

Internship Report

A Study on the Supply Chain Management of Trade Wind



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Supply Chain of Trade Wind

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Date of Submission: 8th June, 2014

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Dear Madam;

This is to inform you that I have completed the internship report **A Study on the Supply Chain of Trade Wind**, which has been prepared as a requirement for the completion of the BBA Program of BRAC University.

Trade Wind was established in 2000 as a local wholesaler of CDs and DVDs which later expanded their business by importing mobile accessories and selling it in local market at a wholesale rate.

While working on the report, I have tried to follow each and every guideline that you had advised. It has been a very enlightening experience to work in this new venture and I have thoroughly enjoyed my internship period at Trade Wind. The authority of Trade Wind has also extended their cooperation whenever required.

Sincerely Yours,

MehnazSabrin

ID: 08104063

Acknowledgment

I would first like to thank my faculty advisor, MsMahtabFaruqui, BRAC University for guiding me and assigning this topic and I would like to thank my supervisor, MsNilufer Yasmin, for guiding me during my internship attachment with Trade Wind.

This study required voluminous primary information which I could not have collected properly in time without the help of my colleague, Mr. Hasan Khan, the person in charge of Sales also deserves my heartfelt thanks for his cooperation in helping me understand, participate, and perhaps preparing my report.

Lastly, I would like to thank my colleagues at Trade Wind along with my family members. Without their sustained support such an exhaustive study would not have been possible while working full time.

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Executive Summary

As a student of business administration analyzing today's business world is very crucial to observe in this complex situation. It is necessary to go through all fields of knowledge, both theoretical and practical. After passing four years BBA program, I was sent out to have practical knowledge in business life as a part of my academic program. An Internship Program is organized to give me an opportunity for enhancing my capabilities.

Trade Wind was established in 2000 as a local wholesaler of CDs and DVDs which later expanded their business by importing mobile accessories and selling it in local market at a wholesale rate. Although Trade Wind is very new in the market, they are growing fast and they have plenty of opportunities to grow into something big.

In my report I tried to give a short profile of Trade Wind and their Supply Chain Management of the new product they has recently launched. I also tried to describe their importing process of products.

1.1 Introduction

A **mobile phone** is a phone that can make and receive telephone calls over a radio link while moving around a wide geographic area. It does so by connecting to a cellular network provided by a mobile phone operator, allowing access to the public telephone network. By contrast, a cordless telephone is used only within the short range of a single, private base station. In addition to telephony, modern mobile phones also support a wide variety of other services such as text messaging, MMS, email, Internet access, short-range wireless communications (infrared, Bluetooth), business applications, gaming and photography. Mobile phones that offer these and more general computing capabilities are referred to as smartphones.

Headphones are a pair of small loudspeakers that are designed to be held in place close to a user's ears. They are also known as ear speakers, earphones or, colloquially, cans. The alternate in-ear versions are known as ear buds or earphones. In the context of telecommunication, a headset is a combination of headphone and microphone. Headphones either have wires for connection to a signal source such as an audio amplifier, radio, CD player, portable media player, mobile phone, electronic musical instrument, or have a wireless device, which is used to pick up signal without using a cable.

Headphones originated from the foot, and were the only way to listen to electrical audio signals before amplifiers were developed. The first truly successful set was developed in 1910 by Nathaniel Baldwin, who made them by hand in his kitchen and sold them to the United States Navy.

A **cell phone charger** is a device used to recharge the battery in a mobile phone unit. Often, a basic cell phone charger comes with the cell phone when it is purchased. In some cases, additional chargers may be purchased that have added features. There are many different types of cell phone chargers to choose from. Among the most popular are wall chargers, car chargers, travel chargers, rapid chargers and instant chargers. Many mobile phone owners may own one or more of these other types of chargers, depending on situations they may find themselves in.

A memory card or flash card is an electronic flash memory data storage device used for storing digital information. They are commonly used in many electronic devices, including digital cameras, mobile phones, laptop computers, MP3 players and video game consoles. Most of these can be diminutive, re-recordable, and can retain data without power.

In Bangladesh, total number of mobile phones till January 2014 is 114,808,000 which is 1.69% of the total number of mobile phones in the world. If we count only Bangladesh, 69.5% of the total population is using mobile phones till January 2014.

1.2 Objective of the project:

General Objective:

As the report is a mandatory requirement for a BBA student and a part of the internship program for that reason the general objective is to know about Trade Wind, its history, its product and trading process and Supply chain Management.

Specific Objective:

- To discuss the supply chain management of Trade Wind
- To show what strategy they use to conduct a sale
- To watch carefully the degree of difference and similarities between the real life and theory.

1.3 Scope:

This study revolves basically around Trade Wind. This study includes a detailed process of supply chain and what possible steps should be taken to improve the overall process.

1.4 Methodology:

While preparing this report information was gathered from the following sources:

Primary data: Interviews with personnel of Trade Wind

Secondary data: website, Newspaper

1.5 Limitation:

In preparing this report certain limitations were faced:

- Lack of sufficient sources prevented verification of information.
- The analysis presented here may vary with opinions of experts in this field.
- Some aspects of the report may be considered confidential by the organization

Chapter 2: Overview of the Organization

2.1 Trade Wind

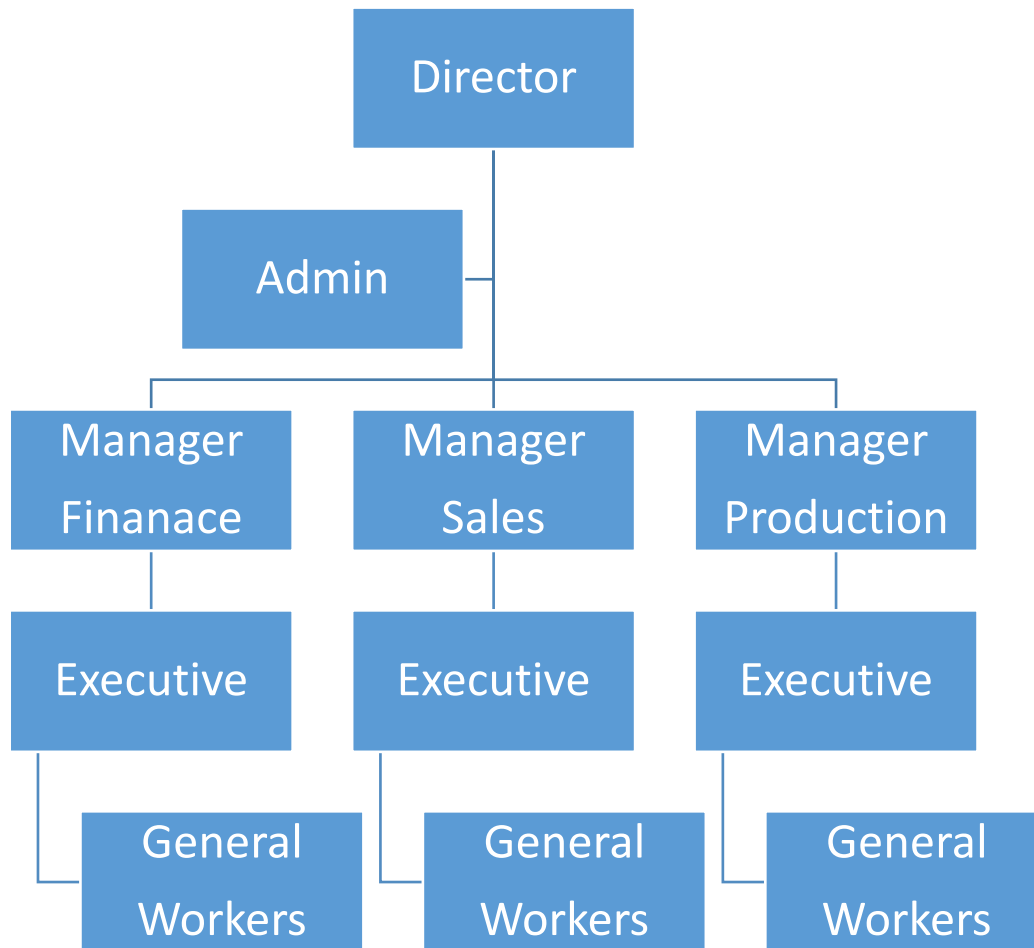
Trade Wind, the company started its journey in 2000 – 2001. It is Electronics based business which actually contains CDs, DVDs, Mobile Accessories and Mobile Servicing Accessories. The CDs and DVDs contain games and software. It was a wholesale business in the very beginning. But now, it has its own sales showroom for both CDs – DVDs and Mobile – Servicing Accessories.

It is a very small business and completely local business which is located in “Shundorbon Square Market” at Gulistan, Dhaka. It has a number of 60 workers, regular and irregular both, around the Dhaka city. Most of them are doing marketing and delivering products to the customers. Some of them are now look after the sales shops. They places their inventory and raw materials beside their showrooms so that they can get it fast if there is any demand of any product which is currently not available in the showroom.

At the very beginning, they were doing business on only CDs and DVDs. But as now days, the market of CDs and DVDs are declining, they started the Mobile Accessories and Servicing Accessories business along with the previous one.

In today’s time, Trade Wind has grown and turned into an importer who imports Mobile and Computer accessories and sell it in the local market in Wholesale quantities.

2.2 Company Organogram:



2.3 Vision of the Company

Mobile phone is very popular communication and entertainment system in today's time and it is very obvious that in near future it will become more popular and as well as its accessories. Trade Wind is trying to catch the huge market of the existing demand of these accessories so that they can become the market leader of this industry.

2.4 Product Offerings:

Trade Wind has lots of products to sell in the Wholesale market and also in the retail market. The products are:

Accessories for Mobile:

- Headphones
- Chargers
- Screen Protector
- Covers/Back Covers
- Memory Card

Accessories for PC/Laptop:

- Headphones
- Mouse
- Keyboard
- Screen Protector for Laptops
- Keyboard Protector

2.5. Product lines:

Trade Wind's packaging is done in a way so that we can target a wide range of consumer & business market. Their target market is segmented in few sections:

Wholesale Market:

- 100pcs of Headphones
- 100pcs of Chargers
- 20pcs of Mouse
- 20pcs of Keyboard
- 100pcs of Screen Protector
- 100pcs of Keyboard Protector
- 50pcs of Mobile Covers
- 100pcs of Memory Card

Retail Market:

- 20pcs of Headphones
- 20pcs of Chargers
- 5pcs of Mouse
- 5pcs of Keyboard
- 20pcs of Screen Protector
- 20pcs of Keyboard Protector
- 10pcs of Mobile Covers
- 20pcs of Memory Card

2.6 Market Summary:

Target market:

They are targeting their market by segmenting Wholesale market and Retail market.

Wholesale Market:

According to the size of the business, Trade Wind has introduced packaging of products and varieties of products so that any kind of accessories can be served to the dealer of the wholesale market. For the wholesale market, they have packaging of 100pcs or 50pcs so that they can make more sales in one time. The wholesalers will be interested in taking more products but not that much which will be wasted in their inventory.

Retail Market:

As retailers try to buy less products than the wholesalers, Trade wind has different packaging for the retailers. They have 20pcs or 5pcs packaging for the retailer so that not only the wholesalers but also the retailers also take products from them.

Chapter 3: Job Description

3.1 Nature of the job:

As the organization has no other Sales, Human Resource or Finance department, they do all other works under the administrative department. I have worked under the administration department for past 9 weeks. In this period I was working as an administrative assistant to prepare reports on different areas.

Trade Wind has 3 different departments under the administrative area.

- Sales Department
- HR Department
- Finance Department

3.2 Responsibilities of the Job:

Job responsibilities are listed below

- Maintaining Database
- Making calls
- Fix Appointment
- Daily sales and visit statement
- Attend meetings

3.2.1 Maintaining Database:

My superior advised me to maintain a prospective customer's database. I have followed the order of my superior and maintaining a database where I had other organizations contact number as well as the top level administration contact details. I have prepared this record by the help of internet.

3.2.2 Making calls:

I do call at a regular basis to my prospective customer's data base. This was really helpful because when I give a phone call they are receiving my number so they can communicate with me easily for any clarifications. This is a very good way of building networks with customers.

3.2.3 Fix Appointment:

I set a date with my respective customer. Some time it is difficult to make an appointment from the high level management but somehow I can manage it. With the help of this kind of appointment I have got opportunity to explain and show them our product. I constantly tried to make my appointment effective and come up with the interested customer's uncertain date of purchase.

3.2.4 Daily sales and visit statement

I had to make a report on the particular client and their necessities. I had to send a regular visit statement to my boss. Visit report contains client name, address, contact number, e-mail address etc. He looks after my visit reports. My boss advised me to follow up my accessible clients and interested clients.

3.2.5 Attend meeting:

Every week, our whole team used to sit and made plan for the week. There were 5 Executives. For one week, the whole team had to bring 5 Clients to meet the target. Our boss regularly provides the prospective list of customers, and we had to fix schedule with them. Then we had to visit the client's organization and sit with them to fix the deal.

3.3 Different Aspect of the Job Performance:

As Trade Wind is a new company and small company, it still considers this stage as not fully developed. The organization is still learning and trying to cope up in the marketplace. The organization at the start analyzes the performance on the basis of the Reporting boss.

Chapter 4: The Project

4. Supply Chain:

4.1 What is a Supply Chain?

A supply chain consists of all parties involved, directly or indirectly, in fulfilling a customer request. The supply chain not only includes the manufacturer and suppliers, but also transporters, warehouses, retailers, and customers themselves. Within each organization, such as manufacturer, the supply chain includes all functions involved in receiving and filling a customer request. These functions include, but are not limited to, new product development, marketing, operations, distribution, finance, and customer service.

Consider a customer walking into a Wal-Mart store to purchase detergent. The supply chain begins with the customer and their need for detergent. The next stage of this supply chain is the Wal-Mart retail store that the customer visits. Wal-Mart stocks its shelves using inventory that may have been supplied from a finished-goods warehouse that Wal-Mart manages or from a distributor using trucks supplied by a third party. The distributor in turn is stocked by the manufacturer (say Procter & Gamble [P&G] in this case). The P&G manufacturing plant receives raw material from a variety of suppliers who may themselves have been supplied by lower tier suppliers. For example, packaging material may come from Tenneco packaging while Tenneco receives raw materials to manufacture the packaging from other suppliers.

A supply chain is dynamic and involves the constant flow of information, product, and funds between different stages. In our example, Wal-Mart provides the product, as well as pricing and availability information, to the customer. The customer transfers funds to Wal-Mart. Wal-Mart conveys point-of-sales data as well as replenishment order via trucks back to the store. Wal-Mart transfers funds to the distributor after the replenishment. The distributor also provides pricing information and sends delivery schedules to Wal-Mart. Similar information, material, and fund flows take place across the entire supply chain.

In another example, when a customer purchases online from Dell Computer, the supply chain includes, among others, the customer, Dell's Web site that takes the customer's order, the Dell assembly plant, and all of Dell's suppliers and their suppliers. The Web site provides the customer with information regarding pricing, product variety, and product availability. Having made a product choice, the customer enters the site to check the status of the order. Stages further up the supply chain use customer order information to fill the order. That process involves an additional flow of information, product, and funds between various stages of the supply chain.

These examples illustrate that the customer is an integral part of the supply chain. The primary purpose from the existence of any supply chain is to satisfy customer needs, in the process generating profits for itself. Supply chain activities begin with a customer order and end when a satisfied customer has paid for his or her purchase. The term supply chain conjures up images of product or supply moving from suppliers to manufacturers to distributors to retailers to customers along a chain. It is important to visualize information, funds, and product flows along both directions of this chain.

The term supply chain may also imply that only one player is involved at each stage. In reality, a manufacturer may receive material from several suppliers and then supply several distributors. Thus, most supply chains are actually networks. It may be more accurate to use the term supply network or supply web to describe the structure of most supply chains.

A typical supply chain may involve a variety of stages. These supply chain stages include:

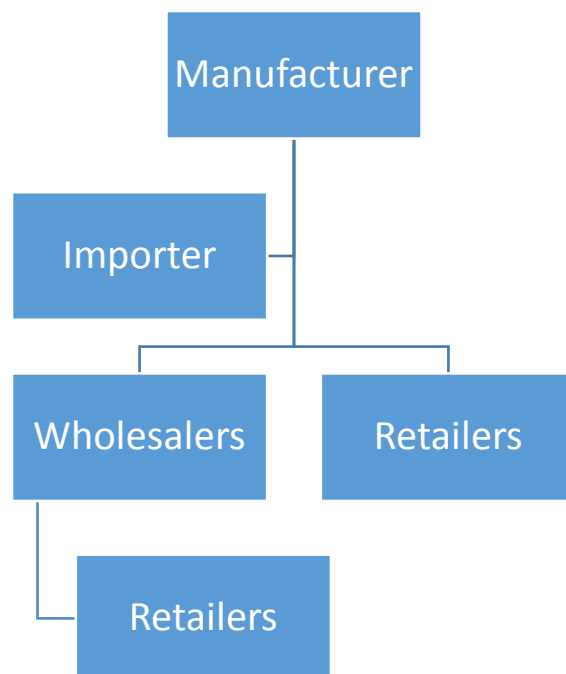
- Customers
- Retailers
- Wholesalers/Distributors
- Manufacturers
- Component/Raw material suppliers

Each stage need not be presented in a supply chain. The appropriate design of the supply chain will depend on both the customer's needs and the roles of the stages involved. In some cases, such as Dell, a manufacturer may fill customer orders directly. Dell builds-to-order; that is, a customer order initiates manufacturing at Dell. Dell does not have a retailer, wholesaler, or

distributor in its supply chain. In other cases, such as the mail order company L.L. Bean, manufacturers do not respond to customer orders directly. In this case, L.L. Bean maintains an inventory or product from which they fill customer orders. Compared to the Dell supply chain, the L.L. Bean supply chain contains an extra stage (the retailer, L.L. Bean itself) between the customer and the manufacturer. In the case of other retail stores, the supply chain may also contain a wholesaler or distributor between the store and the manufacturer.

As Trade Wind is an importer and a wholesale based organization, so it does not have some of the stages of typical supply chain we have discussed before. In Trade Wind, the stages are:

- Retailer
- Wholesalers/Distributors
- Importer
- Manufacturer



4.2 Stages of supply chain

4.2.1 Placing Orders

Placing order is the initial stage of importing. It is the most crucial part of the business. Because to place the orders, the company has to make connections with the manufacturer from they want to purchase the products. They used to ask the product details with price and the exporter has to provide all details. Then Trade Wind has to place order through the internet with detailed information. The money is paid as per the LC conditions made by the bank.

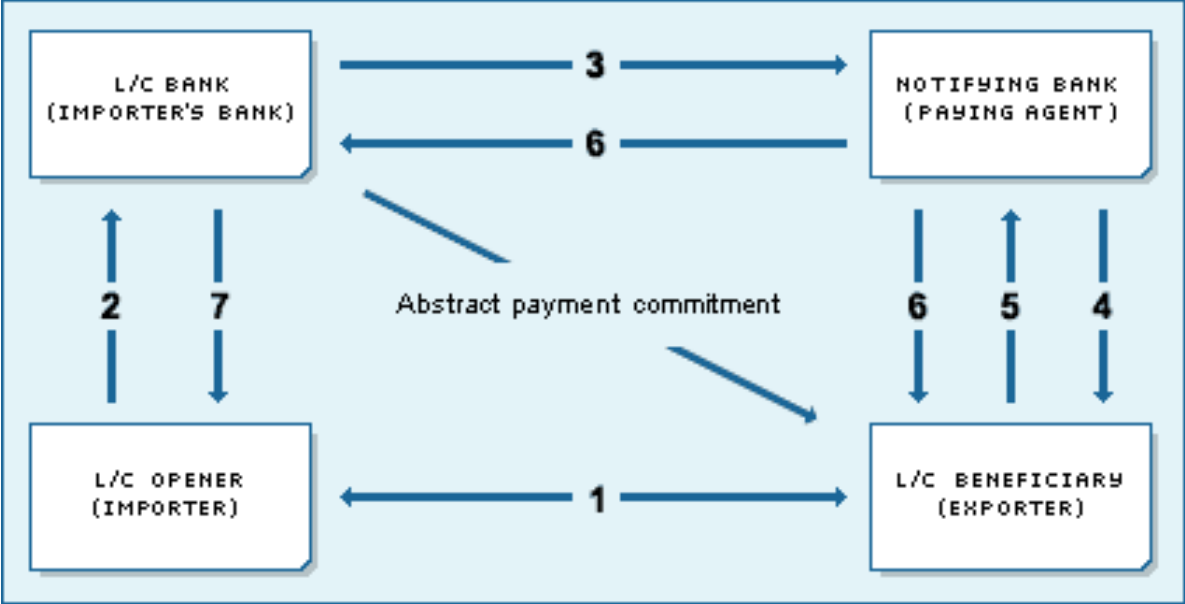
4.2.2 Opening LC

A letter of credit is a promise to pay. Banks issue letters of credit as a way to ensure sellers (and sometimes even buyers) that they will get paid as long as they do what they've agreed to do.

Letters of credit are common in international trade, but they are also used in domestic transactions. Either way, a bank acts as an uninterested party between buyer and seller and guarantees that a payment will be made if certain conditions are met.

For international trade, the seller may have to deliver merchandise to a shipyard in order to satisfy requirements for the letter of credit. Once the merchandise is delivered, the seller receives documentation proving that he made delivery. The letter of credit now must be paid – even (depending on how things are set up) if something happens to the merchandise. If a crane falls on the merchandise or the ship sinks, it's not necessarily the seller's problem.

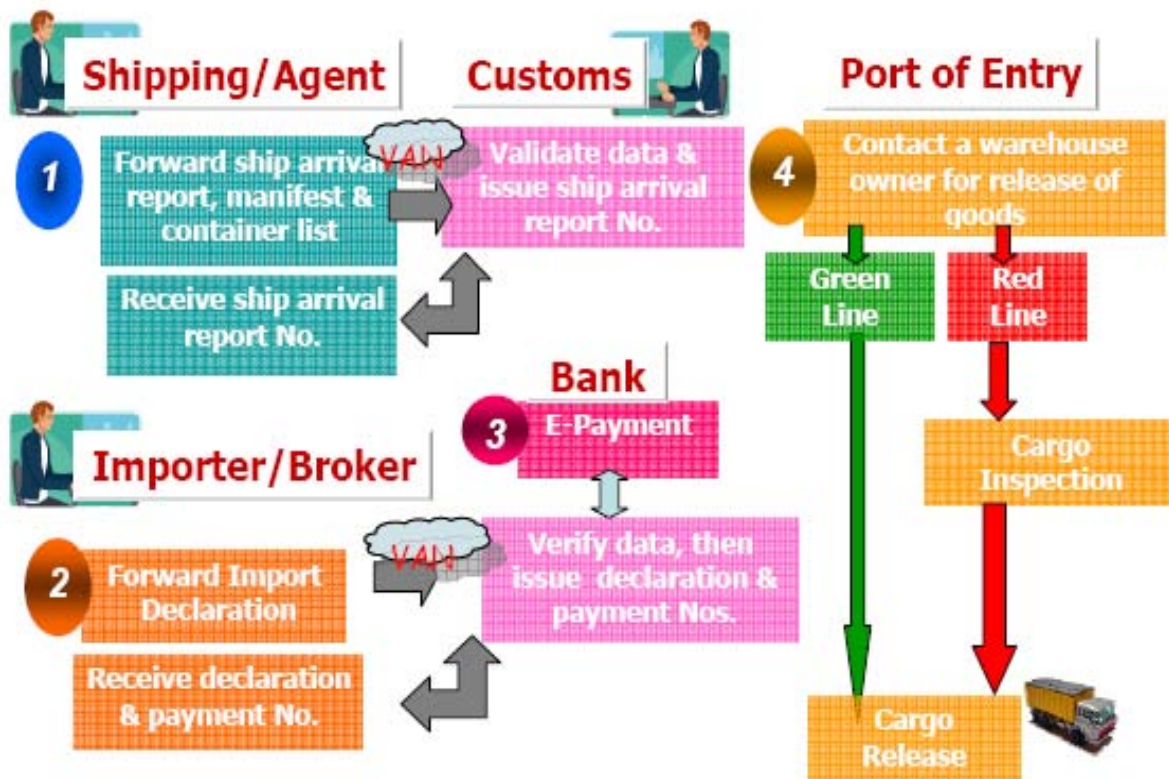
To pay on a letter of credit, banks simply review documents proving that a seller performed his required actions. They do not worry about the quality of goods or other items that may be important to the buyer and seller. That doesn't necessarily mean that sellers can send a shipment of junk; sometimes an inspection certificate is required by the letter of credit, so the buyer can be sure that the shipment is acceptable.



Here, the applicant is the Importer, Trade wind and the beneficiary is the Exporter. Trade wind has the only operation with their bank is to submit necessary papers to the bank so that the bank can open an LC in behalf of them to execute the deal of importing. The bank of Trade Wind gives the notification of the LC to the exporter’s bank. Then the exporter’s bank notifies about the LC to the exporter. Then the exporter has to confirm the transaction/deal to his bank. Then the exporter’s bank gives the confirmation paper of the LC to both the exporter and the importer’s (Trade Wind) bank. Then the bank confirms the LC to Trade Wind. This way the LC procedure is done. The payment is done by the bank sometimes directly and sometimes through the advising bank located in exporters place.

4.2.3 Shipment Clearance

After confirming the LC, the exporter sends the whole cargo in ship. It has to be mentioned in the Letter of Credit that from where the importer (Trade Wind) wants to receive the cargo of the imported products. As the shipment comes in ship, it is received by the authority of Chittagong Port from where it is sent to the place mentioned in LC. Trade Wind always take clearance of their products from Komlapor Station where the cargo is sent by the authority of Chittagong Port. To take the clearance, Trade Wind has to show the receipt of LC where it is mentioned that all kind of payments are done and the company/importer has the clearance to receive their products.



4.2.4 Selling in the Local Market

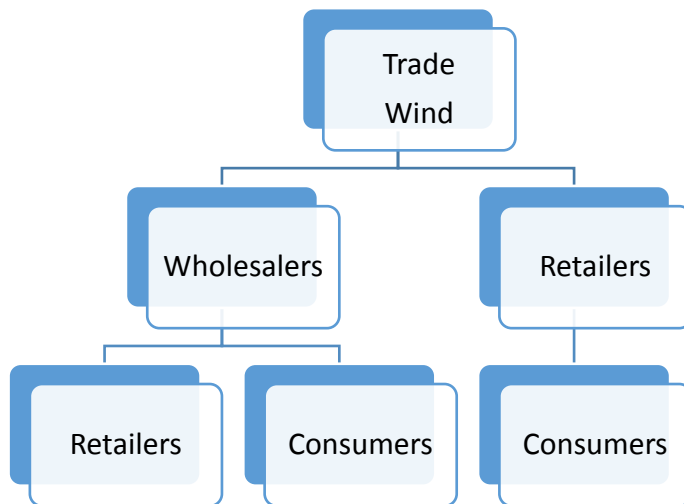
Trade Wind has a 13 years of business history and reputation, they have lots of known business people in different industries. In the very beginning pf the importing business, they used their known channel to know the other industry so that they can be known to them also. Now they have their own distribution channel, who are mainly the wholesalers of the industry and also some retailers of the industry.

Distribution System:

Trade Wind has a good distribution network for timely and proper supply. They have 5 pick-up vans busy in delivery along with one van attached with main office for any crisis. They have only one distribution office located in Gulistan from where they deliver products all over in Dhaka whenever needed.

Distribution Channel:

In the industry, they have a number of wholesalers who always keep the good relationship to the direct customer so that the customers can be ensure that the product they are buying is a quality product. They have 17 wholesalers as regular customers of Trade Wind and 15 other wholesalers as irregular customer. They also have 10 retailer as regular customer and 12 retailer as irregular customer as well.



4.3 Findings & Recommendation

As I have worked in this company for a short time, I tried to find some basic problems of the company which can be solved easily and by solving these problems Trade Wind can reach to its goal easily.

4.3.1 Findings

Some of the basic findings about Trade Wind are:

- Trade Wind does not have any particular vendor as exporter. They export products from different exporters in different time. As they export from different manufacturer they cannot get same quality products for their customers. Different exporter used to send different level of products in same category of the products.
- Trade Wind does not have any quality control department where they can check the quality of the purchased products. As they do not have their own department, they cannot check whether they are maintaining the same quality or not. They even do not aware of the quality of the purchased products. They order the best quality but are not aware of checking the quality of the purchased products.
- Trade Wind does not have separated sales, finance, marketing and HR department. They do all their HR, marketing, financial and sales work under the administration. Doing all works under one department sometimes make a mess and kills a lot of time to rearrange. Although Trade Wind is a small company, one department cannot take control over all departmental works.
- Trade Wind wants to reach their target revenue which is more than 100% of present revenue very soon. But they are not taking any further steps to reach their goal. If they continue to operate in the same way they are operating now, they will not be able to reach their goal in next two or three years.

4.3.2 Recommendation

- Trade Wind should have a particular vendor as exporter so that they can have the same quality products always. When they will order to the same exporter, they can be assured about the level of the products' quality. This will also give them an opportunity to have a good relation to the particular vendor which will also help them to make their business deals in future.
- Trade Wind should setup their own quality control department. After setting up a quality control department they can check the products' quality as well and can maintain the same quality always. Without checking the quality they cannot inform their exporter if there is any problem with the quality. As they are planning to reach in a good level in their industry, it is very important to maintain a good quality product by which their customers can know them properly and for maintain a good quality product also demands a good quality control department. So Trade Wind should not only setup a quality control department but also should hire a good quality controller as their head of the department.
- Trade Wind should divide their different works in different departments like Finance, Sales, Operation, and Quality Control etc. Having different departments with divided works will help them to have no mess occurring and if though occurs it will be easy to reset and rearrange all thing properly. They ca hire new people who will serve them to operate the company and also will be a part of the organization.
- Trade wind should have their own retail shop. When they will have a particular vendor, they can maintain the same product quality and then they can build up their own brand in the market. They can use their customer wholesalers as their own distribution channel while marketing their own brand. It will help them to create a brand image to the public which will also help them to reach their target revenue and their goal.

Conclusion

Trade Wind is now a very small company and started not a very long time ago but they have the potential to do their best to get the best result. The organization and its employees are very friendly to work with and the organization is also a very good place to work within. The environment of the organization is very work-friendly. As the organization's capital is not very high, it is not investing a lot and this is also a reason they are getting a very small revenue. As Trade Wind is a wholesale trading company, they try to make very small margin for which their customers can easily be attracted to buy products. They always try to give the better quality product to their customer. Being with an organization like Trade Wind was a pleasure for me.

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