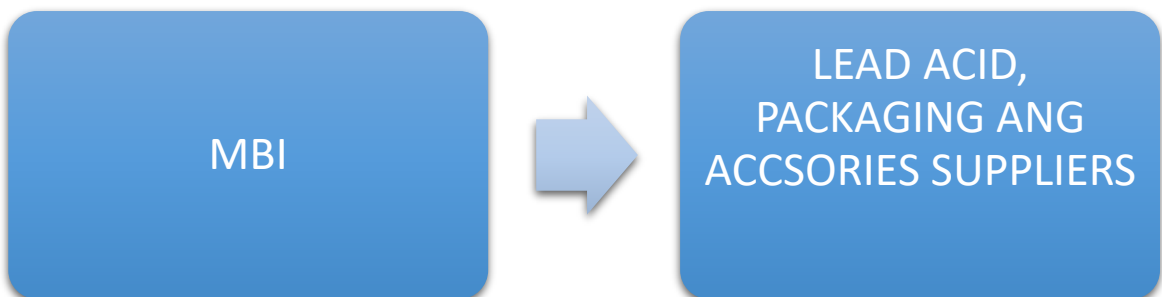
Manufacturing cycle

(Distributor-MBI)



Procurement cycle

(Manufacturer-supplier)

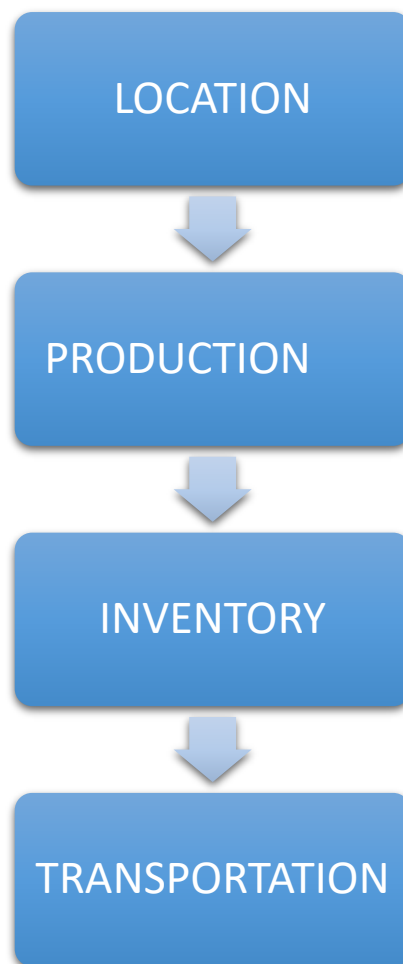


Customer order cycle

Like other cycle, in customer cycle consists of following sub-process

3.4 Supply Chain Decisions in MBI

I classify the decisions for supply chain management of MBI into two broad categories — strategic and operational. As the term implies, strategic decisions are made typically over a longer time horizon. These are closely linked to the corporate strategy (the corporate strategy), and guide supply chain policies from a design perspective. On the other hand, operational decisions are short term, and focus on activities over a day-to-day basis. The effort in these types of decisions is to effectively and efficiently manage the product flow in the “strategically” planned supply chain. In RBL, there are four major decision areas in supply chain management:



- 1) Location
- 2) Production
- 3) Inventory, and
- 4) Transportation (distribution),

3.4.1 Location Decisions

The geographic placement of production facilities, stocking points, and sourcing points is the natural first step in creating a supply chain. In MBI, the location of facilities involves a commitment of resources to a long-term plan. The management established production facilities in Dhaka with large size production units by which the product flows through to the final customer. These decisions are of great significance to MBI since they represent the basic strategy for accessing customer markets, and will have a considerable impact on revenue, cost, and level of service. MBI determines the decisions an optimization routine that considers production costs, taxes, duties and duty drawback, tariffs, local content, distribution costs, production limitations, etc. Although location decisions are primarily strategic, they also have implications on an operational level.

3.4.2 Production Decisions

The strategic decisions include what products to produce, and which plants to produce them in, allocation of suppliers to plants, plants to DC's, and DC's to customer markets. As before, these decisions have a big impact on the revenues, costs and customer service levels of the firm. These decisions assume the existence of the facilities, but determine the exact path(s) through which a product flows to and from these facilities. Another critical issue is the capacity of the manufacturing facilities—and this largely depends the degree of vertical integration within the firm. Operational decisions focus on detailed production scheduling. These decisions include the construction of the master production schedules, scheduling production on machines, and equipment maintenance. Other considerations include workload balancing, and quality control measures at a production facility.

3.4.3 Inventory Decisions

These refer to means by which inventories are managed. In MBI, inventories exist at every stage of the supply chain as either raw material, semi-finished or finished goods. They can also be in-process between locations. Their primary purpose of MBI to buffer against any uncertainty that might exist in the supply chain. Since holding of inventories can cost anywhere between 20 to 40 percent of their value, their efficient management is critical in supply chain operations. The top management of MBI sets goals. However, MBI management has approached the management of inventory from an operational perspective. These include deployment strategies (push versus pull), control policies — the determination

of the optimal levels of order quantities and reorder points, and setting safety stock levels, at each stocking location. These levels are critical, since they are primary determinants of customer service levels.

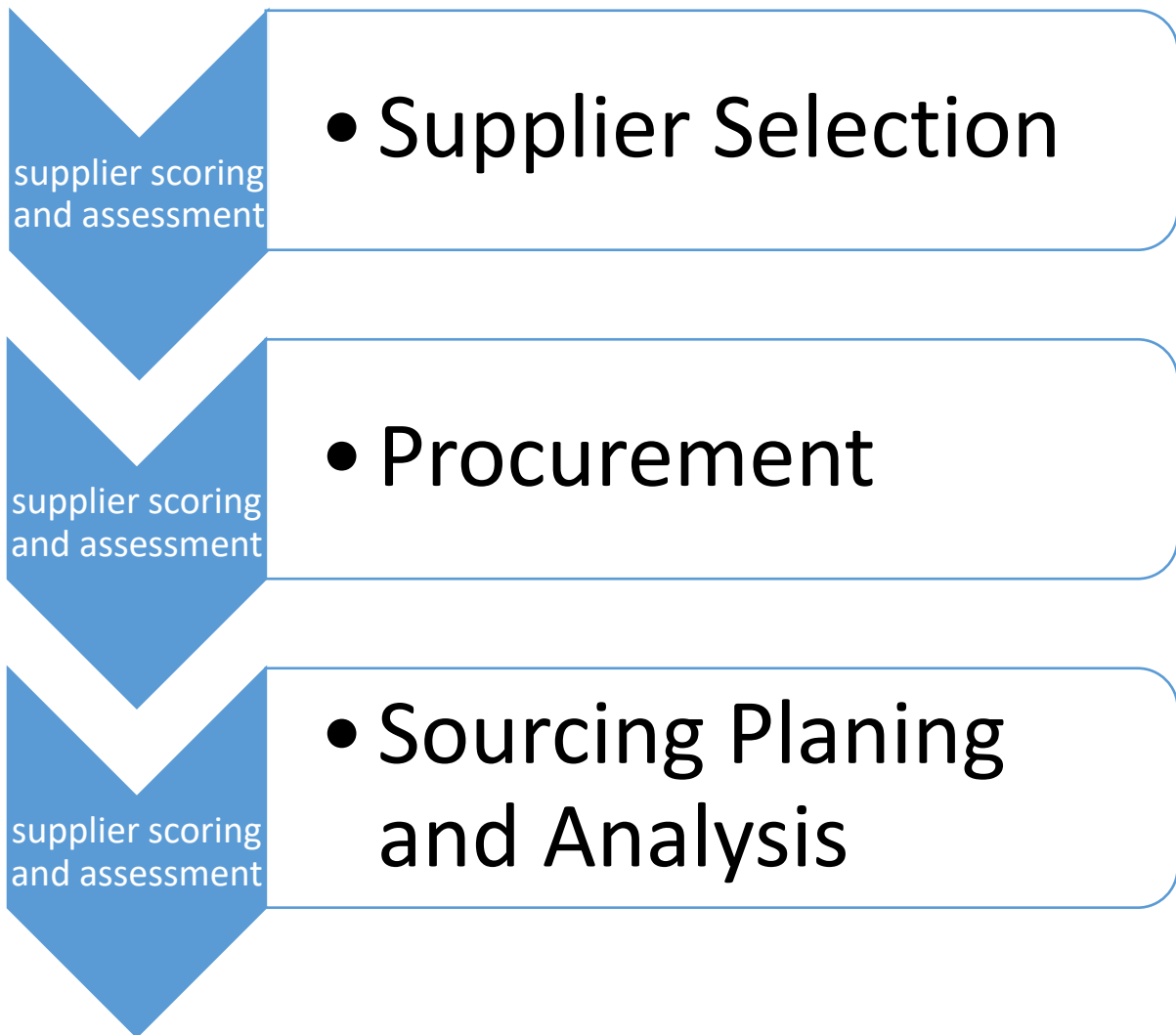
- ✚ Monthly Order Size Units for Central Warehouse for the Year 2011
- ✚ Monthly Order Size Units for Distributor Warehouse for the Year 2011
- ✚ Monthly Order Size Units for dealers for the Year 2011

3.4.4 Transportation Decisions

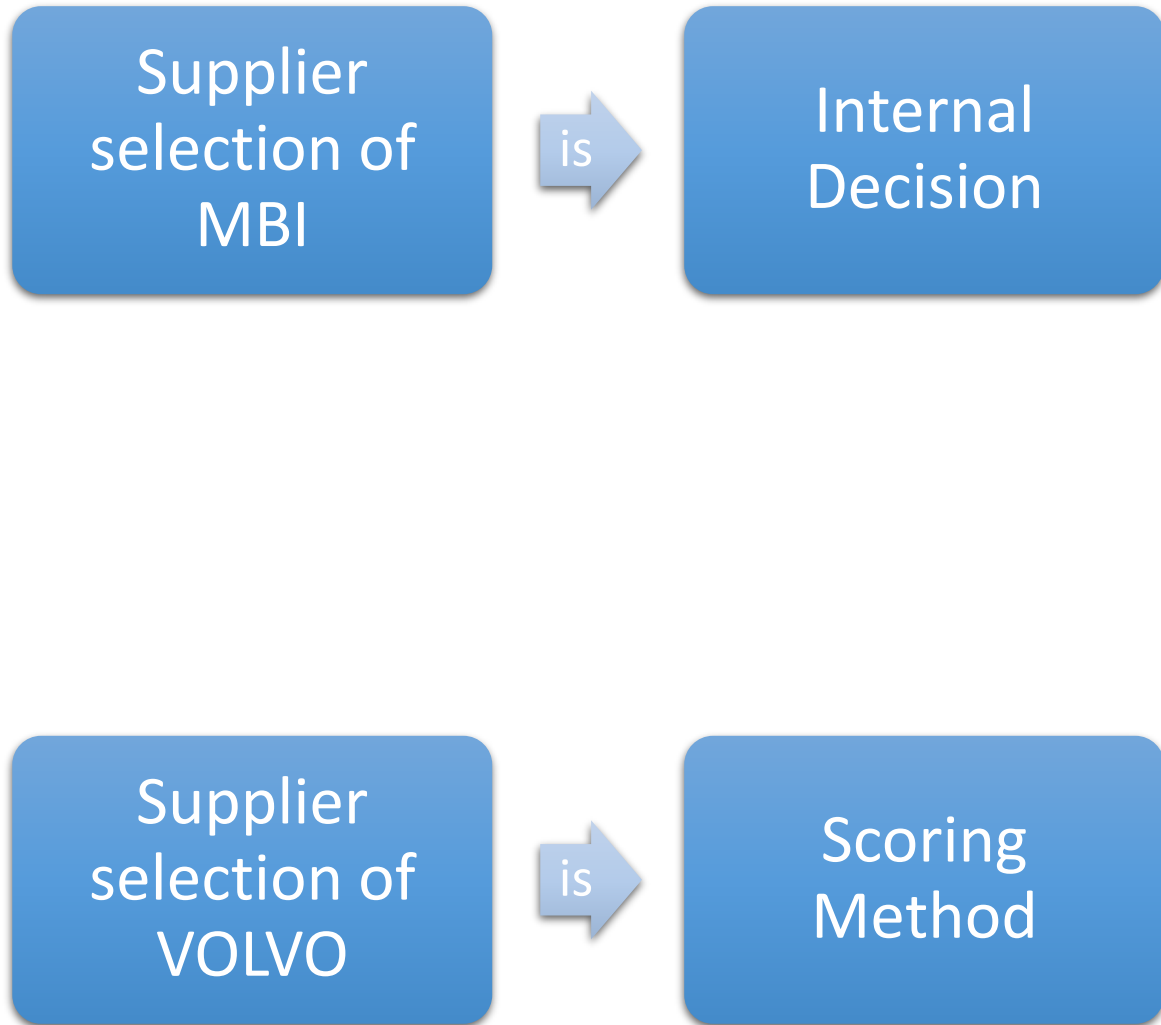
The mode choice aspects of these decisions are the more strategic ones. These are closely linked to the inventory decisions, since the best choice of mode is often found by trading-off the cost of using the particular mode of transport with the indirect cost of inventory associated with that mode. In Bangladesh, MBI uses Truck as transport modes to send the batteries to final consumers. They have strong transport modes by which MBI is able to handle the transport costs efficiently and timely. Therefore customer service levels and geographic location play vital roles in such decisions. Since transportation is more than 30 percent of the logistics costs, operating efficiently makes good economic sense. MBI has 10 cover vans to facilitate its transportation. Where as RAHIMAFROOZ 180 small and big cover vans throughout the country.

3.5 Sourcing

Sourcing is the set of business processes required to purchase goods and services. Sourcing processes include:



Competitive Analysis MBI's Supplier Selection



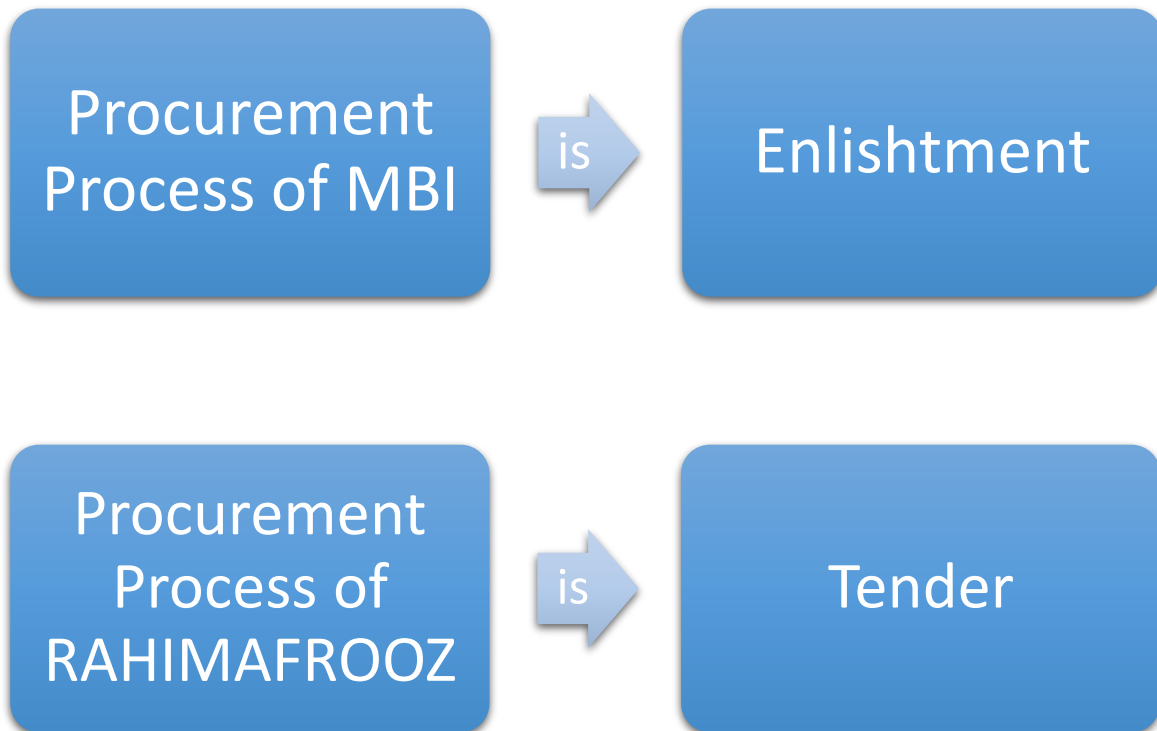
Procurement of MBI

The process in which the supplier sends product in response to orders placed by the buyer is called the procurement process. Goal is to enable orders to be placed and delivered on schedule at the lowest possible overall cost. There are two main categories of purchased goods:

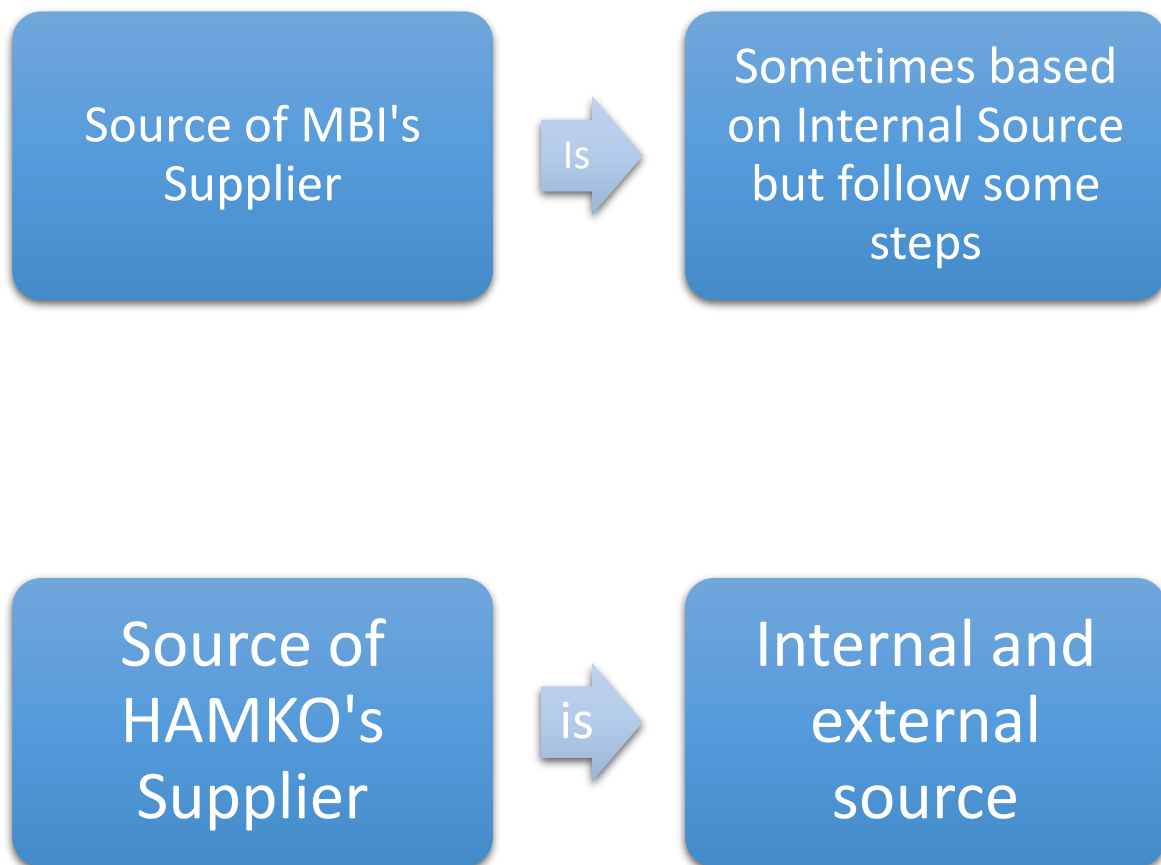
- ✚ Direct materials: components used to make finished goods
- ✚ Indirect materials: goods used to support the operations of a firm

MBI periodically analyze its procurement spending and supplier performance and use this analysis as an input for future sourcing decisions Procurement spending is analyzed by part and supplier to ensure appropriate economies of scale.

Competitive analysis of Procurement Process of MBI



Competitive analysis of Supplier Sourcing of MBI



Supplier Assessment Factors of MBI

MBI assesses the following factors during selecting suppliers –

Replenishment Lead Time

On time Performance

Supply Flexibility

Minimum Lot Size

Supply Quality

In bound Transport Cost

price

Government rules and Regulation

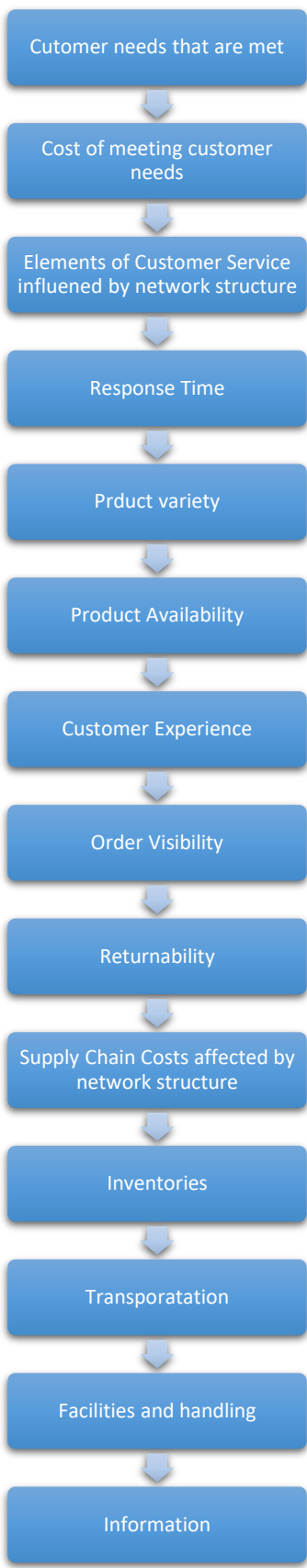
Supplier Viability

A big Corporate Like Rahimafrooz follow the following assessment factors:



3.6 Distribution Network Design of Metro Batteries Industries Limited

The steps taken to move and store a product from the supplier stage to the customer stage in a supply chain is called distribution. Distribution directly affects cost and the customer experience and therefore drives profitability. Choice of distribution network can achieve supply chain objectives from low cost to high responsiveness. Distribution network performance evaluated along two dimensions at the highest level:



Distribution Network Design with a comparative analysis of Metro Battery Industries Limited (MBI) are as follows:

3.6.1 Retail Storage with Customer Pickup

MBI has 130 over dealers in the country who are retailing the MBI's batteries. Customer collects batteries from dealers. When they sell the customer, they give a CFQ Card for customer feedback.

Rahimafrooz has 495 over dealers in the country. Customer collects batteries from dealers. When they sell the customer, they give a CFQ Card for customer feedback.

3.6.2. Distributor Storage with Carrier Delivery

For electric and industrial batteries MBI requires no special storage conditions, because MBI produce limited industrial battery.

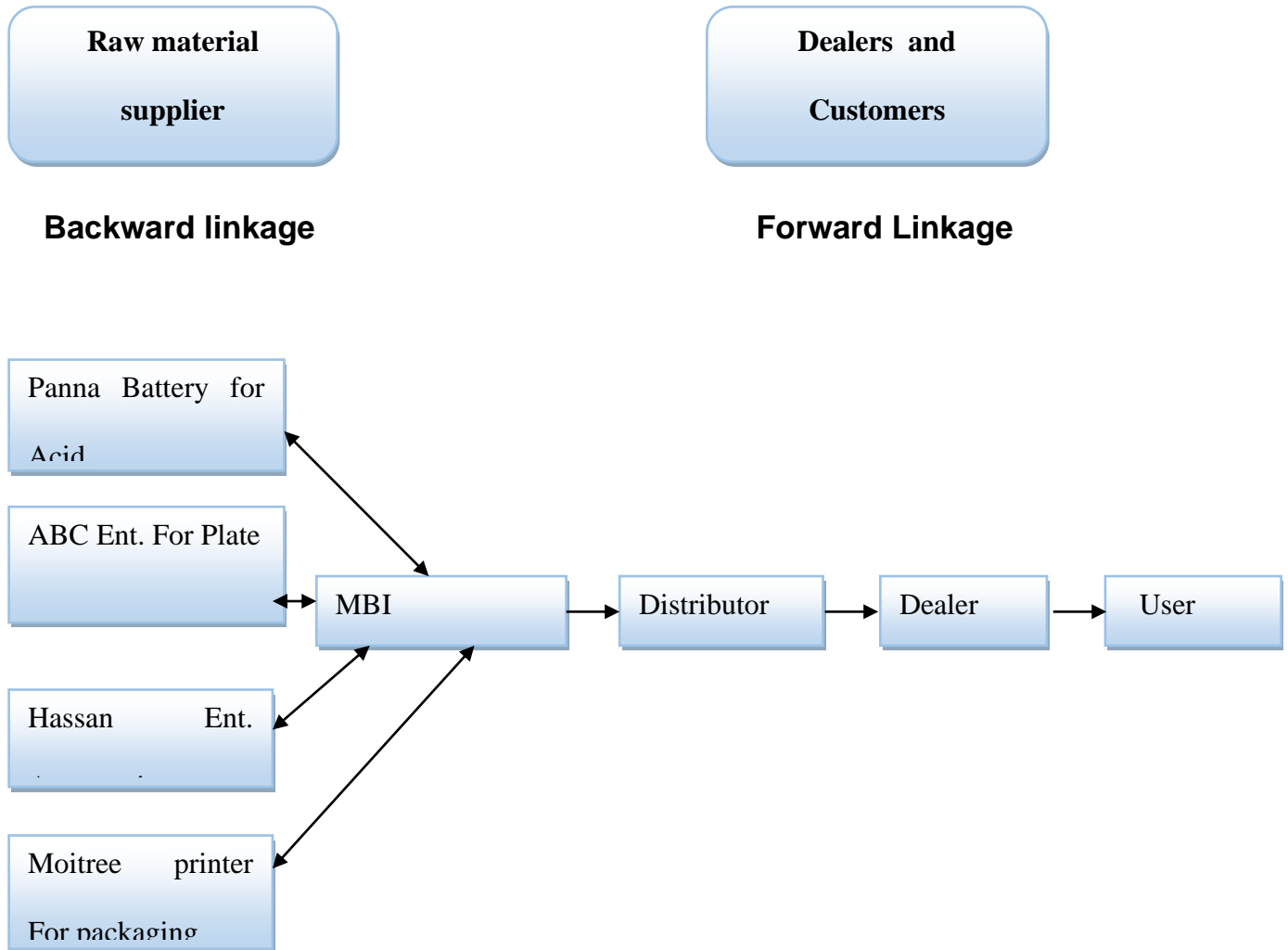
For electric and industrial batteries Hamko Corporation Limited requires special storage conditions, because HAMKO produces limited industrial battery.

3.7 Forecasting and product Distribution process of MBI with comparison:

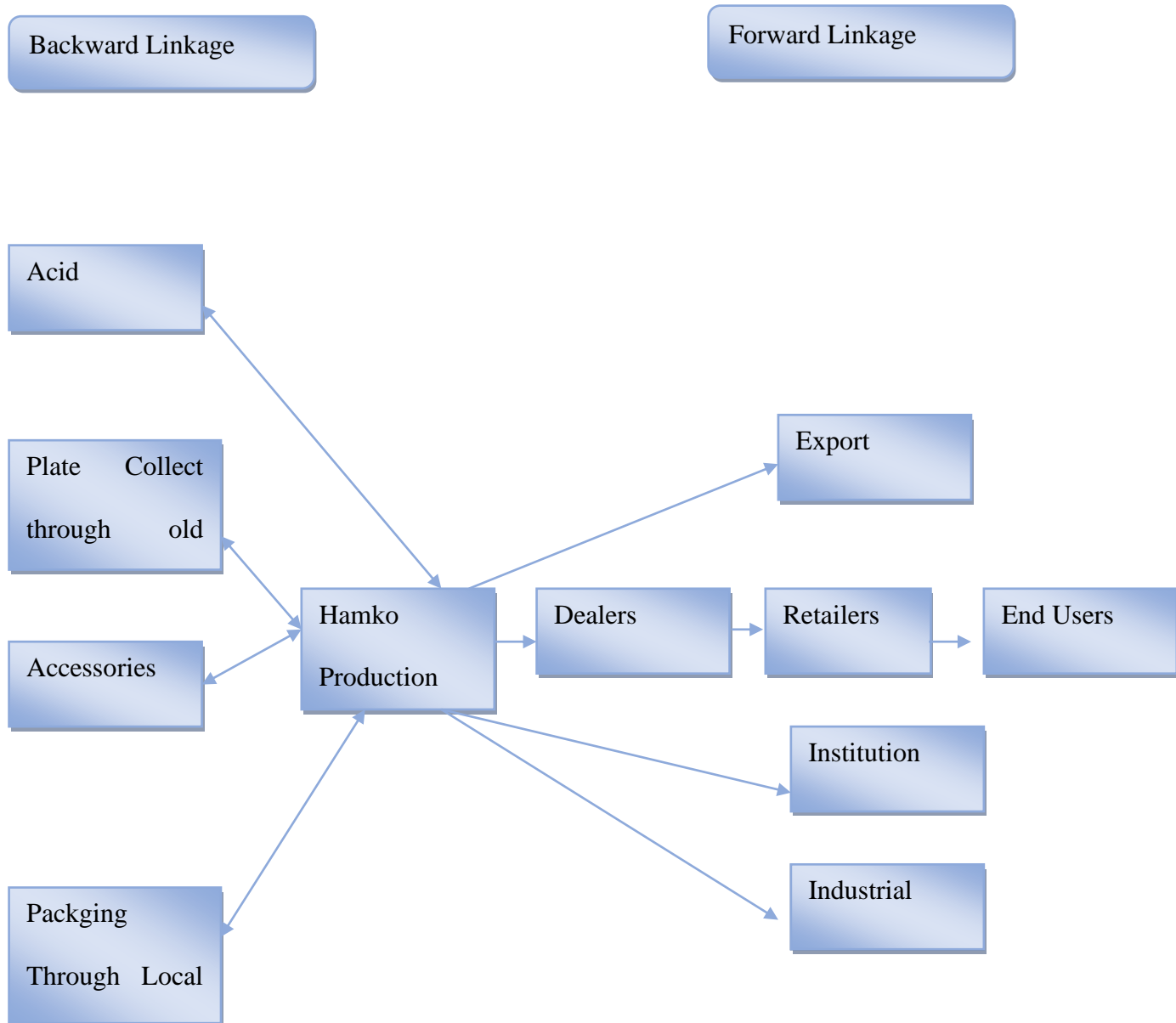
Monthly forecast for product sales is a top down process in MBI. First local target is place and then it is distributed to the regions and then to individual depots. But the demand flow is a bottom up process in MBI which originates from dealers and then goes to distributors. The estimates of level, trend, and seasonality are adjusted after each demand observation.

Where as, yearly forecast for product sales is a top down process in RBL. First national target is place and then it is distributed to the international market. The estimates of level, trend, and seasonality are adjusted after each demand observation.

3.8 Market Mapping of METRO Battery with Comparison:



In Contrast, Market Mapping of HAMKO OF CORPORATION





CHAPTER-04

FINDINGS AND

4.0 Findings and Recommendation

- ✚ Raw materials: MBI collects lead acid and plate, which are main components of battery production from local supplier, where as competitor import those things from abroad with a cheaper price which impacts the profitability of the company.
- ✚ Bargaining power of the supplier for the MBI is high because this company do not import raw material. Ultimately they has to depend on local supplier. As a result often it has to buy inferior goods with higher price which increases the production of the company. Company needs to invest more finance on this sector
- ✚ Inventory: a company like Rahimafrooz always take plan of one year inventory management. Whereas MBI takes only a moth inventory management. For example, in summer IPS Battery is more demanded .So Company should make inventory management so that they cannot lose any seasonal business.
- ✚ Supplier selection: company always follow internal source of supplier. For this reason they sometime loose the appropriate suppliers for raw material suppliers. In contrast, Hamko Corporation limited follow internal external source of suppliers which strengthen their bargaining power over supplier and this directly affect their reducing cost.
- ✚ Shade of Production plant of MBI is leased but other competitors like HAMKO, RAHIMAFROOZ have their own shade. So the company should more invest on it.
- ✚ Company has a limited number dealers only 103 in the country wide which is a few in terms of competition . hamko corporation, the market leader in the industry has more than 600 dealers in the country wide. Company should take aggressive marketing strategy to increase dealer throughout the country.
- ✚ Metro Battery produces mainly automotive IPS battery, But there are other large segment Industrial and solar battery. To increase more dealers, they should emphasize on it.
- ✚ Metro Batteries Industries has limited number of vehicle to control its dealers and customers. They should increase vehicle to fast and timely delivery of the products to its customers. For an example, to facilitate delivery RAHIMAFROOZ more than 180 trucks and HAMKO Corporation made a depot to Khulna and Bogra.

- ✚ One of the main problems of Metro Battery industries is their supplier, who have not been selected through scoring method and most of them are from local suppliers, who supplies goods at a higher rate. As a company has to buy higher rate which impact the production cost higher. But trend of battery market is that dealers want a battery which is competitive price but quality full. To capture the market shares they have to produce a battery which is competitive price.



CHAPTER-05

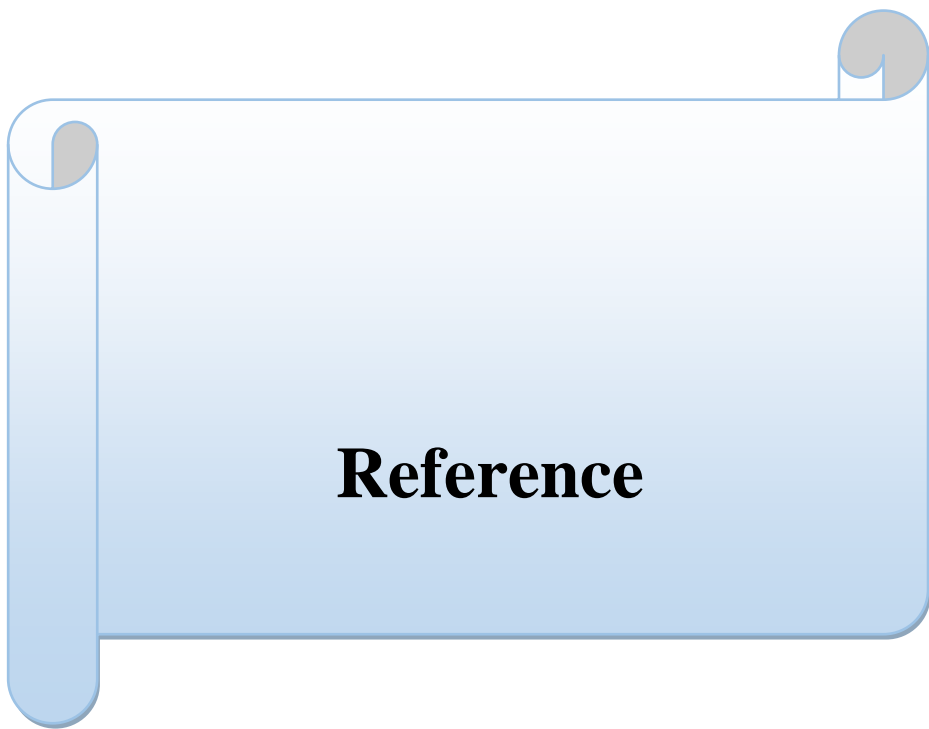
CONCLUSION

5.0 Conclusion

The supply chain of Metro Battery Industries Limited is making up of all the activities required to deliver products to the customer, from designing product to receiving orders, procuring materials, marketing, manufacturing, logistics, customer service, receiving payment and so on. Anyone, anything, anywhere that influences a product's time-to-market, price, quality, information exchange or delivery, among other activities, is part of the supply chain.

Effectively integrating the information and material flows within the demand and supply process is what supply chain management is all about. In most companies, however, two major and very interdependent issues must be simultaneously addressed. The first deals with delivering products with customer-acceptable quality, with very short lead times, at a customer-acceptable cost—while keeping inventories throughout the supply chain at a minimum. The second issue, which tends to be less understood and accepted, is the need for high-quality, relevant and timely information that is provided when it needs to be known. For many customers and manufacturers, business processes and support systems will not measure up to the task of quickly providing planning and execution information from the marketplace to production and on to vendors so that the customer's objectives are consistently met. The fact is most information supplied is excessive, often late and frequently inaccurate.

As a final point, it is articulated that, Metro Battery Industries Limited still a new and growing company but it is following different strategies, taking different decisions, planning and operation, selecting right distribution network to make their supply chain efficient and respond to customer demands timely by delivering quality products and service to customers.



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