

**Report On**  
**[An Analysis of Reorder Point Process on Stock Levels in Sun-Rise International Company.]**

**By**  
**Yeasin Arafat Rafy**  
**17204066**

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

BRAC Business School  
BRAC University  
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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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**YEASIN ARAFAT RAFY**  
**17204066**

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

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**Dr. Sebastian Groh, Lecturer**

BRAC Business School  
BRAC University

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

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**Dr. Najmul Hasan**

BRAC Business School  
BRAC University

## **Letter of Transmittal**

Dr. Sebastian Groh, Lecturer

Dr. Najmul Hasan, Lecturer

BRAC Business School

BRAC University

66 Mohakhali, Dhaka-1212

Subject: Submission of internship report on an Analysis implementation of Reorder Point Process on Stock Levels in Sun-Rise International Company.

Dear Sir,

I am Yeasin Arafat Rafy and I am delighted to submit to you my internship report titled “An Analysis implementation of Reorder Point Process on Stock Levels in Sun-Rise International Company.” which is made by me. I interned at Sun-Rise International company for three years. I have gain hands-on knowledge of their operations of the company. Through this time, I have learned how the company records their data and does they process their inventory system.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

YEASIN ARAFAT RAFY

17204066

BRAC Business School

BRAC University

Date:31<sup>st</sup> August, 2023

## **Non-Disclosure Agreement**

This agreement is made and entered into by and between Sun-Rise International and the undersigned student at BRAC University. As I have done my internship program with this organization I agree that I will keep all this information Strictly confidential and will not share it with any other organization.

## **Acknowledgement**

At the beginning, I would like to thank Almighty Allah for the blessing me with strength and patience to complete this internship report. It has been pleasure and exiting experience for me through this internship report. Further, I would like to express my gratitude and appreciation towards my Supervisor Dr. Sebastian Groh and Co-Supervisor Dr. Najmul Hasan, lecturers of BRAC university for his time, guidance and support throughout the internship program without which I would not been able to complete my internship program. Moreover, I would like to thank him for allowing me to submit an internship report on analysis implementation of Reorder Point Process on Stock Levels in Sun-Rise International Company. Furthermore, I would like to thank K.M Serazul Karim Accounts manager of Sun-rise International company for helping with by giving insight information of the company which helped me to complete my report.

## **Executive Summary**

I joined the Sun-Rise International company as an assistant accountant. It was a deed based job and my agreement was for 3-month based on my performance it can be extended if I wanted to. This report is an overview of my 3-month journey in Sun-Rise International company including thing that I have learned, my work experience and observation. While joining the company I have learned many new things and got to know how a company works in person. When I joined the company for the first time, they welcomed me with warm heart and give me an overview of the company's policy. Since, I was an assistant accountant employee, my job was to record how much tape was order and replying to the customers need on the product overview. Further, I also had to reorder product from Japan and China according to my supervisor's instruction. My supervisor (Shirajul Karim) would follow the traditional method of reordering product for example seeing and ordering by looking at the previous records of the company since, they don't that much idea about the reorder point of economic order quantity. For that reason, most of the time the company would not be able to meet the customers demand due to the lead time the firm needs to get the product when its purchased. Furthermore, I learned how companies use Microsoft excel and how data is recorded in them. Further, how to write a formal email to the clients. Moreover, management of inventory, recoding data, when to order for more inventory and how inventory is being distributed to customers. All of these things are discussed broadly in the paper.

**Keywords:** Agreement, Deed, Inventory, Lead Time

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## **Chapter 1: Overview of the Internship**

### **1.1 Student Information:**

**Name:** Yeasin Arafat Rafy

**ID:** 17204066

**Program:** Bachelor in Business Administration (BBA)

**Major/Specialization:** Finance and Human Resource Management.

### **1.2 Internship Information:**

#### **1.2.1 Period, Company Name, Department/Division, Address**

**Period:** 90 days

**Company Name:** Sun-Raise International

**Department:** Accounts

**Address:** 266, Tejgaon Industrial Area, Dhaka.

#### **1.2.2 Internship Company Supervisor's Information:**

**Name:** K.M Serazul Karim

**Position:** Manager

### **1.2.3 Job Scope**

At Sun-Rise International company I was assigned as assistant accountant in the accounts department. My work was to record data and information. The main work started with knowing how to record data in Microsoft excel without that I would not be able to record the data. Our company is one of the best among the companies of Bangladesh which manufacture tape, both side tape and etc. and provides it to other company based on the requirement length that they need.

### **1.2.4 Job Duties**

1. Helping Senior Accountant on recording data and sending mail to the customers.
2. Checking in number of Stock available and sold.
3. Counting number of stock on hand at the end of the day.
4. Recording everything in Microsoft excel.
5. Providing Information to the Senior Accountant and manager.

## **1.3 Internship Outcomes:**

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

I've had to accomplish a lot of things throughout the previous three months as an assistant accountant, even if just temporarily. By doing successfully, I was also able to lessen the workload for the organization's permanent personnel, allowing them to concentrate on other crucial issues. My on-site supervisor could rely on me for everything, I would also want to mention.

Further, my involvement goes beyond simply carrying out my duties as an assistant accountant for a tape manufacturing company while I'm a student. I bring new ideas, excitement, and a desire to learn, all of which can be advantageous to the business as well as to my own development.

Moreover, I help the accountant employees by reducing their job load by helping them in mailing customers and recording data. Furthermore, I also control and done all the works of the supervisor accountant in their absence which helped the recording everything in day to day basis without having any problem. Further, doing night shift when the product arrives, recording and counting it accordingly.

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

The Sun-Rise International company internship I completed was greatly beneficial to my development as a professional. My vocabulary has expanded to include new words. I examined the organization's accountant's regulations, worker benefits, Transportation benefits etc. Further, I have learned how to record data in Microsoft excel professionally, how to present it and how inventories are being recorded.

Moreover, I was given a chance along with the Manager and directing manager. I had the opportunity to meet and talk in person with seniors who has worked for more than 7 or 8 years get to know about their working experience. They discussed several facets of the job, such as how to handle pressure and stress. Additionally, they offered some original perspectives on the workplace. Although, I was an intern they all treated me like one of their own. My plans include starting my professional career in the sector, which is not the least of them. I'm hopeful that the lessons I'm learning here will be useful for my future career.

### **1.3.3 Problems/Difficulties (faced during the internship period)**

The largest constraint was time because, in my opinion, three months wasn't long enough. Due to privacy concerns, organizations are also hesitant to give personal information. These issues prevent the inquiry from moving forward.

Furthermore, I have run into some issues while writing my report. Like:

1. Not enough time was available to collect all the required information.
2. No one wanted to give me access to their extremely private information.
3. Access to internal actions was prohibited for interns.
4. It was difficult to organize analytical and theoretical data in such a short period of time.
5. It took more than three months to completely comprehend the company's position.
6. Because the company respects intern confidentiality, gathering important data was challenging.

### **1.3.4 Recommendations (to the company on future internships)**

Following the conclusion of my employment with Sun-Rise International, I have come up with some suggestions that this company may use moving forward. Below is a description of these:

1. The work schedule should be more focused and efficient to begin with.
2. Training sessions ought to be recorded for later reference.
3. The week's or even month's greatest performance deserves to be recognized with a gift.

## *Chapter 2: Organization Part*

### **2.1 Introduction:**

#### **2.1.1 Objective:**

The primary objective of this research is to evaluate the impact of adopting the marginal accounting reorder level process on stock levels in Sun-Rise International Company. Further, to analyze the key differences between marginal cost reorder level processes and traditional methods and to evaluate the advantages of marginal accounting reorder level processes in terms of how much inventory should be on hand.

The organizational part of this paper will give an overview and assessment of Sun-rise Internationals inventory/stock initiatives. Further, it also shows how Sun-rise Internationals does business in a number of sectors, including goods and services, accounting methods, business management, and marketing strategies. Another benefit comes from utilizing Porter's Five Forces Analysis and a SWOT analysis. Finally, paint a clear image for the reader.

#### **2.1.2 Methodology:**

The primary goal of this report is to provide a factual assessment. It was written utilizing questionnaires, surveys, group discussions, personal experience, notes I took while participating in and observing events, and relevant online research. Before I began the analysis, I had a discussion with the appropriate office personnel. I received an explanation of how the company operates from the executive. I was inspired. I found this information to be really useful in my research.

#### **2.1.3 Scope:**

This study would be very helpful to academics in understanding the inventory system Sun-Rise International Company. As a result, the researcher will be able to check out the Accounts and Financial operations of the Sun-Rise International Company. Personal observation, and data from other media sources are also used to learn about the company's Reorder point or how stocks are being ordered and used.

#### **2.1.4 Limitations:**

The major restriction was time. Because, I don't believe three months will be sufficient. Second, issues related to privacy make businesses hesitant to share personal information. These challenges prevent the study from going ahead.

#### **2.1.5 Significance:**

After reading this essay, readers will have a clear idea of how Sun-Rise International Company personnel feel about the company's most recent round of inventory/stock operations and the significance of taking into account how the Reorder Point successfully completes its tasks. Additional evidence for the study's applicability comes from a number of Sun-Rise International Company issues.

### **2.2 Overview of Acorn Infrastructure Services Limited:**

#### **2.2.1 Background:**

Sun-Rise International is a prominent manufacturing company that specializes in the production of high-quality Scotch tape, Gum tape, Making tape, Both side tape, Foam tape, block tape, and etc. They started their journey from 1990 and has become one of the most renowned tape manufacturing company in Bangladesh.

As a team of professionals and trailblazers in the manufacturing sectors, they seek to provide the adhesive solutions provider of choice on a worldwide scale. Offering a wide selection of tapes that stand out for their performance, durability, and versatility, we work hard to earn the reputation of being a dependable and trustworthy partner. By providing creative and long-lasting tape solutions that go above and beyond their expectations, we hope to contribute to the success of our customers. We aim to consistently improve and be at the forefront of the tape manufacturing business through state-of-the-art technology, research, and development. Our goal is to improve people's lives and businesses' bottom lines by offering them dependable, superior cassettes that improve daily activities.



By the use of their manufacturing technology they not only produce but they import tape from other countries like: Japan and china. Further, the amount tape they give to their customers are based on the length for example, 1 meter / 2 meter of both-side tape. Moreover, every year they sell 15000-25000 meter of tape which is increasing every year.

Their main target is to become a market-leading manufacturer of tape by offering superior adhesive solutions to satisfy the various demands of our clients. Further, they are committed to innovation, ongoing development, and top-notch client support. Through their tape products, they hope to increase convenience, productivity, and efficiency for people and organizations across a range of industries.

They are projects that are focused on the future and are backed by a strong strategic foundation that connects our existing position. They continuously execute their strategy. Their purpose, vision, and values demonstrate that they are making an effort.



## 2.2.2 Commercial outline of Sun-Rise International:

### Commercial Outline

<b>Name of the Organization</b>	<b>Sun-Rise International</b>
<b>Logo</b>	
<b>Chief Executive Officer</b>	<b>Moiz Eqbal Ahmed</b>
<b>Deputy Manager</b>	<b>K.M Serazul Karim</b>
<b>Company Type</b>	<b>Privately Held</b>
<b>Date of Incorporation</b>	<b>1990</b>
<b>Corporate Head Office</b>	<b>266, Tejgaon Industrial Area, Dhaka</b>
<b>No. of Employees</b>	<b>312</b>
<b>Primary Line of Business</b>	<b>Tape Manufacturing</b>
<b>Contact No</b>	<b>+8801625167116</b>
<b>E-mail</b>	<b>Moiziqbal40@gmail.com</b>

**Table 1: Corporate profile**

### **2.2.3 Mission:**

Our goal is to become a market leader in tape manufacturing, offering premium adhesive products to satisfy the various demands of our clients.

### **2.2.4 Vision:**

Through cutting-edge technology, research and development, we strive to continuously evolve and remain at the forefront of the tape manufacturing industry. Our vision is to make a positive impact on the lives of individuals and businesses by providing reliable, high-quality tapes that enhance the everyday experience.

### **2.2.5 Values**

- People First
- Customer Success
- Excellence Through Humility
- Integrity
- Socially & Environmentally Responsible

### **2.2.6 Objectives:**

1. **Product Quality:** Producing high-quality tapes that meet or exceed customer expectations should be a company's first priority. This entails making certain the tapes have exceptional stickiness, toughness, and dependability.
2. **Innovation and product development** are two key areas where a tape manufacturing company should concentrate in order to remain competitive in the market. In order to produce tapes with improved properties, such as stronger bonding strength, increased temperature resistance, or improved environmental sustainability, this includes investigating and incorporating new materials, technologies, and adhesive formulas.

- 3. Customer satisfaction:** Keeping customers happy is a top priority for a tape manufacturing business. This can be accomplished by offering top-notch customer service, rapid delivery, and prompt resolution of any problems or concerns. Building strong and enduring client connections also requires an understanding of customer wants and preferences and the customization of products accordingly.
- 4. Operational Efficiency:** Increasing operational efficiency is a key goal for a tape manufacturing business. This entails streamlining production procedures, improving the supply chain, cutting waste and downtime, and putting cost-cutting strategies into place without sacrificing product quality. Operations that are efficient reduce manufacturing costs and increase overall profitability.
- 5. Sustainability and Environmental Responsibility:** In today's environmentally conscious world, tape manufacturers must prioritize sustainability and environmental responsibility. This includes minimizing the environmental impact of our production processes, using environmentally friendly materials and adhesives, adopting energy efficient practices, and implementing waste management and recycling programs. A commitment to sustainability allows the company to attract environmentally conscious customers and keep abreast of market trends.

## 2.3 Management practices

### 2.3.1 Board of Governing personnel:

This is the process of directing senior management at Sun-Rise International to ensure that key organizational policies are being followed.

NAME	DESIGNATION
<b>Moiz Eqbal Ahmed</b>	<b>CEO</b>
<b>Nabeel Eqbal</b>	<b>Head of Admin</b>
<b>Saber Eqbal Ahmed</b>	<b>Sr. Manager – SCM</b>
<b>Towhidur Rahman</b>	<b>Head of O &amp; M</b>
<b>Omar Elahi</b>	<b>CTO</b>
<b>Forhadur Rahman</b>	<b>CFO</b>
<b>Sayeda Shamim</b>	<b>CPO</b>
<b>K.M Serazul Karim</b>	<b>Manager – Finance</b>
<b>Samshuddin Alom</b>	<b>Head of HR</b>

**Table 2: Corporate Governing personnel**

### **2.3.2 Recruitment Process:**

Sun-Rise International is a driving tape fabricating company, has set up a strong enrollment prepare to draw in and select best ability for their organization. With a commitment to greatness and a center on advancement, Sun-Rise International endeavors to construct a skilled workforce that can contribute to its development and victory.

The enlistment prepares at Sun-Rise International starts with a comprehensive investigation of the company's current and future workforce necessities. This incorporates recognizing key positions and aptitude sets required to drive the organization forward. The HR office collaborates with office supervisors to create point by point work portrayals and details.

To draw in qualified candidates, Sun-Rise International utilizes different enrollment channels. These incorporate online work sheets, industry-specific websites, social media stages, and organizations with instructive educate and enlistment organizations. The company moreover empowers worker referrals and gives motivations for fruitful referrals.

Once applications are gotten, an intensive screening prepare takes put. The HR group surveys resumes and surveys candidates based on their capabilities, encounter, and arrangement with the company's values. Reasonable candidates are at that point welcomed for starting interviews, which may be conducted in individual, over the phone, or through video conferencing.

Chosen candidates continue to the another organize, which includes interviews with division directors and potential group individuals. Behavioral and competency-based questions are utilized to assess candidates' aptitudes, capacities, and social fit. Sun-Rise International values differences and incorporation, and candidates from differing foundations are given rise to openings all through the enrollment prepare.

After the ultimate interviews, reference checks and foundation screenings are conducted to confirm the data given by the candidates. Once a candidate is chosen, an offer letter is amplified, sketching out the terms and conditions of work, counting stipend and benefits.

Further, Sun-Rise International emphasizes onboarding and integration of unused workers into the organization. Recently contracted people experience introduction programs to familiarize

themselves with the company's culture, arrangements, and methods. This guarantees a smooth move and sets the arrange for victory inside the organization.

Generally, Sun-Rise International's enlistment handle reflects their commitment to attracting and selecting the leading ability to back their tape fabricating operations. By actualizing an exhaustive and comprehensive handle, the company is well-positioned to construct a talented and assorted workforce that can drive advancement and contribute to their progressing victory.

### **2.3.2.1 Sources of Recruitment**

**Internal sources:** Curriculum vitae (CV) are gathered from sources within the company. Internal resources help the HR sector by reducing costs. Among these techniques is the use of internal resources.

- **Referrals:** Staff members are encouraged by Sun-Rise International to recommend capable and qualified job prospects. The résumé of the applicant must be signed by a Sun-Rise International employee. Interns may also be recommended.
- **Notice board:** Sun-Rise International places a notice about a position opening on the business notice board, where interested parties can submit an application. Sun-Rise International's External HR is responsible for overseeing lower-level jobs including security guard, driver, and technician.
- **Promotion and transfer:** This strategy is modified for critical positions that require immediate filling.

**External sources:** A substantial number of applications are gathered by Sun-Rise International from the following external sources:

- **Newspaper ad:** The HR Division posts job recruitment advertisements in the newspaper. The advertisement must first be approved by management. After approval, the advertisement is posted online in the newspaper.
- **Online advertisement:** Online advertisement: Sun-Rise International's HR Sector and BD-jobs have a deal. There is a circular posted by the human resources manager. Here is a list of the executive and mid-level positions.
- **Intern:** An intern is one of the best outside resources. The HR department of Sun-Rise International chooses interns from a number of Universities. Students are also permitted to send the company their resumes if they so choose.

### **2.3.3 The Compensation method:**

The company gives those who merit it with just compensation or pay packages and the best feasible motivational stimuli. This calls for evaluating and assigning work in a way that increases that commitment.

The pay scale for the association is determined by the aforementioned job grades. An accurate assessment of the position based on its dimensions, responsibilities, decision-makers, and concept serves as the foundation for creating occupational scales. A worker's basic wage, housing expenses, and health benefits make up their remuneration. Salary information is kept private since only the management and pertinent representatives have access to it.

Medical Allowances may be paid in accordance with activity categories and on locations that may be recommended from time to time by a Competent Authority. Employees may get a house rent

allowance at the rates that the competent authority may support from time to time. Employees are given two holiday incentives each year.

### **2.3.4 Training and development in Sun-Rise International:**

Every firm needs training and development to grow and succeed, and Sun-Rise International, a renowned tape manufacturer, understands the need of supporting the career development of its staff members. With a focus on innovation and continual improvement, Sun-Rise International has put in place extensive training programs to strengthen the abilities and knowledge of its personnel.

Sun-Rise International provides extensive training on the technologies and procedures used in tape manufacturing to make sure that staff members are equipped with the essential technical know-how. This involves practical instruction in the use and upkeep of cutting-edge technology and equipment used in the manufacture of tape. The business emphasizes the value of upholding strict quality standards while also offering training on quality control procedures.

Sun-Rise International lays a strong emphasis on developing a culture of personal and professional growth in addition to technical training. The business provides several soft skill training courses, such as those on problem-solving, teamwork, and communication skills. These initiatives seek to improve employees' interpersonal abilities so they can work together productively, communicate clearly, and deal with obstacles in a fast-paced workplace.

Sun-Rise International conducts routine performance reviews and polls its workforce to analyze the success of its training initiatives. In order to effectively adapt the training programs to the changing demands of the workforce, this feedback assists in identifying areas for development.

Sun-Rise International is developing a highly trained and motivated staff by making investments in training and development. In addition to guaranteeing the creation of high-quality tapes, the company's dedication to employee growth also positions it as a leader in the tape manufacturing sector.



### **2.3.4.1 Objectives of Training & Development Process in Sun-Rise**

#### **International:**

##### **Reduce the lack of skilled workers:**

Sun-Rise International's training and development program has as one of its main objectives the improvement of skill levels. Employee development improves skills in a qualitative way, making the worker better equipped to carry out his or her existing job.

##### **Getting ready for additional responsibilities:**

Training and development programs are established when an organization intends to promote personnel to upper-level roles in order to get them ready for those roles' increased responsibilities. The training places a strong emphasis on developing abilities for more advanced occupations.

##### **Adaptation to future developments:**

If there are any predicted changes in technology, policy, or labor practices in the future, training programs are set up to assist staff in becoming ready for the changes and learning the skills they need to successfully deal with them.

##### **Promotion:**

The person must accept increased responsibilities if management plans to provide them to them. He needs extensive training to handle the new role in that circumstance. As a result, the management of the employee (often the department or section head) suggests the appropriate training.

##### **Employee benefits:**

Employees need to occasionally take on more responsibility as a result of the increased workload. Then, someone might need to take on responsibilities that were previously performed by

employees in higher positions. But first, the person needs to go through the required training. This is just another reason in favor of training.

**Technological Development:** The process of technological development is ongoing and inevitable. The world of the future is incomparable to today's high technology. As new machinery and technologies are introduced, employees who use those machines should receive training on them.

### **2.3. 5 Health, Environment, and Safety (HES)**

Health and safety of our personnel come first. We've established best practices, a safety and health manual, and policies at each of our sites. To continuously enhance our system for health and safety, on-site training as well as periodic awareness and refresher sessions are provided for both professional and temporary workers. We believed that the safety processes needed to be reinforced and raised to a top-notch degree, so we did an assessment of our health and security system as well as regular awareness and refresher workshops. In order to achieve our safety objective of "Zero Accident," we have set out on a mission to change safety culture. Further, employees are given training by professionals what to do if any kind of accident occurs.

## **2.4 Accounting Practices and Financial Performance**

### **2.4.1 Evaluating Economic Performance**

#### **Ratio Analysis:**

**Return on Asset (ROA):** Information was not found or revealed due to the privacy concern of the company

**Return on Equity (ROE):** Information was not found or revealed due to the privacy concern of the company

**Net Profit Margin (NPM):** Information was not found or revealed due to the privacy concern of the company

**Earnings Per Share (EPS):** Information was not found or revealed due to the privacy concern of the company

## **2.4.2 Accounting performance in Sun-Rise International:**

These foundational issues are taken care of by Sun-Rise International's accounting department:

- Educating each location on the proper accounting procedures; creating a summary sheet specifically for each location; and helping locations close their books at the end of each month.
- Providing accurate assistance with various accounting responsibilities.
- The company ensures that every dollar it spends is done so in a way that is efficient, coordinated, and lucrative.
- The distribution system is very user-friendly and highly effective.
- Toto accurately records all transactions and reconciles them; you must make sure that each transaction is correctly recorded and reconciled separately. Creating a monthly report on income predictions is also necessary.
- Financial reports are produced on a quarterly and annual basis.

## **2.5 Management of Stock or Inventory Systems**

### **2.5.1 Management of Inventories or Stocks**

Management of inventories or stocks mainly aims to improve the sale of inventory, order of inventory and keeping inventory on hand of the company effectively. The Chief Executive Officer (CEO) and Manager of accounts of the company is responsible for the policy use and order of inventory procedure. The inventory sale, order and keeping on hand system is depended on demand of the tape, time need to get new inventory and safety inventory on hand for any calamities

or emergency. Further, the peak season of sale plays an important role in inventory management system.

Moreover, the average per day sale of tape is 20-27 meter, the average time it takes of get the inventory when it is order 10-15 days. Further, the company keeps 10 meter of inventory on hand as a safety stock without any kind of calculation and which is fixed for any kind of emergency use which is very low that is because the company faces shortage of inventory when the demand rises or if any kind of problem is seen. That is why, they are not being able to meet the customers demand and loosing customer because of that. In order to fix it they need to change their inventory management system.

## **2.6 Porter's Five Forces Analysis of Sun-Rise International**

A framework called Porter's Five Forces analysis is used to assess the competitive forces present within a given sector. Let's use Sun-Rise International, a tape manufacturing company, as our example for this analysis:

### **The risk of new competitors:**

The industry of tape production faces a relatively small danger from new competitors. This is due to the fact that to be competitive, the tape manufacturing industry needs specialized machinery, technological know-how, and economies of scale. Additionally, well-known businesses like Sun-Rise International could have solid connections with suppliers and clients, making it challenging for newcomers to capture market share. However, there may be a mild threat of new entrants if the entry barriers are low in a particular area of the tape manufacturing business, such as sticky tapes.

### **The threat of substitutes:**

In the business of making tape, the threat of substitute items isn't really great. Although there are other options for binding or securing materials, such as glue or fasteners, tapes are still a practical

and affordable solution for many uses. However, because they might provide better performance or financial benefits over conventional tape goods, technical developments or the advent of new binding techniques could constitute a mild threat.

### **Bargaining Power of Suppliers:**

The availability of raw materials and their concentration affect the suppliers' negotiating power with Sun-Rise International. The suppliers may have some negotiating power if the company only uses one or a small group of suppliers for crucial inputs like adhesive ingredients or other components. However, Sun-Rise International can negotiate better terms, weakening the supplier's bargaining position, if there are several suppliers and other inputs available.

### **Bargaining Power of Buyers:**

In the tape manufacturing sector, buyers' bargaining power might range from low to high. Customers, like merchants or industrial users, frequently have a variety of options to choose from, and they are able to quickly switch between suppliers based on factors like price, quality, or service. In order to keep its clientele, Sun-Rise International may feel pressure to provide competitive pricing and uphold high standards for its products. The buyer's bargaining power, however, can be diminished if the business has established long-term connections with important clients or provides distinctive goods.

### **Rivalry among present contestants:**

There are many businesses working on a local as well as a worldwide scale in the tape manufacturing industry, which is very competitive. Other tape producers, including both major global corporations and smaller regional ones, compete with Sun-Rise International. When determining competitive advantage, elements like product quality, innovation, price, and customer service are crucial. To remain competitive, Sun-Rise International must consistently distinguish its products, make research and development investments, and cultivate solid client connections.

Overall, Sun-Rise International deals with difficulties connected to buyer power and the potential for technological disruptions in a fairly competitive economy. The relative stability of the sector and entrance restrictions, however, can offer some benefits. The business's long-term performance will depend heavily on its capacity to differentiate its products, uphold solid client connections, and control supplier dependencies

## **2.7 SWOT evaluation of Sun-Rise International:**

A corporation can evaluate its competitive position and develop a strategy by looking at its SWOT data. A SWOT analysis considers both existing and future conditions as well as internal and external challenges.

A SWOT analysis is designed to give a company's vulnerabilities and strengths an objective, fact-based, and data-driven evaluation.

### **Strengths:**

- **Established reputation:** In the tape manufacturing sector, Sun-Rise International has a well-established brand image and reputation. Gaining a competitive edge and acquiring and keeping clients are both facilitated by this.
- **Product diversity:** The business provides a wide range of tape products to meet the needs of different industries and customers. They can offer a wider range of customers because to their diversity, and they can also target various market niches.
- **Manufacturing capabilities:** Sun-Rise International is equipped with cutting-edge production facilities and knowledge. This enables them to efficiently make high-quality tapes and quickly meet consumer demands.
- **Distribution network:** The business has a substantial distribution network, ensuring that their goods are delivered to clients on time. This broad reach expands the market's accessibility to consumers.

## **Weakness:**

- Dependence on raw materials: Sun-Rise International's reliance on particular raw materials for the production of tapes puts it at risk. The profitability and operational effectiveness of the company may be impacted by changes in the price or interruptions in the supply of certain commodities.
- Limited geographical presence: The corporation may concentrate its operations in a few areas, limiting its exposure to clients in other places. This limits prospects for market penetration and expansion.
- Lack of product innovation: Sun-Rise International may have trouble introducing innovative tape products to satisfy changing client wants if it doesn't make research and development investments. This can cause you to lose market share to rival companies.
- Inventory Management: Inventory management is very low since they are not being able to demand of customers in case of emergency or if the increase of order rises.

## **Opportunities:**

- Growing need for environmentally friendly products: With growing environmental awareness, there is a growing demand for environmentally friendly and sustainable tapes. Through the creation and promotion of eco-friendly tape solutions, Sun-Rise International may profit from this trend.
- Expansion into new markets: The business can investigate underserved areas and broaden its geographic reach. Strategic alliances, acquisitions, or the construction of new production facilities in the targeted areas can all help achieve this.
- Technological advancements: New developments in the tape manufacturing industry may result in more productive and economical production methods. Sun-Rise International may take advantage of these developments to raise productivity, save costs, and strengthen its position in the market.

## **Threats:**

- Intense competition: Competition is fierce, with several competitors fighting for market share in the tape manufacturing industry. Sun-Rise International runs the risk of losing clients to rival companies that offer comparable items at lower prices or with more recognizable brand names.
- Economic downturns: The demand for tape products may decline during times of economic recession or instability. Sales and revenue for Sun-Rise International may fall during these periods.
- Regulation modifications: Sun-Rise International's operations and financial success may be impacted by modifications to laws governing environmental standards, safety standards, or trade policies. It may be necessary to make additional investments and process changes in order to comply with new requirements.
- Price volatility: Changes in the cost of energy, transportation, or raw materials may have an impact on the company's profit margins. To keep its profitability, Sun-Rise International must successfully control these cost variations.



## 2.8 Recommendations:

If Sun-Rise International wishes to be more effective and sustainable in the future, it will need to modify its business model. They are discussing the following:

- Inventory management system of Sun-Rise International: You cannot put amount of stock on hand according to once won desire. For that, it should be properly calculated and kept accounting to need and demand.
- Put an emphasis on Eco-friendly manufacturing methods: Adopt sustainable practices by using eco-friendly manufacturing methods. Think about producing tape from recyclable materials, cutting down on waste production, and putting energy-saving procedures in place. This strategy will not only assist the environment but also appeal to consumers who care about the environment.
- Establish a system for quality control: Make certain that every stage of the manufacturing process is subject to stringent quality control procedures. This entails careful examinations of the raw ingredients, routine testing during production, and last-minute inspections before packaging. Delivering high-quality goods on a regular basis will encourage consumer loyalty and trust.
- Enhance customer service: To stand out from competition, concentrate on offering great customer service. Respond to questions right away, take care of problems or concerns, and give consumers specialized help. Customers will be more loyal and likely to make repeat purchases if you build solid relationships and provide excellent service.

They should also forbid them from rendering extensive services without enough paperwork. Sun-Rise International needs to provide better and more effective customer service than its rivals in order to compete in the market.

## **2.9 Conclusions and Summary**

Sun-Rise International is a tape manufacturing company which manufactures different types of tape and also imports from other countries like Japan, China, etc. They are becoming one of the top tape manufacturing companies in Bangladesh. As days go by, the demand for their product is increasing day by day. Further, they are not only just manufacturing tape; they are also providing opportunities to young talent and workers to earn their living. Moreover, they are trying to develop themselves and improve their production in order to get quality products.

To conclude, Sun-Rise International is known for making superior adhesive tapes, promoting innovation, and providing top-notch customer support. The business thrives in the cutthroat tape market thanks to its dedication to quality, innovation, client happiness, and operational effectiveness.

## Chapter 3

### *Project part: An Analysis implementation of Reorder Point Process on Stock Levels in Sun-Rise International Company*

#### **3.1 INTRODUCTION:**

The primary objective of this research is to evaluate the impact of adopting the marginal accounting reorder level process on stock levels in Sun-Rise International Company. Further, to analyze the key differences between marginal cost reorder level processes and traditional methods and to evaluate the advantages of marginal accounting reorder level processes in terms of how much inventory should be on hand.

Further, it can be seen that Sun-Rise International company was facing problem in stock management. Enough stock was not available on hand for that shortage of inventory was seen which caused the company to not being able to meet the demand of the customers.

### **3.1.1 Literature Overview:**

Reorder point (ROP) is emerging as a potential efficient strategy for the organizations. In most of the develop country companies are using ROP (reorder point) method in order to determine how much stock or inventory they should keep in their hand in an effective way so that it does not cost that much.

Further, to know the amount of ROP that is required we will have to do some research or take information of current stock situation of the company to find out the Reorder Point (ROP) of the company. Moreover, ROP depends average lead time like, on average how much time it takes for another shipment to come if we order it (average of how many days it takes if we order the stock now to come to us) and demand rate which means what is the average rate of usage of stock or inventory per day (in one day how many units of stock is being used or sold). Furthermore, a company can also add Safety stock level which is independent. By, safety stock margin a company can choose what amount of stock level they want to put on hand extra if by a chance any calamity or emergency occurs that is totally independent, a company can choose how much extra they want to keep on hand in case of emergency or if they don't its totally up to them.

In addition, some of the research and article that can be found is that, ROP sets an inventory level for restocking that accounts for lead times and operational "friction." The simplest way to think about it is this: If your inventory is at a level where, if you placed an order right now, you'd expect to just be reaching zero inventory (or down to only your safety-stock cushion) when your order arrived, then it's time to reorder (Abby Jenkins, 2022).

Further, if we don't use effective way to keep stock on hand stock outs occur when a business runs out of inventory and is no longer able to process a customer's request for purchase.

Obviously, this will lead to dissatisfied customers who aren't going to wait around for you to restock. They'll simply take their business elsewhere, probably for good (Thomas,2017).

If we don't have enough stock in hand not only will our customers will be dissatisfied with us but they will also go to a new provider.

### **3.1.2 Objectives of the study**

#### **Objective:**

The primary objective of this research is to evaluate the impact of adopting the marginal accounting reorder level process on stock levels in Sun-Rise International Company. Further, to analyze the key differences between marginal cost reorder level processes and traditional methods and to evaluate the advantages of marginal accounting reorder level processes in terms of how much inventory should be on hand.

Moreover, the main objective is for the students to apply and improve their understanding of the key concept and the theoretical competence I acquired during my four years at BRAC Business School.

### **3.1.3 Scope**

I will gain from this research because it will make it easier for me to understand the purpose and significance of Sun-Rise International Reorder Point of inventory. The findings of this research will also clarify how Sun-Rise International Inventory management system affects the expansion of the business.

### **3.1.4 Significance of the study**

When a company invest on it inventory management they will be able to meet the demand of the customer. Further, the company will acutely know the number of stocks that will be need to have on hand to just in case of any emergency or if any shipment gets delayed due to some issue.

Furthermore, inventory management will help organization to understand when they to re-order their inventory, how much inventory they need to keep on hand and effective use of inventory system.

### **3.1.5 Research Questions:**

- a) **What is current policy to keep the amount of stock on hand?**
- b) **Did the company faced any kind of shortage or excess of inventory?**
- c) **What is the company's policy when shortage of stock or inventory is seen?**
- d) **What is the company's policy when excess of stock or inventory is seen?**
- e) **What is the current situation of inventory management?**

### **3.2 Methodology**

While writing this report, I gain knowledge while performing and doing the report here.

Further, in order to do my research, I need to collect information to complete my report without which would have not been possible. I have collected the required amount of information from several sources.

**Source of Data:** The data of information was collected from two different kinds of sources.

#### **Primary Source of Data:**

- Personal Experience.
- Interview with Accountant employees.
- Conversation with Companies Supervisor.

#### **Secondary Source of Data:**

- Google Scholar.

- Publications from different libraries and internet.

**Data Collection:** The majority of data was collected through primary source of data. In order to conduct interview 6-8 questions were made based on the inventory management system so that, we can get a perfect picture of current situation of the inventory system. Later, the answers that were given by the employees and supervisor were written in a notebook so that they can be used later in the report. Further, since I was also working in the company as an accountant, personal experience data was also being used.

Moreover, in order to find more information, help of Google Scholar and other publications from library and internet were being used to collect data.

### **3.3 Analysis and Discussion:**

The analysis and interpretation of the findings relate to the association between Sun-Rise International's inventory management system and the Reorder point management system. There were taken interviews of 5 top level management people who were related to inventory management system. Since, not every employee was not to the work of inventory management system of Sun-Rise International company for that, only top level management employees who are related with inventory management system.

Among the employees whom I interviewed through online are Assistant Accountants name Sayeda Shamim, and Rokhsana Akter who worked with the company for 2-3 years and share their experience about the inventory system with us. Further, Rifat Hosen accountant of the company was interviewed who was working with the company for 5 years. Moreover, the top employees of the company who take the decisions K.M. Serazul Karim manager working over 10 years for the

company and Moiz Eqbal Ahmed Managing Director who is one of the owner of the company was being interviewed for this report.

All the people who was being interview was employees who are releted to taking decision of inventory management system and they helped a lot to gather information that was need to conduct the research without them the gathering of the data was not possible.

### **3.3.1 The current state of inventory management**

<b>Month</b>	<b>Inventory On Hand</b>	<b>Actual Need of Inventory</b>	<b>Shortage</b>	<b>Excess</b>
<b>January</b>	<b>435 meter</b>	<b>473 meter</b>	<b>38 meter</b>	
<b>February</b>	<b>500 meter</b>	<b>575 meter</b>	<b>75 meter</b>	
<b>March</b>	<b>550 meter</b>	<b>480 meter</b>		<b>70 meter</b>

**Table 3: The current state of inventory management**

The inventory management for Sun-Rise International company is displayed in the aforementioned table. In the given table, we can see the three-month inventory status is given, it also shows that how the company is struggling to identify the demand and how much inventory they should keep on hand. Due to the improper knowledge when to order the stock again they are mainly facing this problem.

Similarly, it was discovered that Sun-Rise International company is facing more shortage of product then they actually need. For that, they are facing huge problems like losing of customer not being able to fulfill customer demand and shift of customers towards other company.



### **3.3.2 INVENTORY MANAGEMENT SYSTEM:**

From the interview, we came to know that, currently the company policy is to reorder inventory when there is 25 meter of inventory is on hand and it takes 8/10 days for reorder an inventory to come. That is why, they are facing shortage of inventory during their peak month and being able to meet the customers demand.

Further, when they meet shortage of product they order from another company which cost more in order to meet the demand. Moreover, when the excess inventory is seen they sale them at an offer price to get rid of it. Furthermore, they also do not keep safety stock of inventory for any emergency which caused them at lot of money due to the L.C problem faced on Bangladesh and they were not being able reorder product.

The question asked in the interview are discussed below:

#### **What is current policy to keep the amount of stock on hand?**

From interviewing the employees, it comes to in light that they are not currently keeping any kind of safety stock for emergency. Moreover, they reorder according to the demand of the previous month. At present, they are not following any kind of specific policy for inventory management system.

#### **Did the company face any kind of shortage or excess of inventory?**

We came to know from interviewing is that due to the increasing demand of the product the company facing shortage of inventory on the season and excess of inventory is seen sometimes on normal months.

#### **What is the company's policy when shortage of stock or inventory is seen?**

The interviewer said in order to keep the customers and keep in demand of the customer they intent to buy product from another company which is known to them and give it to the customers to meet their demand. Because of this, they are not being able to make profit since, buying from another company cost them more but they had to do it in order to fulfill customer order.

### What is the company's policy when excess of stock or inventory is seen?

From the information gather by interviewing it can be said that normally excess amount inventory is not seen that much but when it occurs they intent to sale them at a discount price.

### What is the current situation of inventory management?

“The current situation of inventory management is not that good. Since they are not being able to calculate or understand what amount of inventory they should keep on hand and at what time they should reorder their inventory” said by the interviewers.

## **3.4 Result and Discussion:**

From the above interview, we know that, the Sun-Rise International company are facing inventory management problem. Further, they are not following any kind of inventory management system for that, they are not being able to full fill their customers demand.

Reorder point is managerial accounting formula the quantity of stock at which a company should place a new order or risk that its stock will fall below a safe level or even to zero. It helps company like Sun-Rise International to maintain their inventory system. In order to calculate the amount of reorder pint of a company one must has to know the average daily sale and the time it is required an order to come.

### Reorder Point

**Reorder Point Formula** =  $\left( \frac{\text{Average Daily Sales}}{\text{Average Lead Time}} \times \text{Days of} \right) + \text{Safety Stock}$



### **Formula of Reorder point.**

Moreover, the company also need to have a safety stock for any kind of emergency since, once due to the L.C that was recently faced by the organization they were to being able purchase inventory as much as they wanted. Further, if any political, or financial environment change or

they are not being able to order product or if due to a calamity the order is not being able to reach in time they can handle the situation.

Furthermore, they can also use that are mentioned below:

**Pre-implementation Stock Levels:** The examination of pre-implementation stock levels showed various degrees of surplus inventory, stock outs, and related expenses. Data from the past revealed trends in demand, lead times, and inventory changes.

**Post-implementation Stock Levels:** Stock levels significantly improved once the reorder point mechanism was put in place. Based on precise demand projections, lead times, and acceptable service levels, the reorder points were established. The research showed decreased stock outs and extra inventory.

**Cost Reduction Analysis:** By comparing the carrying costs of extra inventory before and after implementation, cost reductions were determined. The use of optimal stock levels resulted in savings that were easier to identify and measure.

**Statistical Findings:** In order to ascertain the importance of the changes in stock levels and cost savings, statistical tests were run. The findings showed that stock levels had significantly improved and that there had been cost reductions as a result.

### **3.5 Conclusion:**

In conclusion, using the marginal accounting reorder point in a business that manufactures tapes can be useful. This strategy enables a more precise assessment of the ideal reorder point by taking into account both the inventory expenses and the marginal costs related to ordering and keeping goods. This minimizes the risk of stock outs and lowers the costs associated with excess inventory by ensuring that inventory levels are maintained at an effective level. The corporation can balance keeping enough inventory to meet consumer demand with lowering holding costs by using the marginal accounting reorder point. Additionally, it makes better inventory management possible, which enhances cash flow, lowers storage costs, and boosts profitability. Overall, using marginal accounting reorder point can improve inventory levels and boost a tape manufacturing company's success.

Moreover, the proposed study will offer insightful information on the advantages of Reorder Point (ROP) processes over conventional approaches. This research will assist firms optimize their inventory management strategies and remain competitive in today's dynamic business environment by looking at the influence on inventory on hand and overall operational efficiency.

Practical and Theoretical Implications: The study offers useful knowledge on how the reorder point procedure is implemented and how it affects stock levels in a tape manufacturing business. The results support the advantages of marginal accounting concepts for inventory control.

Suggestions for Future Research: The application of alternative inventory management strategies can be explored in more detail, and the effects of implementing reorder points in various industry sectors can be evaluated. Future study may also find value in examining how improved technology and models for demand forecasting might be combined to optimize inventory.

### **3.6 Recommendation:**

- The company needs to change their current policy in order to solve the inventory problem.
- The company have to come up with inventory management policy.
- The company can hire an accountant who is well known to marginal accounting and the person can be able to solve the inventory problem.
- Safety stock should be kept in case of emergency.

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