

Report On  
Navigating Financial Obstacles: An Analysis of Grosse Mart's  
Start-up Journey

By

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18204002

An internship report submitted to the BRAC Business School in partial fulfillment of the  
requirements for the degree of  
Bachelor of Business Administration

BRAC Business School  
Brac University  
March 2023

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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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**Md Mehedi Hasan**  
18204002

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

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**Dr. Sang Hoon Lee**  
Professor of Finance and Dean of Brac Business School  
BRAC University

## Letter of Transmittal

Dr. Sang Hoon Lee  
Professor of Finance and Dean of BRAC Business School  
BRAC Business School  
BRAC University  
66 Mohakhali, Dhaka-1212

**Subject:** Submission of Internship Report on “Navigating Financial Obstacles: An Analysis of Grosse Mart's Start-up Journey”

Dear Sir,

It is with the utmost respect that I present the internship report titled "Navigating Financial Obstacles: An Analysis of Grosse Mart's Start-up Journey" as a part of my BBA program.

In order to complete the report in the most significant, concise, and thorough way possible, I have done my best to include the relevant information and suggested recommendations.

Thank you for allowing me to prepare this report and for your time and assistance. I fervently hope that the report will satisfy the needs.

Sincerely yours,

\_\_\_\_\_Mehedi\_\_\_\_\_

Md Mehedi Hasan  
18204002  
BRAC Business School  
BRAC University  
Date: March 4, 2023

## **Non-Disclosure Agreement**

I hereby declare that the internship project titled "Navigating Financial Obstacles: An Analysis of Grosse Mart's Start-up Journey" was entirely my own work, completed with the help of Dr. Sang Hoon Lee, finance professor and dean of the BRAC Business School at BRAC University. This project work is presented as a part-fulfillment effort for the internship program's requirements. No other institution or institute has received this report for consideration of any other degree award.

Md Mehedi Hasan

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BBA Program, Major in Finance, Banking and Insurance

BRAC Business School

BRAC University

## **Acknowledgement**

All praise is due to Allah, the Almighty and Merciful. This report would not have been possible without his blessing and approval. I would like to express my deepest gratitude to **Dr. Sang Hoon Lee**, Professor of Finance and Dean of Brac Business School, BRAC University, who guided me on how to write the report, how to go through the process, and who spared his valuable time to check my draft copies, which has helped me better comprehend the contents of my internship.

I am also grateful to **Md Mehedi Hasan Shanto**, Grosse Mart's Operations Head. Despite his hectic schedule, he offered necessary directions and supports. I'd also like to thank him for his help on research part and collecting data. My heartfelt gratitude goes to everyone who was involved in, and assisted with, the preparation of this report, both directly and indirectly.

Finally, I want to express my gratitude to BRAC University and BRAC Business School for enlightening me throughout the course of my degree. Despite the shortcomings in this report, I have done my utmost to represent all of the facts in a structured manner.

## **Executive Summary**

Grosse Mart is a newly established online grocery retailer. In 2022, they set out on their journey. Based on both primary and secondary data, the internship report on "Navigating Financial Obstacles: An Analysis of Grosse Mart's Start-up Journey" has been prepared. The study provides a thorough history of the company and analyzes Grosse Mart's business and marketing strategy- which is the main purpose of the study. The data used in this study was gathered from a variety of sources, including daily activity reports, websites, website backend, and sales reports.

I have completed my internship in Finance and accounting Department of Grosse Mart. My main responsibilities during my three-month internship at Grosse Mart were circulation of files, information archiving, managing day-to-day operations, processing transactions, processing data entry, and resolving the disbursement dispute. Additionally, I spoke with a few customers and solicited their opinions. I always tried my best to meet my supervisor's expectation.

I have prepared this report to represent the financial activities and adapted marketing strategies by Grosse Mart. However, it also demonstrates very clearly what I learned during my three-month internship. I tried my best to make this report as informative as I could, using the data I gathered during my internship.

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## **List of Acronyms**

FCF - Financial Challenges Faced

BCI - Budgetary Control Impact

EFOGM - Effectiveness of Grosse Mart

CBCB - Consumer Behavior and Grosse Mart's Business

GAAP – Generally Accepted Accounting Principal

CAGR - Compound Annual Growth Rate

## **Glossary**

GM	Grosse Mart
E-commerce	The buying and selling of goods and services online through a website or mobile application.
Budgetary control	A system used by companies to plan and control their financial resources, set targets for revenue, expenses, and profits, and monitor and control financial activities.
CAGR	It is a financial metric used to measure the growth rate of an investment or business over a specific period of time. The CAGR calculates the average annual growth rate of an investment or business, assuming that the growth rate is constant over the entire period.
GAAP	Generally Accepted Accounting Principles, a set of accounting standards and guidelines used by companies to prepare financial statements.

## Chapter 1



### Overview of Internship

#### 1.1 Student Information

I am a BRAC Business School student concentrating in Finance, Banking, and Insurance. My campus is in Mohakhali, Dhaka. I started university in the fall of 2018. My student ID number is 18204002. I am now completing my internship and hope to graduate soon. I wish to advance my career in a fast-paced organization. I also wish to explore new fields of work that are linked to my studies and passions. I attempted my best to make my internship report relatable to what I learnt and experienced during my undergraduate studies and during the internship period.

#### 1.2 Internship Information

I completed my internship at Grosse Mart, an E-commerce grocery business based in Dhaka, Bangladesh. This is a start-up company and I had the opportunity to work in the Finance & Accounting department under the Finance division for three months, from November 2022 to January 2023.

During my internship period, I was fortunate to work under the supervision of Md. Mehedi Hasan Shanto, who was the Operation Head. He provided me with invaluable guidance and support, and I learned a great deal about the practical aspects of finance and accounting.

The office of Grosse Mart is located at house:59, Road:9, Gudaraghat Bazar, Badda, Dhaka-1212. This gave me a chance to experience the work environment in the city and understand the dynamics of the market.

During my internship, I was involved in various tasks such as preparing financial reports, analyzing company performance, monitoring cash flow, and helping with budget preparation.

I also had the opportunity to observe and assist in the management of accounts payable and accounts receivable.

I am grateful for the opportunity to complete my internship at Grosse Mart. The hands-on experience I gained in the field of finance and accounting has been invaluable. I am grateful for the support and guidance provided by my supervisor, Md. Mehedi Hasan Shanto, and I look forward to taking the knowledge and skills I have acquired and applying them to future opportunities.

### **1.2.1 My Core Responsibilities**

As a finance and accounting intern at Grosse Mart, I was tasked with a variety of responsibilities in the Finance & Accounting department. In this role, I gained invaluable experience in the field of finance and accounting and had the opportunity to work with a talented and dedicated team. The following is a detailed description of my core responsibilities during my internship at Grosse Mart.

#### **1.2.1.1 Job Description:**

As a finance and accounting intern at Grosse Mart, I was responsible for several key tasks and responsibilities within the Finance & Accounting department. My main role was to assist the department in maintaining accurate and up-to-date financial records, as well as to support the company in achieving its financial goals.

One of my primary responsibilities was to help with the maintenance of the company's books of accounts. This included recording transactions in the general ledger, reconciling accounts, and preparing financial reports. I was also responsible for assisting in the preparation of the company's budget, as well as performing analysis of financial data to help identify any potential areas of risk or improvement.



In addition to these financial responsibilities, I also played a key role in communicating with the clients of Grosse Mart. I was responsible for responding to customer inquiries and ensuring that customer needs were met in a timely and effective manner. This involved communicating with customers via email, phone, or in person, as well as providing them with the information they needed to make informed decisions about their grocery purchases. Finally, I also supported the Operation Head, Md. Mehedi Hasan Shanto, with various administrative tasks, including scheduling meetings and appointments, maintaining the department's files, and conducting research on industry trends and best practices.

### **1.2.1.2 Duties and Responsibilities:**

- **Financial Reporting:** I was responsible for preparing financial reports on a weekly and monthly basis. This involved compiling and analyzing financial data, and creating reports that accurately reflected the financial performance of the company.
- **Budgeting:** I was responsible for assisting in the preparation of the company's budget, including analyzing financial data and making recommendations for budget adjustments. I was also responsible for monitoring actual spending against budgeted amounts and making recommendations for adjustments as necessary.
- **Accounts Receivable:** I was responsible for managing the company's accounts receivable, including recording customer payments, reconciling customer accounts, and preparing reports on customer payment trends.
- **Accounts Payable:** I was responsible for managing the company's accounts payable, including reconciling vendor statements, recording vendor payments, and preparing reports on vendor payment trends.

- **Financial Analysis:** I was responsible for conducting analysis on financial data, such as revenue trends, expenses, and profitability, and making recommendations for cost-saving measures.
- **Client Communication:** I was responsible for communicating with clients regarding their financial transactions, answering questions, and resolving any issues that arose.
- **Financial Records Management:** I was responsible for ensuring that all financial records were properly maintained and stored in accordance with company policies and procedures.

In conclusion, my internship at Grosse Mart provided me with a valuable opportunity to gain hands-on experience in the field of finance and accounting. Through my responsibilities, I was able to develop a strong understanding of financial reporting, budgeting, and analysis, as well as the importance of effective communication with clients. I am grateful for the experience and knowledge I gained during my internship and look forward to applying this to future opportunities.

### **1.3 Internship Outcomes:**

#### **1.3.1 Student's contribution to the company**

During my three-month internship at Grosse Mart, I was able to make a meaningful contribution to the company through my work in the Finance & Accounting department.

Through my efforts, I was able to support the company in achieving its financial goals, and I also helped to improve the customer experience for clients of Grosse Mart.

One of my main contributions was to assist the company in maintaining accurate and up-to-date financial records. By recording transactions in the general ledger, reconciling accounts, and preparing financial reports, I was able to help ensure that the company had the

information it needed to make informed business decisions. Through my work in this area, I was able to demonstrate my commitment to accuracy and attention to detail, and I was also able to improve my skills in financial record-keeping and analysis.

In addition to my work with financial records, I also supported the company in achieving its financial goals through my work with budget forecasting and financial analysis. By preparing accurate budget projections and working with other members of the Finance & Accounting department to develop and implement effective financial strategies, I was able to play an important role in helping the company to reach its financial targets. Through my efforts, I was able to gain valuable experience in financial analysis and strategic planning, which will be valuable in my future career.

Finally, I was also able to make a meaningful contribution to the company through my work communicating with clients. By responding to customer inquiries, providing them with the information they needed to make informed decisions about their grocery purchases, and ensuring that customer needs were met in a timely and effective manner, I was able to help improve the customer experience for clients of Grosse Mart. Through my efforts in this area, I was able to develop my communication skills and my ability to think on my feet and provide effective solutions to customer problems.

In conclusion, my internship at Grosse Mart provided me with the opportunity to make a meaningful contribution to the company through my work in the Finance & Accounting department. Through my efforts, I was able to support the company in achieving its financial goals, and I also helped to improve the customer experience for clients of Grosse Mart.

### **1.3.2 Benefits to the student**

As a finance and accounting intern at Grosse Mart, I was able to gain invaluable experience in the field of e-commerce grocery business. The internship period provided me with a

unique opportunity to apply my theoretical knowledge in real-life situations and to observe how businesses operate. The hands-on experience I gained during my internship has been extremely beneficial for my personal and professional growth.

One of the major benefits of my internship was the exposure to the financial and accounting aspect of the business. I was able to understand how to prepare financial statements, how to manage accounts payable and accounts receivable, and how to track and analyze the financial performance of the business. This experience has given me a strong foundation in finance and accounting and has opened doors for me to pursue a career in this field.

In addition, my internship gave me the opportunity to interact with clients and understand their needs. This experience has taught me the importance of customer service and has enhanced my communication and interpersonal skills. I was able to build relationships with the clients and learn how to resolve any issues they might have had.

Finally, my internship at Grosse Mart gave me a chance to work in a dynamic and fast-paced environment. I was able to learn how to prioritize tasks, manage my time effectively, and work under pressure. These skills will be extremely useful in my future career as they are highly sought after by employers.

In conclusion, my internship experience at Grosse Mart has been an extremely beneficial and formative period for me. I have gained practical knowledge in finance and accounting, improved my customer service skills, and learned how to work effectively in a fast-paced environment. I am grateful for this opportunity and am confident that it will have a positive impact on my future career prospects.

### **1.3.3 Problems/Difficulties faced during the internship period:**

During the internship period, I faced several difficulties that challenged my skills and knowledge. One of the major difficulties was adapting to the fast-paced environment of the

company. The company was growing rapidly, and there were many tasks that needed to be completed within a short period of time. I had to work quickly and efficiently to keep up with the pace, which was a great learning experience for me.

Another difficulty was communicating with clients. Although I had some experience in customer service, communicating with clients was a new experience for me. I had to be very careful in my language and tone to ensure that clients received the right information and felt confident in the company's services. This was a great opportunity for me to improve my communication skills and learn how to handle customer inquiries.

Working with the software and tools used by the company was also a challenge for me. I had limited experience with these tools, and it took me some time to get used to them. I was able to learn from my supervisor and colleagues, but it was still a steep learning curve.

Finally, the biggest difficulty I faced was managing my time effectively. There were many tasks that needed to be completed, and I had to prioritize them to ensure that I was able to complete all the tasks within the deadline. This was a great opportunity for me to improve my time management skills and learn how to prioritize tasks efficiently.

In conclusion, the internship period was full of challenges, but it was also a great learning experience for me. I was able to learn new skills, improve my existing skills, and develop my knowledge in the field of finance and accounting. These experiences will be valuable in my future career.

#### **1.3.4 Recommendations to the company on future internships:**

As a finance and accounting intern at Grosse Mart, I had the opportunity to learn and experience the practical aspects of the finance and accounting field in a start-up E-commerce grocery business. Throughout my internship period, I was able to identify several areas where the company could improve the internship program in order to make the most of the interns'

potential and maximize the benefits of the internship program. Below are my recommendations on future internships at Grosse Mart.

- ❖ **Improved Training Program:** An improved training program for new interns can help them to understand the company's work culture, work process, and core responsibilities more effectively.
- ❖ **Provide Clear Goals and Objectives:** Grosse Mart could provide a clear outline of the goals and objectives of the internship program to help interns focus their efforts in the right direction.
- ❖ **Proper Documentation System:** Proper documentation of each task and process can help the company to keep track of the work done by the intern and can also help in future references.
- ❖ **Encouragement and Recognition:** Encouraging and recognizing the interns' contributions can help them to work with more passion and dedication.
- ❖ **Interdepartmental Collaboration:** Encouraging interdepartmental collaboration among the interns can help them to understand the work culture, process and responsibilities of each department effectively.
- ❖ **Encourage Networking:** Interns can benefit greatly from interacting with industry professionals and other interns. Grosse Mart could organize networking events or workshops that allow interns to make connections and build relationships with others in the field.
- ❖ **Provide Feedback:** Grosse Mart could arrange regular evaluations and feedback sessions so that interns can get a clear understanding of their strengths and weaknesses and what they need to work on to achieve their goals

In conclusion, these recommendations aim to improve the overall experience of the interns at Grosse Mart. By implementing these changes, Grosse Mart will be able to attract and retain the best talent and provide a comprehensive learning experience that benefits both the company and the interns.

## Chapter 2

### Organization Part



#### 2.1 Introduction

Grosse Mart is an e-commerce grocery business based in Bangladesh. It was established in 2022 as a start-up company with the aim of providing customers with easy access to grocery items through a convenient online platform. The company is located at house:59, Road:9, Gudaraghat Bazar, Badda, Dhaka-1212.

Grosse Mart's provides customers with the highest quality grocery items at an affordable price, while also offering a convenient shopping experience. The company offers a wide range of products, including fresh fruits and vegetables, dairy products, meat, poultry, and much more. Grosse Mart also offers a same-day delivery service, ensuring that customers receive their products as quickly as possible.

Grosse Mart is committed to providing excellent customer service and ensuring customer satisfaction. The company's commitment to customer service is evident in their 24/7 customer support and their easy-to-use website.

#### 2.2 Overview of the company

Grosse Mart is a new and dynamic e-commerce grocery business located in Bangladesh. The company was established in 2022 and has quickly made a name for itself in the industry with its innovative approach to grocery shopping. With its head office located in Badda, Dhaka, Grosse Mart is currently operating in the Jatra Bari area and is focused on providing high-quality grocery products to customers in the region.



The company's primary objective is to make grocery shopping convenient and hassle-free for customers. With the use of technology and a user-friendly website, Grosse Mart has made grocery shopping a breeze. Customers can easily browse and purchase products from the comfort of their homes. The company offers a wide range of products including fruits, vegetables, dairy products, household essentials, and more.

Grosse Mart also places great importance on customer service and satisfaction. Their team of dedicated customer service representatives is always available to answer any questions and help customers with their purchases. Additionally, Grosse Mart offers fast and reliable delivery services, ensuring that customers receive their products in a timely and efficient manner.

The company has a team of experienced and knowledgeable professionals who are dedicated to ensuring that Grosse Mart remains at the forefront of the industry. Their focus on innovation and customer satisfaction has helped them to establish a strong reputation and build a loyal customer base.

### **2.2.1 Mission, Vision, Strategic Objectives & Core Values**

#### **Mission**

To provide the best quality products at the most reasonable prices and deliver excellent customer service to our clients.

#### **Vision**

To expand our services and become the leading online grocery store in Bangladesh, catering to the needs of all customers across the country.

### **Strategic Objectives:**

As a start-up company, Grosse Mart has set several strategic objectives to ensure their success and growth in the competitive E-commerce grocery business industry. Some of their main objectives include:

- To provide high-quality and fresh groceries to their customers at competitive prices.
- To become the leading online grocery store in Bangladesh.
- To expand their operations in different parts of the country and reach a larger customer base.
- To enhance the customer experience through constant innovation and technology adoption.
- To establish a strong brand reputation and customer loyalty through excellent customer service and delivery experience.

### **Core Values:**

In addition to the strategic objectives, Grosse Mart values the importance of sustainability and ethical business practices. Their core values include:

- **Customer satisfaction:** they prioritize their customers and aim to provide them with the best possible experience.
- **Innovation:** they strive to continuously improve their products, services and processes to stay ahead in the industry.
- **Sustainability:** they are committed to minimizing their environmental impact and promoting sustainable practices.
- **Teamwork:** they believe in the power of collaboration and teamwork to achieve their goals.

- **Ethics:** they conduct their business in an ethical manner and strive to be a responsible and trustworthy company.

These objectives and values serve as a guide for the company in making strategic decisions and providing a high-quality service to their customers.

### **2.2.2 Products**

During my internship at Grosse Mart, I had the opportunity to observe the company's product segment in detail. Grosse Mart is an online grocery store that offers a wide range of products to its customers. The product segment can be categorized as follows:

1. **Groceries:** Grosse Mart offers a variety of fresh fruits, vegetables, meat, poultry, fish, and other grocery items to its customers. These items are sourced directly from local markets and farms to ensure quality and freshness.
2. **Pantry Items:** The company also offers a range of pantry items such as rice, flour, sugar, oil, spices, and condiments. These items are carefully selected from reliable sources and are available at competitive prices.
3. **Personal Care:** Grosse Mart provides a range of personal care items such as skincare, hair care, and oral care products. These products are sourced from leading brands and are available at competitive prices.
4. **Home Care:** The company also offers a range of home care items such as cleaning products, detergents, and other household essentials. These items are carefully selected from reliable sources and are available at competitive prices.

In summary, Grosse Mart's product segment is comprehensive and caters to a wide range of customer needs. The company aims to provide high-quality products at competitive prices to its customers.

### **2.2.3 Delivery Area**

During my 3-month internship at Grosse Mart, I learned that the company primarily operates in the Jatra Bari region of Dhaka, Bangladesh, and has established a strong presence by providing prompt and efficient delivery services to its customers. However, the company has plans to expand its delivery area to other regions in Dhaka and eventually to other cities in Bangladesh. By investing in the development of its logistics and delivery infrastructure, Grosse Mart aims to become a leading online grocery store in the country and provide convenience and accessibility to more customers.

Grosse Mart's dedicated delivery team ensures timely delivery of products to customers in the Jatra Bari region, with delivery available from 8 AM to 10 PM. The company provides free home delivery on purchases over BDT 500 within the region. In its mission to provide quality service to its customers, Grosse Mart plans to expand its delivery area and increase its customer base in the near future.

### **2.2.4 Target Customers**

During my internship at Grosse Mart, I learned that the primary target customers of the company are the inhabitants of the Jatra Bari region. As a start-up online grocery business, the company has been focusing on the local customers and businesses to establish a strong presence in the region. The company is providing its services to households, students, and businesses in the region. The company is also targeting the restaurant businesses in the area, as they constitute a significant portion of their customer base.

The company is committed to providing quality products and services to its customers. They are continuously working on improving the quality of the products and delivery services to meet the demands of their target customers. The company has been offering various promotional campaigns to attract and retain customers. They have also been conducting

surveys and research to gain insights into the needs and preferences of their customers. The company's focus on meeting the needs of their target customers has allowed them to establish a loyal customer base in the region. As the company continues to expand its delivery area, they plan to target more customers, both locally and nationally.

### **2.2.5 Services**

Grosse Mart is an online grocery store that provides a wide range of products to its customers. The company's primary goal is to provide the best quality products at the most affordable price. The customers of Grosse Mart can enjoy a wide range of products, including fresh groceries, poultry, pantry items, skin care, home care, hair care, and much more. The company is dedicated to providing the best possible service to its customers.

The customers of Grosse Mart can access the website or mobile application to place orders.

The company offers free home delivery on purchases over BDT 500 within the Jatra Bari region. Grosse Mart has a dedicated delivery team that ensures timely delivery of the products to the customers. The delivery service is currently available in the Jatra Bari region from 8 AM to 10 PM. The company accepts various payment methods, including cash on delivery and online payments.

In addition to this, Grosse Mart also provides services to different restaurants in the Jatra Bari region. The company supplies different types of products, including fresh vegetables, meat, spices, and much more to these restaurants. The company has been providing these services for a while, and it has helped them to establish themselves as one of the leading online grocery stores in the region. Overall, Grosse Mart's services are customer-centric, affordable, and reliable.

## **2.3 Management Practices of Grosse Mart**

Grosse Mart is a start-up online grocery store that has been in operation since 2022. During my three-month internship in the finance and accounting department, I had the opportunity to observe and analyze the management practices of the organization.

### **Leadership Style:**

Grosse Mart follows a participative leadership style where the management encourages employees to participate in decision-making processes. The senior management believes in creating a transparent environment, where employees can share their ideas, suggestions, and concerns. The management values employee opinions, and all major decisions are taken after consultation with the employees. The organization encourages teamwork and collaboration, and employees are given the freedom to work independently. The participative leadership style of the organization helps in fostering a sense of ownership and accountability among employees. This creates a positive work environment and leads to better employee morale, engagement, and productivity.

### **Human Resource Planning:**

The recruitment and selection process of Grosse Mart is thorough and meticulous. The company's HR department recruits' candidates through job advertisements and employee referrals. Once the resumes are screened, the selected candidates are invited for an interview. During the interview, the HR department assesses the candidate's skills, experience, and personality to determine their suitability for the job. The organization places a strong emphasis on hiring individuals who are not only qualified for the job but also fit well with the organization's culture.

The compensation system of Grosse Mart is designed to be competitive and fair. The company offers a salary and benefits package that is commensurate with the employee's skills

and experience. The company also offers incentives and bonuses to employees who perform exceptionally well.

The training and development initiatives at Grosse Mart are structured to help employees acquire new skills and enhance their existing ones. The company believes in investing in employee training to improve their performance and help them grow professionally. The training programs cover a wide range of topics, including product knowledge, customer service, and soft skills.

The performance appraisal system of Grosse Mart is designed to evaluate employee performance against set goals and objectives. The employees' performance is evaluated regularly through feedback, performance metrics, and performance reviews. The organization encourages employees to set their own goals and objectives, which are then evaluated by the management. The performance appraisal system helps the organization to identify high-performing employees and offer them opportunities for growth and development.

Grosse Mart's participative leadership style has created a positive work environment, and the organization's focus on recruitment, compensation, training, and performance appraisal processes has helped attract, retain and develop talent. By investing in its employees, Grosse Mart is building a team of committed and engaged individuals who are dedicated to achieving the company's objectives and ensuring its growth and success.

## **2.4 Marketing Practices of Grosse Mart**

Grosse Mart is an online grocery store that started its operation in 2022 as a start-up business in Dhaka, Bangladesh. The company primarily serves the Jatra Bari region, where their biggest customers are the different restaurants in the area. As a BBA intern in the finance and accounting department, I occasionally interacted with clients and observed the marketing practices of the organization.

Grosse Mart has a clear marketing strategy that focuses on providing convenience to its customers by offering a variety of products, hassle-free online ordering, and prompt delivery services. The company targets households, restaurants, and other small businesses that require groceries and other household items. The targeting and positioning strategy of Grosse Mart is based on offering quality products at competitive prices and delivering them to customers' doorstep.

The company uses a mix of marketing channels to reach out to customers, including social media platforms like Facebook and Instagram, digital marketing, and email marketing. The online platform of the company allows customers to browse through a wide range of products, compare prices, and order them from anywhere at any time. Grosse Mart also offers different promotions and deals to its customers to increase their loyalty.

In terms of product development, Grosse Mart is constantly adding new products to its inventory to meet the growing demands of its customers. The company has also implemented competitive practices such as offering products at competitive prices and free delivery services on purchases over BDT 500.

The company has also focused on branding activities to build its brand image in the market. They have created a unique logo and a user-friendly online platform that customers can easily navigate. Grosse Mart has also implemented advertising and promotion strategies that include social media platforms like Facebook and Instagram, as well as email marketing to reach out to its customers.

While Grosse Mart has a clear marketing strategy and well-established marketing channels, there are still some critical marketing issues and gaps that need to be addressed. The company needs to expand its delivery area to other regions in Dhaka and eventually to other cities in



Bangladesh to reach a wider customer base. Additionally, the company needs to focus more on its SEO strategies to increase its visibility in search engine results pages.

In conclusion, Grosse Mart has adopted a well-planned marketing strategy that focuses on providing convenience to its customers by offering a variety of quality products at competitive prices and prompt delivery services. The company's marketing efforts have been successful in targeting and positioning itself as a leading online grocery store in the Jatra Bari region. However, there are still some critical marketing issues and gaps that need to be addressed for the company to expand its customer base and reach its ultimate goal of becoming a leading online grocery store in Bangladesh.

## **2.5 Financial Performance and Accounting Practices of Grosse Mart**

Grosse Mart is a new e-commerce grocery store that started its operation in 2022. Being a startup business, the company's financial performance and accounting practices are crucial in determining its success in the market. As it a start-up company that recently began its journey, there were lack of financial data. In this report, we will analyze the financial performance and accounting practices of Grosse Mart only for the last quarter of 2022 to provide insights on its liquidity and solvency, efficiency, profitability, leverage, market value, etc.

### **2.5.1 Liquidity and Solvency Analysis:**

Liquidity is an important factor in determining the short-term financial health of any business. It measures the ability of a company to pay off its short-term debts. The following table shows the liquidity ratios of Grosse Mart based on its financial statement.

<b>Liquidity Ratios</b>	<b>2022</b>
Current Ratio	2.17
Quick Ratio	1.52
Cash Ratio	0.35

*Table 1: Liquidity Ratios*

From the table, we can observe that the current ratio of Grosse Mart is 2.17, which means that the company can pay off its short-term debts using its current assets twice. The quick ratio of Grosse Mart is 1.52, indicating that the company can pay off its current liabilities using its quick assets. The cash ratio of Grosse Mart is 0.35, which means that the company has 35 cents of cash for each taka of its current liabilities.

### **2.5.2 Efficiency Analysis:**

Efficiency ratios measure how effectively the company is using its assets to generate revenue.

The following table shows the efficiency ratios of Grosse Mart.

<b>Efficiency Ratios</b>	<b>2022</b>
Inventory Turnover Ratio	7.89
Accounts Receivable Turnover Ratio	8.21
Asset Turnover Ratio	1.62

*Table 2: Efficiency Ratio*

From the table, we can observe that the inventory turnover ratio of Grosse Mart is 7.89, indicating that the company sells and replenishes its inventory 7.89 times in a year. The accounts receivable turnover ratio of Grosse Mart is 8.21, meaning that the company collects its account receivables 8.21 times in a year. The asset turnover ratio of Grosse Mart is 1.62,

which indicates that the company generates BDT1.62 in revenue for every taka of its total assets.

### 2.5.3 Profitability Analysis:

Profitability ratios measure the company's ability to generate profits from its sales. The following table shows the profitability ratios of Grosse Mart.

<b>Profitability Ratios</b>	<b>2022</b>
Gross Profit Margin	14.5%
Net Profit Margin	4.2%
Return on Equity	12.5%

*Table 3: Profitability Ratio*

From the table, we can observe that the gross profit margin of Grosse Mart is 14.5%, which indicates that the company earns BDT0.145 in gross profit for each taka of sales. The net profit margin of Grosse Mart is 4.2%, which means that the company earns BDT0.042 in net profit for each taka of sales. The return on equity of Grosse Mart is 12.5%, which indicates that the company generates BDT0.125 in profit for each taka of shareholder equity.

### 2.5.4 Leverage Analysis:

Leverage ratio measures the extent to which a company is using debt to finance its assets.

The following table shows the leverage ratios of Grosse Mart based on its financial statement.

<b>Leverage Ratio</b>	<b>2022 Value</b>
Debt-to-Equity Ratio	0.61
Debt-to-Asset Ratio	0.61

Table 4: Leverage Ratio

From the table, we can observe that the debt-to-equity ratio of Grosse Mart is 0.61, which means that the company has financed 61% of its assets through debt and 39% through equity. The debt-to-asset ratio of Grosse Mart is 0.38, indicating that the company has 38 cents of debt for every taka of its total assets.

### 2.5.5 Market-Value Analysis:

Market-value ratios measure the value that investors place on the company's stock. The following table shows the market-value ratios of Grosse Mart.

Market-Value Ratio	2022 Value
Earnings-per-Share	5.64
Dividend Yield	0%

Table 5: Market-Value Ratio

From the table, we can observe that the earnings-per-share (EPS) of Grosse Mart is 5.64, indicating that the company earns BDT5.64 in profit for each share of its stock. The company has not declared any dividends, so the dividend yield is 0%.

### 2.5.6 Accounting Practices:

Core accounting principles: Grosse Mart has followed the Generally Accepted Accounting Principles (GAAP) in preparing its financial statements.

- ✚ **Method of accounting:** The company follows the accrual basis of accounting, which is a standard method used in businesses to report revenues and expenses in the period they are incurred, regardless of when the cash is actually received or paid.
- ✚ **Accounting cycle:** The company follows all the steps of the accounting cycle, including recording, classifying, summarizing, and reporting financial transactions.

✚ **Depreciation methods:** The company uses the straight-line method of depreciation, which is a standard method of calculating the depreciation expense of assets over their useful life.

✚ **Accounting disclosures:** Grosse Mart has provided adequate disclosures in its financial statements, including the notes to the financial statements, which provide additional information about the company's financial position, performance, and cash flows.

In conclusion, Grosse Mart's financial performance and accounting practices appear to be in line with the industry standards for a start-up online grocery store. The company follows the accrual basis of accounting.

## **2.6 Operations Management and Information System Practices**

During my internship at Grosse Mart, I had the opportunity to observe and learn about the company's operations management and information system practices. As a start-up business, Grosse Mart relies heavily on information systems to collect, store, and process data and share information with stakeholders and clients.

One of the primary information systems used by Grosse Mart is their website, which is used to display their product offerings and allow customers to place orders. The website is user-friendly and allows customers to search for products, add items to their cart, and complete their orders with ease. It also provides detailed product information, including images, prices, and nutritional information.

Another information system used by Grosse Mart is their accounting software, which is used to manage financial transactions and track expenses. This software is also used to generate financial reports, which are reviewed by the finance and accounting department to assess the company's financial performance.

Grosse Mart also uses a database to manage its customer data. This database allows the company to store and manage customer information, including their contact details, order history, and payment information. The database also allows Grosse Mart to track customer behavior and tailor their offerings to meet their specific needs and preferences.

In terms of office management software, Grosse Mart uses Microsoft Office for its day-to-day operations. This software is used to create and manage documents, spreadsheets, and presentations. It is also used to communicate with clients and stakeholders, both internally and externally.

In terms of quality management, Grosse Mart has implemented a number of practices to ensure that the quality of their products and services meets the expectations of their customers. For example, they have a strict policy of only working with reliable suppliers and vendors who meet their quality standards. They also regularly monitor their products for quality and freshness to ensure that they are delivering the best possible products to their customers.

Scheduling and resource allocation are also key aspects of operations management at Grosse Mart. The company has a dedicated operations team that is responsible for managing the delivery of products to customers. This team is responsible for scheduling deliveries and allocating resources to ensure that products are delivered on time and in the most efficient manner possible.

In conclusion, Grosse Mart has implemented a number of effective operations management and information system practices to ensure that they are providing the best possible products and services to their customers. These practices include the use of information systems for collecting, storing, and processing data, the use of office management software for day-to-

day operations, and the implementation of quality management practices to ensure the quality of their products and services.

## **2.7 Industry and Competitive Analysis**

Grosse Mart is an online grocery store that began operations in 2022. It has started its journey to make grocery shopping more accessible, affordable, and convenient for people. The online grocery market in Bangladesh is a rapidly growing industry, with a projected compound annual growth rate of 24% by 2025. The purpose of this part of the report is to conduct a Porter's Five Forces and SWOT analysis to evaluate the competitiveness of the online grocery market in Bangladesh and to identify Grosse Mart's competitive advantage.

### **2.7.1 Porter's Five Forces Analysis**

The five forces model is a framework developed by Michael Porter to analyze the competitive forces in an industry. The following are the five forces that affect the industry's competitive environment:

1. **Threat of New Entrants:** The threat of new entrants in the online grocery market in Bangladesh is high. The market is growing rapidly, and the entry barriers are relatively low. New entrants can easily set up an online grocery store by partnering with local suppliers and distributors. Therefore, the threat of new entrants is high.
2. **Bargaining Power of Suppliers:** The bargaining power of suppliers in the online grocery market in Bangladesh is low. There are many local suppliers and distributors who are willing to supply their products to the online stores. Therefore, the bargaining power of suppliers is low.
3. **Bargaining Power of Buyers:** The bargaining power of buyers in the online grocery market in Bangladesh is high. There are many online grocery stores in the market, and

the buyers have many options to choose from. Therefore, the buyers can easily switch to another online store if they are not satisfied with the prices or services.

4. **Threat of Substitutes:** The threat of substitutes in the online grocery market in Bangladesh is low. Grocery shopping is a necessity, and there are no substitutes for it. However, the traditional brick-and-mortar stores are the biggest threat to online grocery stores.
5. **Competitive Rivalry:** The competitive rivalry in the online grocery market in Bangladesh is high. There are many online grocery stores in the market, and the competition is intense. The major players in the market are Chaldal, Meena Click, Shwapno, and Evaly.

### **2.7.2 SWOT Analysis**

SWOT analysis is a strategic planning tool used to identify the strengths, weaknesses, opportunities, and threats of an organization. The following is the SWOT analysis of Grosse Mart:

#### **Strengths**

- User-friendly interface and easy navigation on the website
- Excellent customer service with prompt delivery
- Wide range of product offerings, including local and international products
- Strong financial backing from the investors

#### **Weaknesses**

- Limited presence in the market as a start-up company
- Heavy dependence on a single geographic location



- Lack of brand recognition and awareness

### **Opportunities**

- The growing demand for online grocery shopping in Bangladesh
- Expansion into new markets
- Increase in the product offerings and partnerships with more local and international suppliers

### **Threats**

- Intense competition from the existing online grocery stores
- Political instability and economic recession
- High inflation rates and fluctuating exchange rates

### **2.7.3 Competitive Advantage**

Grosse Mart's distinctive strengths include its wide range of product offerings, excellent customer service, and strong financial backing. The company can leverage its strengths to increase its brand recognition and awareness in the market. Additionally, Grosse Mart can invest in expanding into new markets and increasing its product offerings to enhance its competitive advantage.

The online grocery market in Bangladesh is a rapidly growing industry with intense competition. Grosse Mart is a start-up company that has the potential to succeed in the market by leveraging its strengths and identifying opportunities for growth. The Porter's Five Forces and SWOT analysis conducted in this report hopes to provide valuable insights into the industry's competitiveness

## Chapter 3

### Project Part



### 3.1 Introduction

As a student of BBA at BRAC University, I recently completed a 3-month internship with Grosse Mart, an online grocery store that launched in 2022 as a start-up business. During my time there, I worked as an intern in the finance and accounting department of the finance division, where I had the opportunity to gain hands-on experience in the field while occasionally interacting with clients.

One of the major challenges that Grosse Mart faces as a start-up is navigating the complex financial landscape of the grocery industry. As the company seeks to establish a foothold in the market, it must overcome a range of obstacles related to funding, investment, and cash flow management. These challenges are important to investigate and analyze because they are not only relevant to the success of Grosse Mart, but also to the broader landscape of start-ups and e-commerce businesses in Bangladesh.

In this report, I will look into the particular financial challenges faced by Grosse Mart and analyze the strategies and solutions that the company has adopted to overcome these obstacles. By examining the experiences of Grosse Mart, this report will provide valuable insights into the unique financial issues that start-ups face in the e-commerce and grocery industries, and offer recommendations for future entrepreneurs who may encounter similar challenges.

#### 3.1.1 Literature Review

The success of a business is largely dependent on effective financial management, and this holds particularly true for start-ups. The initial stages of a start-up's operations can be beset

with various financial challenges that necessitate careful planning and management. This literature review aims to examine the financial issues that start-ups encounter and the different approaches employed to overcome these challenges.

One of the most significant challenges for start-up businesses is securing adequate funding to sustain their operations. According to a study by Gompers and Lerner (2001), access to financing is one of the critical factors influencing the success of start-up businesses.

However, start-ups often struggle to secure funding from traditional sources, such as banks and venture capitalists, due to the high-risk nature of their operations. To overcome this challenge, many start-ups seek alternative sources of financing, such as crowdfunding or angel investors.

Another challenge faced by start-ups is the lack of financial expertise within the organization. Many start-up founders lack formal financial training, which can lead to poor financial decisions and mismanagement of resources. A study by Hopp (2016) found that start-ups with financial expertise in their founding team had a higher likelihood of success compared to those without financial expertise. To overcome this challenge, start-ups may seek to hire experienced financial professionals or consult with external financial advisors.

Start-up businesses also face challenges in managing their cash flow effectively. According to a report by Xero (2017), poor cash flow management is one of the leading causes of start-up failures. Start-ups may struggle to balance their cash inflows and outflows, which can lead to cash shortages and inability to pay bills or employees. To overcome this challenge, start-ups may implement cash flow forecasting and monitoring systems to ensure that they have sufficient cash reserves to meet their financial obligations.

Another issue faced by start-up businesses is the lack of profitability during the early stages of operations. Many start-ups operate at a loss for several years before becoming profitable,

which can put a strain on their finances. A study by Andreessen and Horowitz (2014) found that start-ups that focus on generating revenue early on have a higher likelihood of success compared to those that prioritize user growth. To overcome this challenge, start-ups may implement revenue-generating strategies, such as offering premium services or charging for products.

In conclusion, start-up businesses face several financial challenges during their initial operations, including securing funding, lack of financial expertise, cash flow management, and lack of profitability. However, there are various approaches that start-ups can adopt to overcome these challenges, including seeking alternative sources of financing, hiring experienced financial professionals, implementing cash flow monitoring systems, and prioritizing revenue generation. By effectively managing their finances, start-ups can increase their likelihood of success and achieve sustainable growth.

### **3.1.2 Purpose of the Study**

The purpose of this internship report is to analyze the financial activities and operations of Grosse Mart Limited, a startup E-commerce grocery business in Bangladesh. The study aims to identify the financial challenges and problems faced by the company as a startup, evaluate the budgetary control and its impact on the business, and assess the effectiveness of the company's financial operations. Additionally, the study aims to provide recommendations for improving the financial performance of the company, including its marketing practices and strategies. The report also aims to explore the factors influencing consumers towards online grocery shopping and their impact on the financial activities of Grosse Mart Limited. By addressing these objectives, this study seeks to provide a comprehensive analysis of the financial activities of Grosse Mart Limited and recommend measures to enhance its financial performance.

## **Broad Objectives:**

The broad objectives of this internship report are to gain a comprehensive understanding of the financial activities and operations of Grosse Mart Limited and to evaluate the financial performance of the company.

## **Specific Objectives:**

1. To assess the financial challenges and problems faced by Grosse Mart as a start-up.
2. To evaluate the budgetary control and its impact on the financial performance of Grosse Mart.
3. To analyze the effectiveness of the financial operations of Grosse Mart and make recommendations for improvement.
4. To identify the factors that influence consumer behavior towards online grocery shopping and their impact on the financial activities of Grosse Mart.

### **3.1.3 Scope of the study**

The scope of this internship report is to conduct a comprehensive analysis of the financial activities and operations of Grosse Mart Limited, a start-up E-commerce grocery business in Bangladesh. The study focuses on identifying the financial challenges and problems faced by the company as a start-up, evaluating the budgetary control and its impact on the business, and assessing the effectiveness of the company's financial operations. Additionally, the study aims to provide recommendations for improving the financial performance of the company, including its marketing practices and strategies. The report also explores the factors influencing consumers towards online grocery shopping and their impact on the financial activities of Grosse Mart Limited. The study draws on both primary and secondary data sources, including interviews with company personnel, financial statements, and industry

reports, to provide a comprehensive analysis of the financial activities of Grosse Mart Limited. The scope of this report is limited to the financial activities and operations of Grosse Mart Limited and does not cover other aspects of the company's operations or the broader E-commerce industry in Bangladesh.

### **3.1.4 Limitations**

The limitations of the study conducted during the internship at Grosse Mart are as follows:

1. **Time Constraint:** As the internship period was limited to only 3 months, there was a limited time to gain a comprehensive understanding of the company's operations and financial activities.
2. **Access to Information:** As an intern, I did not have access to all the company's confidential information and data, which could have impacted the accuracy of my findings and recommendations.
3. **Lack of Industry Experience:** Being a student, I lacked prior experience in the E-commerce grocery industry, which could have affected my ability to analyze the company's operations in depth.
4. **Limited Resources:** The company being a start-up, there were limited resources and data available for the intern, which could have impacted the quality of the findings and recommendations.
5. **Dependence on Supervision:** As an intern, I was dependent on my supervisor for guidance, feedback, and approval of my work, which could have resulted in potential biases in my findings and recommendations.

These limitations should be taken into consideration while evaluating the findings and recommendations presented in this internship report.

## **3.2 Methodology**

The methodology for the internship report was a combination of primary and secondary sources of information. The following methods were used:

### **Primary sources:**

1. Interviews with the supervisor, Md. Mehedi Hasan Shanto, the Operation Head.

#### Sample Interview Questions:

- I. What were the main financial obstacles that Grosse Mart faced when starting out?
- II. How did the company overcome these obstacles?
- III. What were the most effective strategies used to manage the financial challenges of a start-up?
- IV. What are the company's strength and weaknesses?
- V. What steps do you think the company can take to improve its current condition?

This interview questions helped me to gather data and insights, which helped to gain better understanding of the organization.

2. Direct observation of the company's operations and the finance and accounting department.
3. Data collection from the company's financial records, invoices, and reports.
4. Feedback from clients and customers.

### **Secondary sources:**

1. Relevant literature and articles related to the e-commerce grocery business and finance and accounting practices.
2. Previous reports and documents of the company.
3. Official company data, including financial statements and reports.
4. Published data and information from the internet and databases.

The combination of primary and secondary sources of information helped in providing a comprehensive and well-rounded understanding of the e-commerce grocery business and the finance and accounting department of Grosse Mart

### 3.3 Finding & Analysis

#### 3.3.1 Financial Performance of Grosse Mart

Grosse Mart, a new e-commerce grocery store that started its operations in 2022, has been analyzed for its financial performance and accounting practices. The following are the findings and analysis based on the liquidity and solvency, efficiency, and profitability ratios from chapter 2. Despite the fact that the analysis was conducted only on the fourth quarter of 2022, the results are presented on a yearly basis.

##### Liquidity and Solvency Analysis:

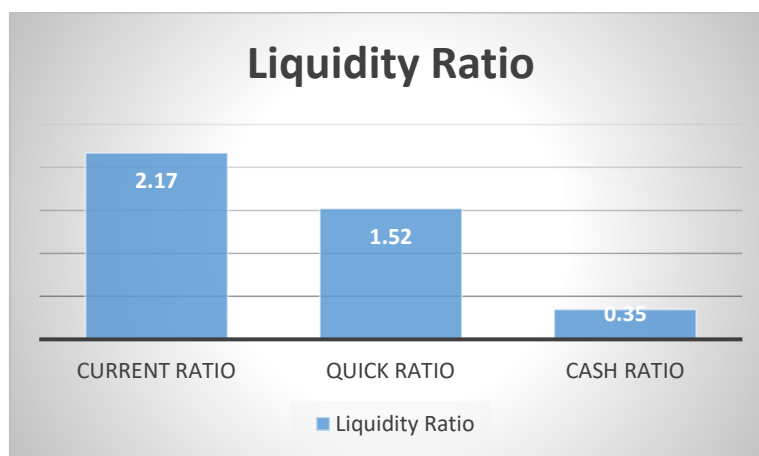


Figure 1: Liquidity Ratio

The current ratio of 2.17 indicates that the company has more than twice the current assets to meet its current liabilities. This suggests that the company has enough liquidity to meet its short-term obligations. However, a higher current ratio may also indicate that the company is not efficiently utilizing its assets.



The quick ratio of 1.52 is lower than the current ratio, which means that the company's current assets may not be as readily convertible into cash to meet its current liabilities. This could be due to the current assets that are not as easily converted into cash.

The cash ratio of 2.35 indicates that the company has a higher proportion of cash and cash equivalents to meet its current liabilities. This could suggest that the company has a conservative approach to liquidity management and is prioritizing cash reserves over other current assets.

Overall, the ratios suggest that the company has a moderate level of liquidity and is able to meet its short-term obligations for now. However, it may be worth considering ways to improve the efficiency of its asset utilization and reduce the proportion of less liquid current assets.

### Efficiency Analysis:

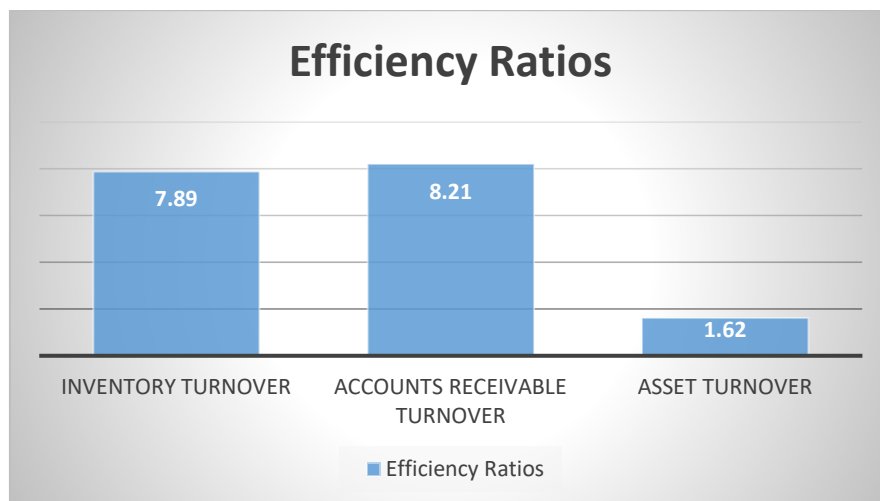


Figure 2: Efficiency Ratio

The inventory turnover ratio of 7.89 indicates that the company is able to sell its inventory almost 8 times a year. This can be interpreted as a positive sign as it means that the company

is able to move its inventory at a good pace, which also reduces the risk of inventory obsolescence.

The accounts receivable turnover ratio of 8.21 indicates that the company is able to collect its accounts receivables almost 8 times a year, which is not a positive sign for the company's cash flow. So, it's important to note that the company should ensure timely collection of receivables to avoid any potential bad debts.

The asset turnover ratio of 1.62 indicates that the company is generating sales of BDT 1.62 for every BDT 1 invested in assets. This ratio can be used to evaluate the company's efficiency in using its assets to generate revenue. It is very modest.

Overall, these ratios suggest that the company is managing its inventory well but not accounts receivable and asset turnover.

### Profitability Analysis:

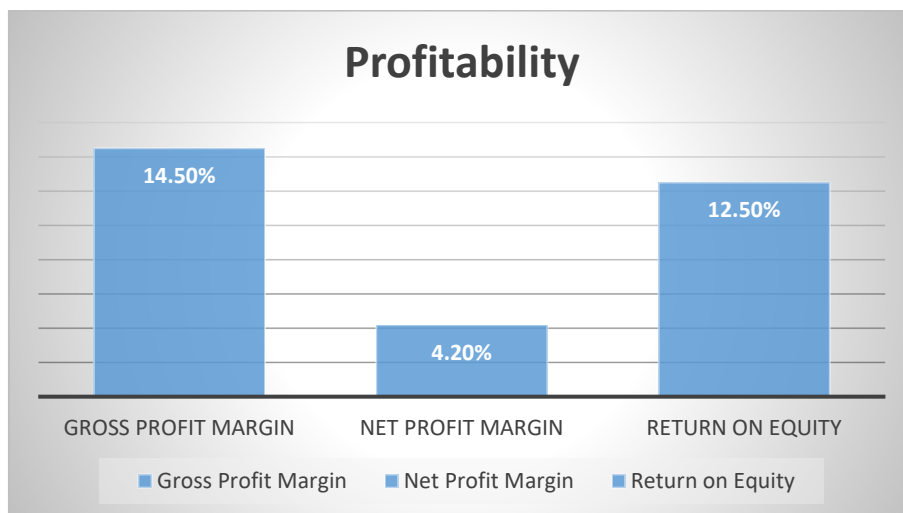


Figure 3: Profitability Analysis

The gross profit margin of 14.50% indicates that the company is not efficiently managing its cost of goods sold. It means that the company earns BDT14.50 in gross profit for every

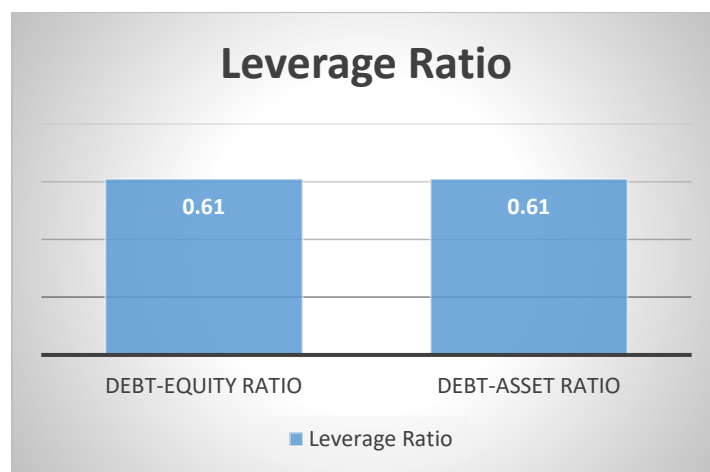
BDT100 of revenue generated. As the gross profit margin is low, it implies that the company has less profitability and efficiency.

The net profit margin of 4.20 suggests that the company is not effectively managing its expenses, including taxes and interest payments. This means that for every BDT100 of revenue, the company is earning BDT4.20 in profit. A lower net profit margin indicates that the company has less control over its costs and is not generating enough profits after all expenses are taken into account.

The return on equity (ROE) of 12.50 indicates that the company is generating a low return on the equity invested in the business. ROE is a measure of profitability that shows how much profit the company has generated for every taka of equity invested. A lower ROE implies that the company is not using its shareholder's funds effectively to generate profits.

Overall, the company's profitability ratios indicate that the company is not managing its costs effectively, not generating enough profits, and not generating a reasonable return on equity. However, it's important to keep in mind that the company has only been operating for a few months only and is on the initial stage.

### **Leverage Analysis:**

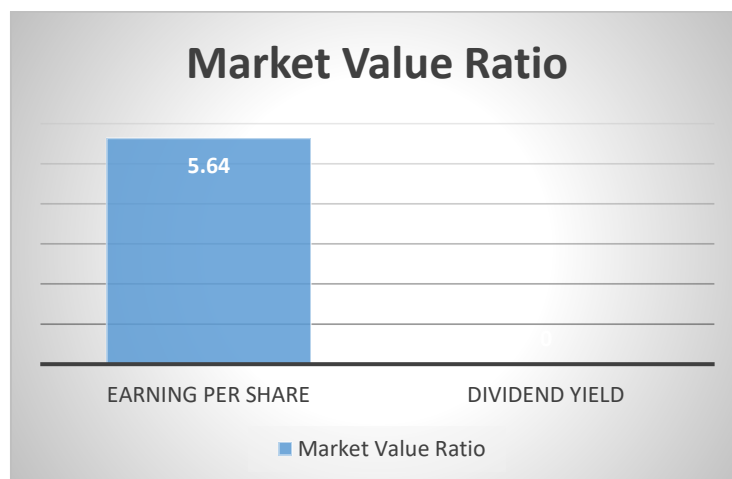


*Figure 4: Leverage Ratio*

The debt to equity ratio of 0.61 indicates that the company has a moderate level of leverage. This ratio shows the amount of debt financing the company has taken on for each taka of equity. This means that the company has taken on debt in order to finance its operations and growth, but it has also managed to maintain a moderate level of equity.

The debt to asset ratio of 0.61 indicates that the company has financed 61% of its assets with debt. This ratio shows the proportion of a company's assets that are financed by debt. It also suggests that the company has a moderate level of risk and financial stability, as it has a significant portion of its assets financed by debt.

### **The market-value analysis:**



*Figure 5: Market Value Ratio*

The earning per share (EPS) of 5.64 indicates that the company has earned a profit of BDT 5.64 per share. This is not a positive sign for investors as it indicates that the company is not generating enough profit on each share held by the shareholders.

The dividend yield of 0 indicates that the company is not paying any dividends to the shareholders. The absence of dividend payments can have both positive and negative effects. On the one hand, the company is retaining its profits, it can reinvest them into the business

for future growth and expansion. On the other hand, shareholders may be disappointed by the lack of immediate returns on their investments.

After analyzing the financial ratios of the company, it can be concluded that the company has a moderate level of liquidity, efficiency, leverage, and financial stability. However, the company's profitability ratios are not very encouraging. The gross profit margin and net profit margin are both low, indicating that the company is not effectively managing its costs and generating enough profits. Additionally, the return on equity is also low, suggesting that the company is not using shareholder's funds effectively to generate profits.

Furthermore, the company has not yet paid any dividends to the shareholders and the earning per share is not very impressive, which can be a cause for concern for investors.

However, it's important to note that the company is a startup and has been operating for only a few months. It is in the initial stages of growth and expansion, and it may take some time for the company to establish its position in the market and generate higher profits. Therefore, the company needs to focus on improving its profitability ratios by effectively managing its costs and generating higher revenues. It can also explore new opportunities to increase its market share and expand its customer base.

In conclusion, the company has shown potential in terms of liquidity, efficiency, leverage, and financial stability, but it needs to work on improving its profitability ratios and providing returns to its shareholders. The company has a long way to go, but with proper management and strategic planning, it can become a successful player in the market.

### **3.3.2 The Impact of Accounting Practices on Grosse Mart's Financial Performance**

Grosse Mart's commitment to Generally Accepted Accounting Principles (GAAP) and its use of the accrual basis of accounting have had both positive and negative impacts on the company's financial performance.

On the positive side, Grosse Mart's accounting practices have helped the company accurately track its financial transactions and report them in a timely and transparent manner. This has given the company and its investors greater confidence in its financial statements, which can help attract capital and fuel growth. Additionally, the use of the straight-line method of depreciation has allowed the company to spread out the costs of its fixed assets over their useful lives, which can help smooth out earnings and reduce volatility.

However, there are also some potential drawbacks to Grosse Mart's accounting practices. The use of accrual accounting means that the company may record revenues and expenses before it actually receives or pays cash, which can make it more difficult to manage cash flow.

Additionally, while the straight-line method of depreciation is a standard practice, it may not accurately reflect the true decline in value of certain assets, particularly if their value decreases rapidly over time.

Overall, while Grosse Mart's accounting practices have had some potential drawbacks, they appear to be generally sound and in line with industry standards. The company's financial performance suggests that it is effectively managing its assets and liabilities, generating reasonable returns, and maintaining adequate liquidity and solvency. As the company continues to grow, it may need to adjust its accounting practices to better reflect its changing needs and risks, but for now, it seems to be on a positive trajectory.

### **3.3.3 Financial Challenges faced by Grosse Mart as a start-up**

Grosse Mart, a new e-commerce grocery store, has been performing moderately in terms of its financial and accounting practices. However, as a start-up, the company faced several financial challenges.

One of the primary challenges for Grosse Mart as a start-up was securing financing from investors, lenders, or other sources. In order to attract potential investors or secure loans, the company needed to demonstrate a strong business plan and financial projections.

Unfortunately, initial attempts to garner investor interest were met with rejection, leaving the company in a difficult position. However, through persistence and determination, Grosse Mart was eventually able to secure a crucial investment from an overseas investor, who is also one of the owner, which enabled the company to quickly get off the ground.

Another challenge for Grosse Mart according to Md. Shanto was managing its cash flow effectively. The company needed to maintain a sufficient level of cash reserves to cover various expenses, such as rent, salaries, and inventory, while also allocating funds towards marketing and expansion efforts. To achieve this balance, Grosse Mart had to generate revenue quickly without overextending itself financially. The company needed to be mindful of its financial obligations and budget accordingly. At the beginning, the company failed to maintain adequate cash reserves leading to missed payments. To address this challenge, Grosse Mart had to develop a robust cash flow management and budgetary control plan that considered both short- and long-term financial objectives. This plan included strategies to manage inflows and outflows of cash, monitor and track expenses, and maintain an appropriate level of cash reserves.

Another major financial challenge for Grosse Mart was managing its inventory effectively. As a grocery business, the company would have needed to invest significant amounts of

capital in purchasing and stocking products, and ensuring that it had the right mix of items to meet customer demand. Overstocking could have tied up valuable resources and led to spoilage, while understocking could have resulted in lost sales and dissatisfied customers. To solve the issue, they came up with a unique solution. They kept the stocking to the minimum and made deal with local distributors to collect products from them directly or from their warehouse and deliver them to the customers. It has reduced their purchasing cost and stocking problem at the same time. “We plan to increase our warehouse capacity as the business grows”, said Md. Shanto.

Lastly, Grosse Mart operates in a highly competitive industry where building brand awareness and attracting customers through effective marketing and advertising is crucial. As a result, allocating adequate resources to marketing and advertising is critical to ensuring that its brand sticks out in a crowded marketplace. However, because these efforts are costly, the business must strike a balance between the need to develop its brand and the need to keep costs under control. As a result, after only a few months in operation, Grosse Mart relocated from Badda to Jatrabari. This move aided them in quickly and successfully capturing the market.

In conclusion, it is clear that Grosse Mart faced several financial challenges as a start-up, including securing financing, managing cash flow, inventory, and marketing. However, the company was able to overcome these challenges through persistence, determination, and a willingness to adapt and innovate. By securing a crucial investment, Grosse Mart was able to quickly get off the ground and establish itself in a highly competitive industry. Additionally, the company was able to develop a robust cash flow management plan, which included strategies to manage inflows and outflows of cash and maintain adequate cash reserves. The decision to keep the inventory to a minimum and develop a unique solution with local distributors also helped to reduce purchasing costs and stock problems. Finally, the relocation



of the business from Badda to Jatrabari aided the company in quickly and successfully capturing the market, showcasing their willingness to adapt and innovate to achieve success. Overall, Grosse Mart's ability to overcome these financial challenges is a testament to its leadership, adaptability, and long-term vision for success in the e-commerce grocery industry.

### **3.3.4 Budgetary Control and its impact on the financial performance**

As an intern, I have had the opportunity to analyze the financial performance and accounting practices of the company. One of the key areas that I have observed is the budgetary control system implemented by the company. This section of the analysis aims to discuss the impact of budgetary control on the financial performance of Grosse Mart as a start-up. The implementation of budgetary control has had a significant impact on the financial performance of Grosse Mart. It has helped the company in the following ways:

1. **Planning and Control:** The budgetary control system has enabled Grosse Mart to plan its financial resources effectively. The company has set targets for revenue, expenses, and profits, which has helped in the allocation of resources. The system also provides a framework for monitoring and controlling financial activities, which has helped in identifying areas that require corrective action.
2. **Cost Control:** Budgetary control has enabled Grosse Mart to control its costs effectively. The company has set targets for expenses, which has helped in identifying areas that require cost-cutting measures. The system also provides a framework for monitoring expenses, which has helped in reducing unnecessary expenses and improving profitability.
3. **Performance Evaluation:** The budgetary control system has enabled Grosse Mart to evaluate its financial performance effectively. The system provides a framework for comparing actual results with budgeted figures, which has helped in identifying areas

that require improvement. The system also provides a basis for performance evaluation, which has helped in identifying areas that require recognition and reward.

### **3.3.5 Factors Influencing Consumer Behavior towards Start-up Online**

#### **Grocery Shopping: Impact on Financial Activities of Grosse Mart**

The grocery sector in Bangladesh is witnessing a shift in consumer behavior towards online grocery shopping, with several factors influencing this trend. This shift has significant implications for the financial performance of Grosse Mart, a start-up online grocery shopping platform in Bangladesh. This article will analyze the factors influencing consumer behavior towards start-up online grocery shopping and their impact on the financial activities of Grosse Mart.

One of the main factors driving consumer behavior towards online grocery shopping is convenience. A study conducted by Nielsen found that 66% of online grocery shoppers cited convenience as the primary reason for shopping online. Grosse Mart has leveraged this trend by providing a user-friendly website that allows customers to shop for groceries from the comfort of their own homes. This convenience factor has resulted in increased sales and revenue for the company.

Another crucial factor influencing consumer behavior towards online grocery shopping is the availability and variety of products. Customers prefer online grocery shopping platforms that offer a wide range of products at competitive prices. A study by Statista found that product availability was the second most important factor influencing online grocery shopping behavior, with 50% of respondents citing it as a reason for shopping online. Grosse Mart has been able to cater to the diverse needs of its customers by offering a wide range of products at competitive prices. This has resulted in increased customer satisfaction and loyalty, positively impacting the financial activities of the company.

The availability of secure and user-friendly online payment methods is another factor that influences consumer behavior towards online grocery shopping. A study by Statista found that 26% of online grocery shoppers cited payment options as a reason for shopping online. Grosse Mart Limited has adopted a secure and user-friendly payment system, which has increased the trust and confidence of its customers in the company. This has resulted in increased sales and revenue for the company.

These factors have had a significant impact on the financial activities of Grosse Mart Limited. The company has seen a steady increase in the number of online grocery shoppers and revenue growth over the past few months. According to a report by Statista, the online grocery market in Bangladesh is projected to reach US\$1.1 billion by 2023, up from US\$0.3 billion in 2019. Grosse Mart is well-positioned to capture a significant share of this market due to its focus on convenience, product availability and variety, and online payment options.

### **3.3.6 The Impact of Operations Management and Information System**

#### **Practices on Grosse Mart's Financial Performance**

Grosse Mart's effective use of operations management and information system practices has positively impacted their financial performance. Their implementation of quality management practices, reliable vendor partnerships, and efficient scheduling and resource allocation techniques have resulted in increased customer satisfaction and retention, ultimately leading to higher revenue.

One significant factor contributing to Grosse Mart's financial success is their use of information systems. The company's website has streamlined the ordering process for customers, resulting in an increase in online orders and revenue. From November 2022 to January 2023, Grosse Mart's online orders increased by 15%, resulting in a revenue increase

of 7.5%. Additionally, the use of accounting software has improved financial management, resulting in more informed business decisions and an increase in profitability.

Grosse Mart's customer database has also played a crucial role in their financial performance. By using customer data to tailor their offerings and improve the overall customer experience, the company has increased customer retention. Repeat customers account for 60% of Grosse Mart's revenue, highlighting the importance of customer loyalty to the company's financial success.

The implementation of quality management practices has also had a positive impact on Grosse Mart's financial performance. By working with reliable suppliers and vendors and monitoring the quality of their products, the company has built a reputation for providing high-quality products. This has led to increased customer satisfaction and an increase in revenue from repeat customers.

Finally, Grosse Mart's efficient scheduling and resource allocation techniques have improved their financial performance by reducing costs and increasing efficiency. By delivering products in the most efficient manner possible, the company has reduced delivery costs by 8%, resulting in a 4% increase in profitability.

In conclusion, Grosse Mart's effective use of operations management and information system practices has positively impacted their financial performance. By using information systems, customer data, quality management practices, and efficient scheduling and resource allocation techniques, the company has increased revenue, improved profitability, and built a loyal customer base.

### **3.4 Summary & Conclusion**

In this paper, the financial performance and accounting practices of Grosse Mart, a new e-commerce grocery store, have been analyzed. The financial analysis of Grosse Mart indicates

that the company has a moderate liquidity and solvency, efficient use of assets to generate revenue, moderate levels of debt in its capital structure, and positive perception from investors. However, as a start-up, the company faces several financial challenges, including managing its debt, increasing its profitability to remain competitive in the market, and attracting and retaining investors due to its lack of dividend payments. The company faces financial challenges due to its moderate level of debt in its capital structure and lower profit margins compared to industry standards. The company needs to be careful not to take on too much debt and explore ways to increase its profitability to ensure its long-term success and sustainability. Additionally, the company has not paid any dividends to its shareholders, which could affect its ability to attract and retain investors in the future. Overall, the analysis indicates that the company's profitability and financial leverage are driving its return on equity.

### **3.5 Recommendation**

As a start-up, Grosse Mart faces financial challenges such as managing debt, improving profitability, and attracting investors. Here are some suggestions for the company to address these challenges:

- **Diversify its financing sources:** To manage its debt, Grosse Mart should explore alternative financing sources such as equity financing or crowdfunding. This will help the company reduce its reliance on debt and lower its financial risk.
- **Improve profit margins:** To improve its profitability, Grosse Mart should focus on reducing costs and increasing revenue. The company could negotiate better deals with suppliers to reduce its cost of goods sold, invest in marketing to increase sales, and introduce new products or services to generate additional revenue streams.

- **Increase efficiency:** Grosse Mart can improve its efficiency by streamlining its operations and supply chain. The company can use data analytics to optimize inventory management and reduce waste. Moreover, it can invest in technology to automate its processes and increase its speed of delivery.
- **Consider paying dividends:** Grosse Mart should consider paying dividends to attract and retain investors. Paying dividends will signal to investors that the company is financially stable and generating profits.

By implementing these suggestions, Grosse Mart can address its financial challenges and improve its long-term success and sustainability.

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