

**Internship Report**  
**Submitted for the fulfillment of the requirement of the**  
**degree**  
**of**  
**Masters of Business Administration**



**“Marketing Challenges of Garment Products in the Global  
Market:  
A Study on Mohammadi Group Ltd”**



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Market:  
A Study on Mohammadi Group Ltd”**

**Submitted to**

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Lecturer  
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**Submitted by**

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MBA Program

**Date of Submission:** 19<sup>th</sup> June, 2014

**B R A C U N I V E R S I T**



## Letter of Transmittal

19<sup>th</sup> June, 2014

Showvonick Datta  
Academic Supervisor  
BRAC Business School  
BRAC University

**Subject:** Submission of the Internship report on “Marketing Challenges of Garment Products in the Global Market: A Study on Mohammadi Group Ltd”

Dear Sir,

With due respect, as student of BRAC Business School, I have prepared my internship report on “Marketing Challenges of Garment Products in the Global Market: A Study on Mohammadi Group Ltd”

I have tried my level best to follow your guidelines in every aspect of planning of this report. I have also collected what I believe to be the most important information to make this report specific and coherent as possible. I enjoyed the challenge of preparing the report as it provided me with an opportunity to enlarge knowledge. I am honestly thankful for your guidance during the preparation of this report. I hope you will appreciate my effort. I have done the study in a complete form and I have tried my level best to conduct this in a professional manner. It is true that, it could have been done in a better way if there were not limitations. I hope you will assess my report considering the limitations of the study.

Yours sincerely,

Debashis Chakravarty  
ID: 10364064



## **Acknowledgement:**

At first I would like to thank the Almighty to complete my internship program as well as internship report. Then, I would like show my sincere gratitude to **Showvonick Datta, Lecturer, Brac Business School**. My academic internship program supervisor for his well supervision and guidance. It has been a great support for me to him as my supervisor. I am also thankful to him as he consulted with me gently and answered ay of my queries with utmost patience and perseverance.

I am thankful to **Prodot Kumar Majumder**, General Manager (Production) & Co-ordinator (Woven &Lingerie) and **Md. Faruk Hossen, Assistant Manager (Industrial Engineering Department), Mohammadi Group Limited** for helping and guiding me while doing the internship program. They supported me and taught me various strategies, theories, tactics & philosophies while doing internship program. They shared a lot of information and allowed me to know about garments industry, its market and strategies.

I am also thankful to **Mr. Annisul Huq, Chairman, Mohammadi Group** for giving me an opportunity to ensure internship in Mohammadi Group Ltd.



## Executive Summary

Mohammadi Group is one of the leading garments manufacturers in Bangladesh. Starting its operation in 1986 with only 52 workers. Though it is mainly a garments manufacturer, over the years it has diversified into different industries like Real Estate, Power Generation, Information Technology Services and High Tech entertainment. Mohammadi Group will ensure sufficient training and suitable work to increase productivity and skills of the employee.

Now Mohammadi Group has a 157000 square feet area and production capacity is around 6,70,000, number of machines 2,500 and number of employees over 8,000.

In the garments arena currently they are manufacturing woven shirts and blouses in our woven units. It is also one of the top sweaters manufacturers in Bangladesh and customers include many world renowned brands like H&M, C&A, Zara, Esprit, Sears, Wal-Mart, Target Stores to name a few.

In my report I tried to cover a short profile of Mohammadi group and major customers of Mohammadi garments. It also includes responsibilities of a trainee officer, my activity and the problems I faced and some recommendation.

Through the report I have focused on the present activities of garments Industry and the significance of their role for smooth, efficient and effective marketing process of garment products overseas. The practical knowledge of work I have achieved from Mohammadi Group has provided me the base of my investigation. A lot of problems are scattered all over in the marketing process of garment products to different countries. As a trainee of internship in the Mohammadi Group I have observed the problems, which it is facing in, it's all over marketing process. As a fresh achiever of knowledge I have tried to investigate the problems of export the garment products from its surface to the bottom and tried to find out the possible solutions.

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# Chapter 1

## Introduction

### 1.1 Origin of the Report

The research report is conducted for the partial requirements of MBA program under the internship. As a student of Business Administration, I had to complete a 12<sup>th</sup> week's attachment with any organization. My attachment was with Mohammadi Group and I worked as an intern from August 22, 2013 to November 21, 2013. The project is assigned by the institutional supervisor, Md. Faruk Hossen, Assist. Manager, Industrial Engineering Dept., Mohammadi Group Ltd. And approved by the institutional supervisor Showvonick Datta, Lecturer, Brac Business School, Brac University.

### 1.2 Methodology

For my report I have collected information from both primary data and secondary data. Primary Data: I got the data or information directly from the officials.

The overall process of methodology has been given as follows:

- Type of report: Descriptive
- Identify data sources: Essential data sources, both primary and secondary, were identified that would be needed to carry on the study and complete this report.
  - a. The primary data sources :
    - ✓ On the job work to find relevant data
    - ✓ Informal survey.
  - b. Secondary data sources:
    - ✓ Different official circular issued by the BGMEA.
    - ✓ Other documents of Mohammadi Group limited.
    - ✓ Company profile of Mohammadi Group limited.
- Questionnaire structure: unstructured questionnaire.





### 1.3 Limitations

I tried my level best to enrich and complete this report although there are some limitations. During the study I had faced the following limitation:

- Respondent unwillingness: Unfortunately due to the company's limitations (business secrecy and confidentiality), I was unable to acquire sufficient information.
- Shortage of time: In during such a study within a short period. I could not perform all the activities regarding study property.
- Shortage of secondary data sources: publication of this field not available and there were no organization or department for maintaining proper information about the company.
- Lack of accurate data: respondents were unwilling to disclose their income and sales. So, this types of data used in this report is not too proper.
- Short of experiences: It was the first opportunity to work in a corporate environment and garments industry. But most officer and operator help me to develop this report properly. Although for lack of my experiences the report may be suffer in few areas.
- Political Unrest: This survey made on crisis situation (Political Instability) of Bangladesh, so it was difficult to continue the job as a trainee officer.



## Chapter 2

### Organizational overview

# OVERVIEW OF MOHAMMADI GROUP

- ☆ At a glance- Mohammadi Group
- ☆ Vision
- ☆ Mission
- ☆ Quality
- ☆ Certification
- ☆ Organogram
- ☆ Objective
- ☆ Company profile
- ☆ Business process
- ☆ Terms and conditions
- ☆ Buyer/Customer base
- ☆ Creative source of raw materials
- Etc.



### 2.1 At a glance- Mohammadi Group

Mohammadi Group is one of the leading garments manufacturers in Bangladesh. Starting their operation in 1986 with only 52 workers, today employ over 8,000 people.

Though it is mainly a garments manufacturer, over the years it has diversified into different industries like Real Estate, Power Generation, Information Technology Services and High Tech entertainment.

In the garments arena currently Mohammadi group manufacturing woven shirts and blouses in its woven units. Mohammadi group also one of the top sweaters manufacturers in Bangladesh. Its customers include many world renowned brands like H&M, C&A, Zara, Esprit, Sears, Wal-Mart, Target Stores to name a few.



Picture: Mohammadi Group Head Office

## **2.2 Vision**

Taking inspiration from the past, setting milestones in the present, Mohammadi Group continually strive to unravel the opportunities that the future has in store. Tapping the vast pool of available opportunities and its tremendous experience, Mohammadi Group wish to work with zeal to implement new ideas innovations, better quality & providing best possible service to customers, which has kept us ahead. Earning foreign currency through exporting and serving the clients successfully with expertise and experiences of production capacity, and participating in the economic growth of the country.

## **2.3 Mission**

Its mission is to expand its business across the globe by ensuring best service, integrity, reliability & quality. Readymade garments 100% export oriented that try to keep track most popular trends in fancy fashion especially in ladies and girls casual wear. It provide an extensive range of manufacturing capability in all categories, including knitwear, women wear, and out wear to customer at reasonable prices, right delivery, good quality and services.



## 2.4 Quality

Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution. It starts from selection of raw cotton, which play important role in determining the quality. It deploys skilled cotton selectors for selecting raw cotton from farm & markets all over with worldwide-accepted parameters reach our customers. It has set benchmarks in the national and international cotton markets with quality and performance of cotton. In future also, it look forward to innovative its Quality managements system and continuously improve its effectiveness.



Picture: Agreement Signing Ceremony

## 2.5 Certification

- Mohammadi Group is an ISO 9002 certified company.
- Mohammadi Group is also member of BGMEA.

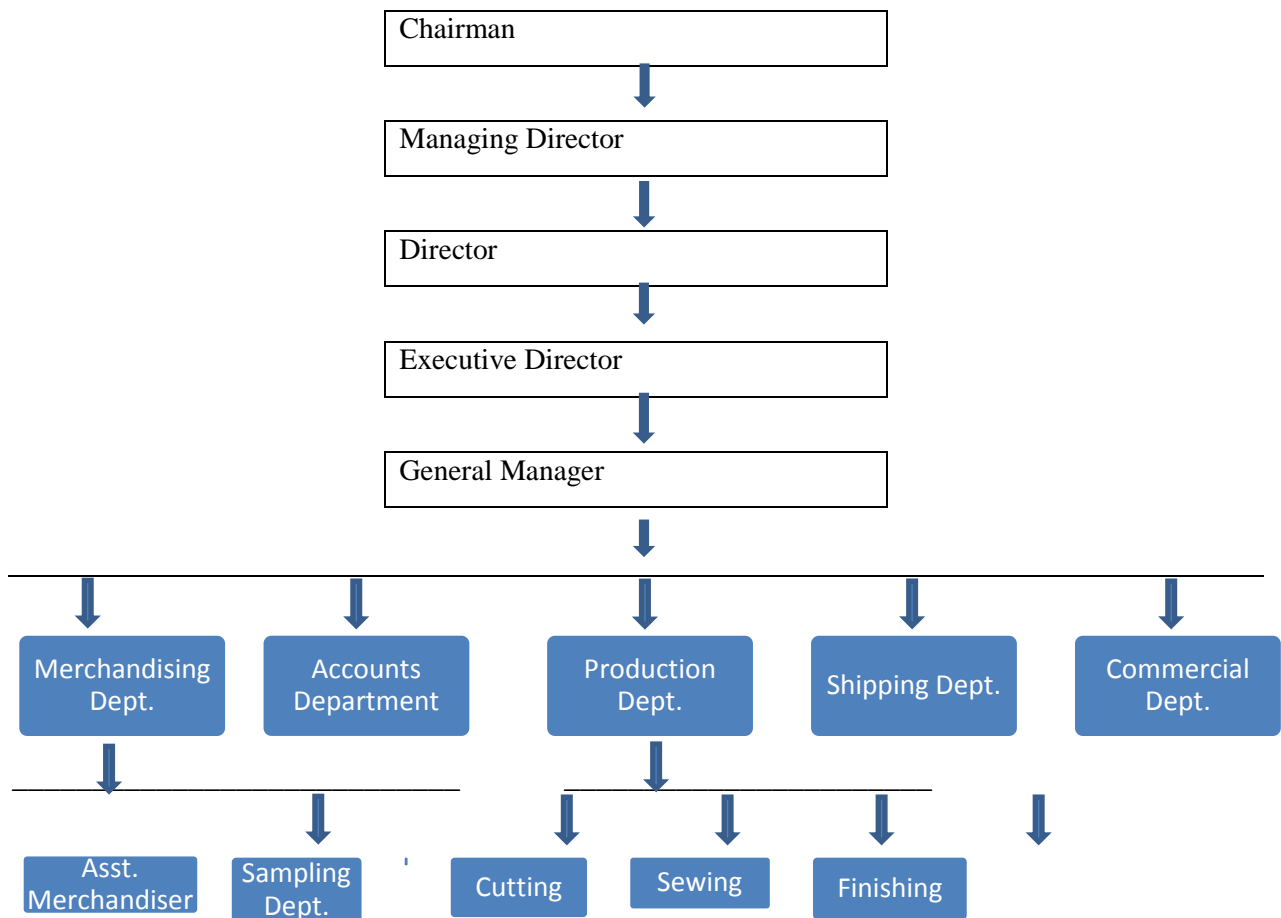




**Mohammadi Group committed,**

- **To customers:** total satisfaction through providing on-time delivery of quality products and services.
- **To employees:** good work environment & compliance with national and international rules.
- **To society:** Creation of a better tomorrow.

➤ **2.6 Organogram of Mohammadi Group:**



Organogram: Mohammadi Group Ltd.

- Chairman: Annisul Huq
- Managing Director: Rubana Huq
- Director: Navidul Huq



## **2.7 Company objectives:**

Mohammadi Group intend to serve its customers worldwide with sincerity, goodwill & excellence in gaining name and fame of the company with ultimate goal of making it to a conglomerate.

Mohammadi Group has decided to achieve some objective in the further progress in the garments industrial fields. The objectives are as follows:

- ✓ Expand business activities.
- ✓ Produced more standardize quality products.
- ✓ Ensure higher productivity of the production and more responsible to customers' needs and satisfaction.
- ✓ Participating in economic growth through earning foreign currency by exporting its products.
- ✓ Generating higher employment taking newer internship.
- ✓ Establishing strong brand image through aggressive marketing and promotional campaign.

## **2.8 Associated companies of Mohammadi Group**

Name of the associated companies of Mohammadi Group is:

**WOVEN GARMENTS MANUFACTURING**

(Production Units and Capabilities)

**MG SHIRTEX LIMITED**

Number of Line:

06 (Six) Lines.

Product Range:

Men's & Boys Dress and Casual Shirts, Ladies Blouses.

Production capacity:

1,80,000 pcs/month

Production Area:

45,000 sft.

**MOHAMMADI GROUP LIMITED (MGL)**

Number of Line:

06 (Six) Lines



Product Range:  
Men's Dress and Casual Shirts

Production Capacity:  
1,80,000 pcs/month

Production Area:  
35,000 sft.

#### THE MOHAMMADI LIMITED (TML)

Number of Line:  
04 (Four) Lines.

Product Range:  
Men's Dress and Casual Shirts

Production capacity:  
1,10,000 pcs /month

Production Area:  
27,000 sft.

#### ARROW APPARELS LIMITED

Number of Line:  
10 (Ten) Lines.

Product Range:  
Men's Dress and Casual Shirts.

Production capacity:  
2,00,000 pcs/month

Production Area:  
50,000 sft.

#### **Special Features of all associates Companies:**

Vacuum Ironing Table, Feed of The Arm, Placket, Fusing Machine, Collar Forming Machine, Cuff , Forming Machine, Kansai Special, Fabric Inspection Machine, Collar Notcher, Button Pull Test Machine, Shaddle Stitch Machine, Pintect Machine, Bottom Cutting, Maximum Sewing Machines Are Auto-Trimming And Vertical Trimmer.



## 2.9 Company profile:

Company profile of Mohammadi Group Ltd.	
<b>Product or service we provide</b>	Garments
<b>Main manufacturing item</b>	T-shirt, Tank Top, Polo shirt, Sweat shirt, Rugby shirt, Fleece jacket, Sear fine, Fashionable knit, Sweater Girls and children dress with printing and embroidery.
<b>Production capacity</b>	6,70,000 pcs per month
<b>Year started</b>	1986-2014
<b>Number of Employees</b>	Above 8000 People
<b>Focus market</b>	World wide
<b>Factory size (square size)</b>	157000sft
<b>No. of R&amp;D staff</b>	
<b>Export percentage</b>	100%
<b>Exporting countries</b>	China, Germany, Spain, France, Italy, USA, Canada, Poland, AUS, UK.
<b>Machinery</b>	Factory is set up with brand new imported Machinery from Japan, UK, Singapore, China, and Germany. At present, total 2500 sets of machine & equipment are installed and operational. the machines like conveyor type lock metal detector, thread removing etc.  Brother, Juki.
<b>Sewing Machine Bran</b>	
<b>Corresponding bank</b>	
<b>Head Office</b>	Mohammadi Group Lotus Kamal Tower-1, 10 <sup>th</sup> Floor, 57 Joar Sahara C/A Nikunja-2 (New Airport Road), Dhaka 1229
<b>Factory name and location</b>	Mohammadi Group Limited (MGL). KA-52/A, Khilkhet, Dhaka-1229
<b>Buyer name</b>	H&M, C&A, Zara, Esprit, Sears, Wal-Mart, Haggar, Primark, Black Berry, Green Coast etc.

Table :Company Profile of Mohammadi Group Limited





## 2.10 Business Process of Mohammadi Group:

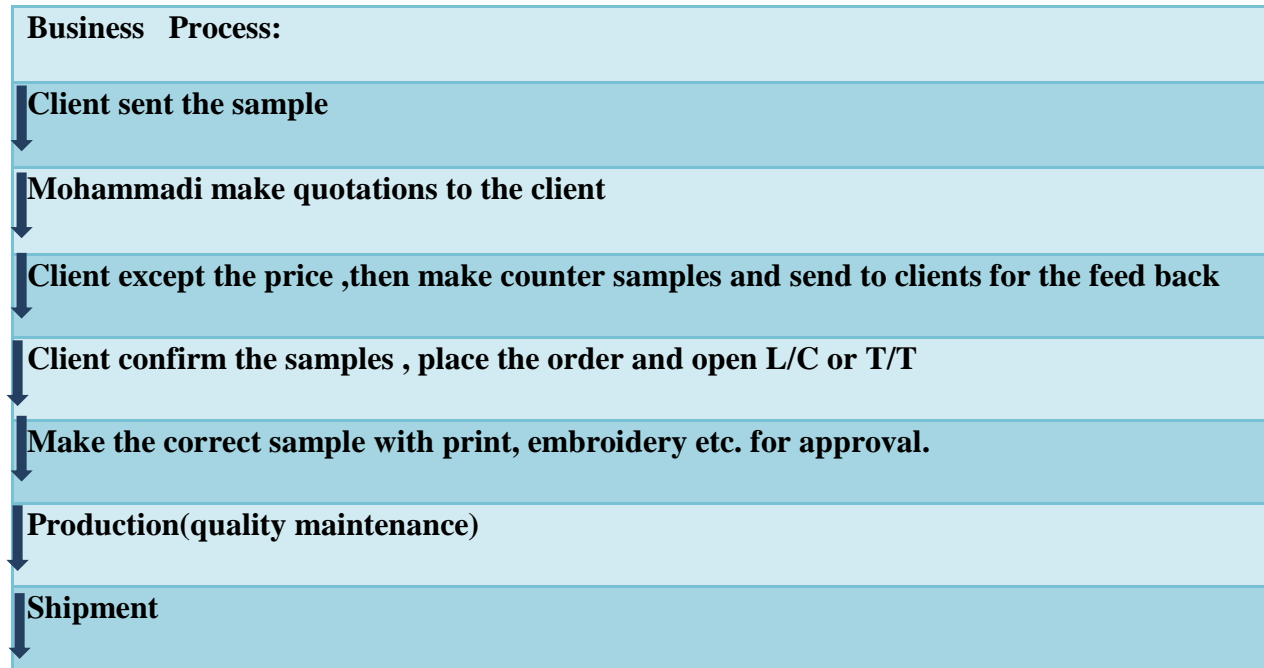


Figure: Business process of Mohammadi Group Limited.

## 2.11 Terms and conditions

- ❖ Delivery lead time : after order confirmation , company require 20 days for approval sampling , which involve making up samples in correct sizes, color and yarn, for approval. Upon confirmation of the samples, about 45/60days are required for production, depending on the product, order quality and time of year.
- ❖ Sample delivery charge: A full sampling service is available to meet all design need. Delivery costs of all sending samples in the all step of order processing up to shipment are to buyer account.
- ❖ Payment terms: make payment by T/T for all orders 100% in advance. For larger amount payment must made by irrevocable and transferable L/C in our Company.

ac Table/19.8.13

H&M

SIZE: XS-XXL

FOR O/N: 0204079-5767 9-2014/20149

MEASUREMENT LIST

1 (1)

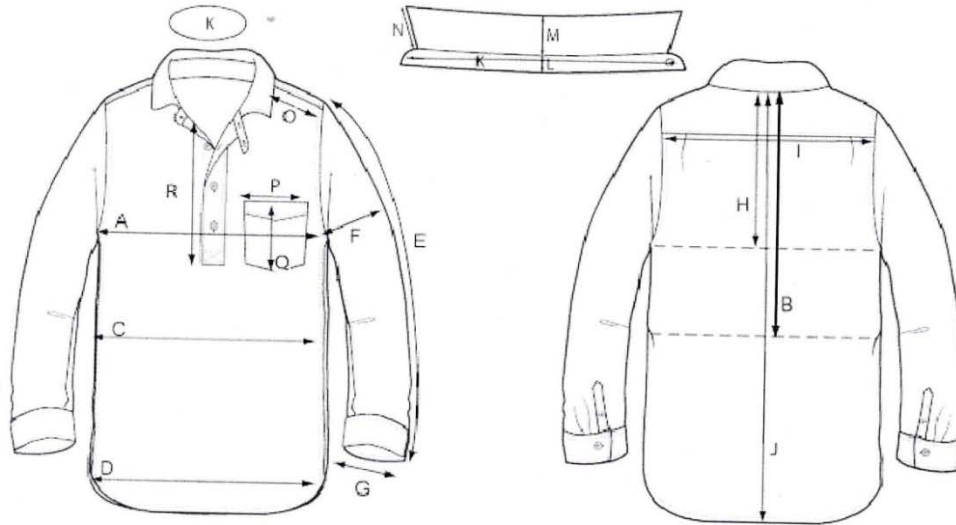
NO: 25120-2

DATE: 16/5/2013 ILIWRRA

JOHN HALFPLACKET L/S  
S. 8

GRADED  
PATTERN

L.O.G.G.  
\*REGULAR FIT  
TAILORED HEM



\*=rev. m-ment

	XS	S	M	L	XL	XXL
> A. CHEST	100.5	108.5	116.5	124.5	132.5	140.5
> B. LENGTH TO WAIST	44	45.5	47	48.5	50	51.5
> C. WAIST	91	99	107	115	123	131
> D. BOTTOM	94	102	110	118	126	134
> E. SLEEVE LENGTH	63	65	67	69	71	73
> F. BICEP	38	40	42	44	46	48
> G. CUFF BUTTONED	21	22	23	24	25	26
> H. SCYE DEPTH	25.25	26.25	27.25	28.25	29.25	30.25
> I. BACK WIDTH AT YOKE	39	42	45	48	51	54
> J. BACK LENGTH	73	74	75	78	81	84
> K. COLLAR BUTTONED	37	39	41	43	45	47
> L. COLLARSTAND HEIGHT	2.5	2.5	2.5	2.5	2.5	2.5
> M. COLLAR HEIGHT	4	4	4	4	4	4
> N. COLLARPOINT	5.5	5.5	5.5	5.5	5.5	5.5
> O. SHOULDER	13.75	14.75	15.75	16.75	17.75	18.75
> P. POCKET WIDTH	10.5	10.5	11	11	11.5	11.5
> Q. POCKET HEIGHT	12.25	12.25	12.75	12.75	13.25	13.25
> R. PLACKET LENGHT	30	30.5	31	31.5	32	32.5

Figure: Measurement List by H & M (Buyer)



## 2.12 Buyer/ Customer Base:

Mohammadi Group has established solid business relationships and customers in Europe and North America and is proud to be highly regarded in the market for their integrity and commitment to deliver what they have promised. They are providing services to a wide range of customers of customer including retail specialty stores, catalog houses and importers.

## 2.13 Creative Source of Raw Materials:

- **Materials composition:** Mohammadi Group Ltd manufactures woven and knit garments mainly bottom and tops with materials from Cotton, PVC, and PC etc. even other materials / composition as required.
- **For sweater:** Acrylic, cotton, angora, cashmere like, lamb's wool, mohi yarn, and blended yarn.
- **Knitting:** Jersey, rib cable, button, lace, etc needed. So they can provide a complete garment to the customer.
- **Techniques:** company has expertise in all embroidery, print, acid, washed, decorated, with brands /sequins/ lather /laces / buttons and other techniques to manufacture every distinctive masterpiece in the world for its customers.

## 2.14 General Ethics:

- **Code and conduct:** The Company operates in full compliances with the applicable laws, rules and regulations, including those relating to labor, worker health, and safety and environment.
- **Child labor:** Factory always employed those workers who have reached the minimum legal age in effort for admission employment, or at least the age of eighteen. The company with all rules governing the employment of children. Whenever they employ people aged 18 years or over, factory are encouraged to develop workplace to such schemes.
- **Work environment:** The Company encourages developing lawful work place apprenticeship programs for the educational benefit of the workers.
- **Discrimination:** Factory never discrimination in hiring and recruiting employees, including matters of safety, benefit advancement, disciplinary measures, social and ethnic origin, political opinion or disability. The company employs workers on the basis of their abilities to do the job, not on the basis for their personal characteristics or beliefs.



- **Hygiene, health safety:** It provides a safe and healthy working environment for their workers, and takes every necessary step to prevent occupational accident and illness and ensure that employees are not in unsanitary or dangerous working conditions.
- **Wages and hours:** The Company sets working hours, wages and overtime pay in compliance with all applicable laws. Here the main working hour is 8 am - 7 pm. After 8 pm the overtime period is counted.
- **Freedom of association:** There is the right of employees to form and join trade unions and to bargain collectively. Workers' representatives shall not be the subject of discrimination and shall have access to all workplace facilities necessary to enable them to carry out their representation functions.
- **Hours of work:** Hours of work followed by the law and industry standards, workers shall not be required to work in excess of 48 hours a week on a regular basis, in addition they must be allowed at least one day per 7 days period only, the company may require an employee to work overtime, and in any event shall not exceed 12 hours a week. Overtime hours must always be compensated at a premium rate.

## **2.15 Garments Manufacturing Process Overview: On the basis of Mohammadi Group Ltd:**

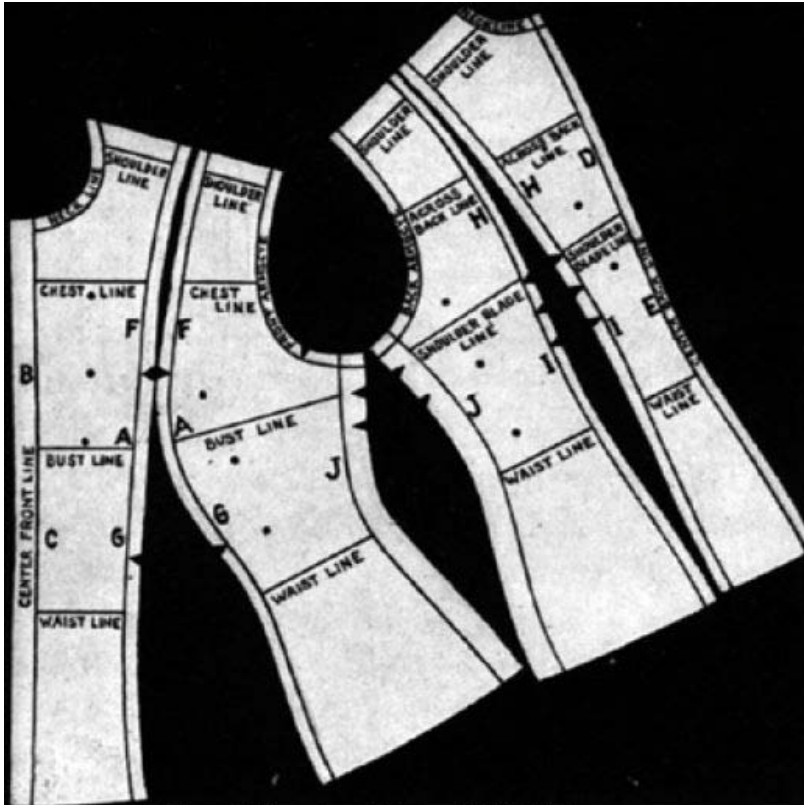
Stepwise garments manufacturing sequence on industrial basis is given below:

Design / Sketch  
Pattern Design  
Sample Making  
Production Pattern  
Grading  
Marker Making  
Spreading  
Cutting  
Sorting/Bundling  
Sewing/Assembling  
Inspection  
Pressing/ Finishing  
Final Inspection  
Packing  
Dispatch

This is the Basic Production Flowchart of a Garment. In advance some of the process can be added or removed. Here is a brief discussion of major process steps of Garments & Apparel Manufacturing Technology:

**Design or Sketch:** Before making an apparel of garments we must have to design or sketch the appearance completely. It helps us at the further process to monitor the manufacturing faults and process shortage.

**Pattern Design:** Every piece of Apparel or Garment is built upon a pattern. The pattern is made by the standard sizes of Men and Women. We must have to make pattern to follow while manufacturing a garment product. It saves time and increase the rate of accuracy of making.



**Lesson 22 - Illustration XXII-1**

The New-Way Course in Fashionable Clothes-Making (1926)

Figure: Pattern Design

**Sample Making:** Before going for a bulk production; it's a smart step to make a complete sample of the desired apparel. After making the sample if the production manager thinks that this okay; then the further bulk apparel or garment production is to be carried out by following the exact size and quality of that sample.

**Production Pattern:** After making the cloth sample that i have mentioned in the previous process step; it's wise to make a production sample that will be hanged out in front of every labor that are recruited to make this clothing eventually.

**Grading:** Grading is done in order to grade various sizes of garment in separate place so that it would be easier to inspection and maintain the export works at last.

**Marker Making:** Market making is the process to sketch on fabric before cutting it. Market is to be in standard size required by the buyers.

**Spreading:** After making a market; we have to spread the whole fabric over the spreading table in order to put Marker and pattern over it.

**Cutting:** After successfully spread the fabric and putting all the marks and sketch by the marker; this is the time to cut the fabrics according to design.

**Sewing & Assembling:** Each of the parts of clothing should be sewed or assembled in order to make complete apparel that is wearable.

**Inspection:** In this step of garment manufacturing process each of the complete apparel or garment is to be checked and rechecked. If any fault is found; then the whole process should be repeated.

## 2.16 Computer Aided Design (CAD):

Computer Aided Design (CAD) becomes an essential tool for making and related jobs in garment industry. In apparel industry CAD software use for pattern making, grading of pattern, marker making and digitizing manual patterns. There are number of CAD software suppliers who have developed CAD systems. But only few names are popular in fashion industry.



Figure: Consumption Procedure

## 2.17 Consumption:

Quantity of consume fabric of every piece of product. CAD tries to reduce “Break” among the parts. That means reduce gap is equal to increase the level of efficiency. The more efficiency indicate that decrease the quantity of fabric for producing garment products.

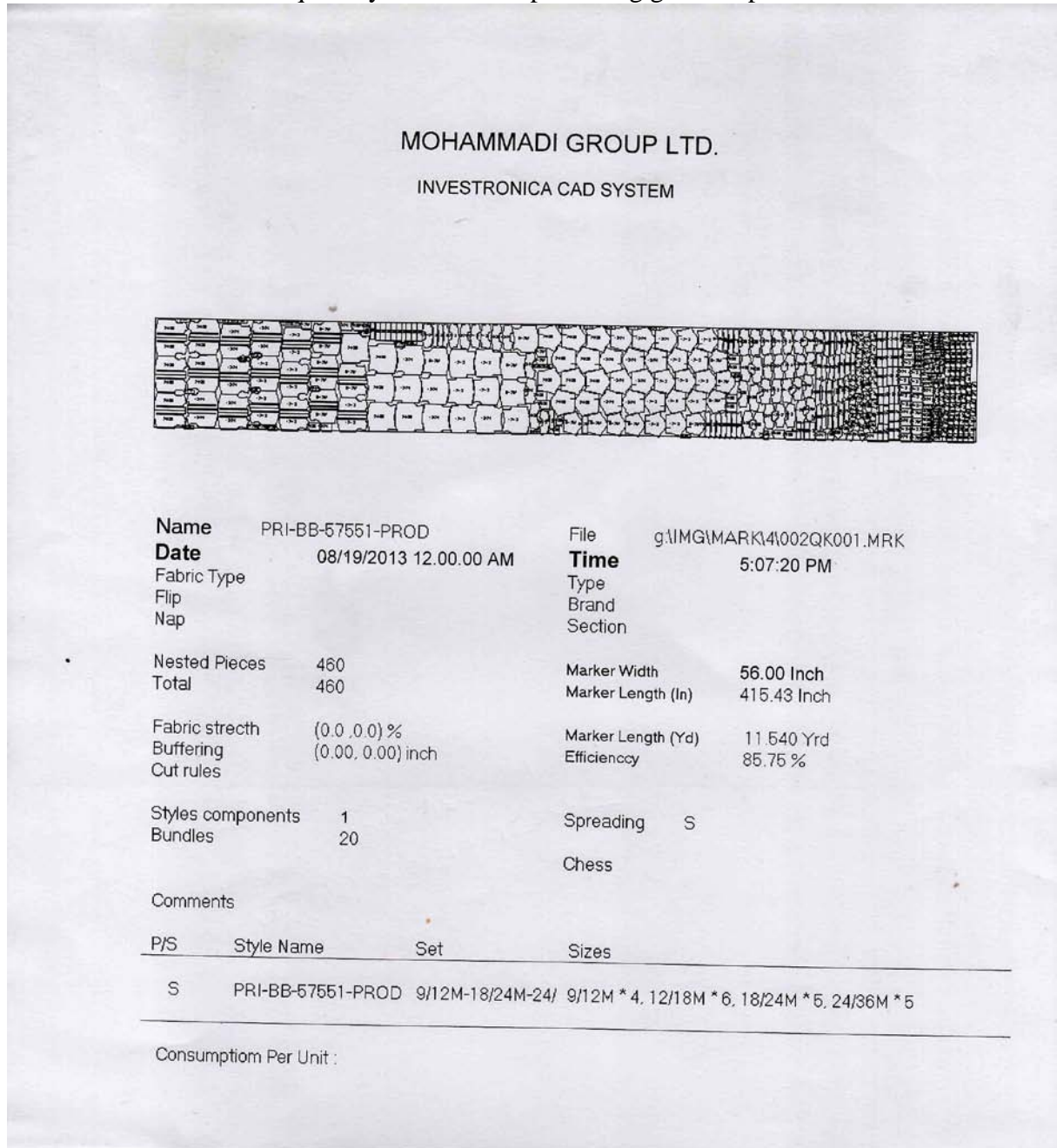


Figure: Consumption Chart

## 2.18 Stages of Sample Making

Stages of Sample Making	
<b>Sketch:</b>	Generally Send from buyers.
<b>Pattern:</b>	Create structure of sample by using hard paper.
<b>Develop:</b>	Create structure of sample by using fabric (not actual fabric).
<b>Fit:</b>	Make sure fulfill of buyer's demand. If 1 <sup>st</sup> fit sample rejected by the buyer, send 2 <sup>nd</sup> fit sample (if needed). [This stage use actual fabric].
<b>Photo:</b>	Photo of the sample send to buyer (If require/buyer's need). [Use actual fabric].
<b>PP Sample: (Pre-Production)</b>	Ultimate sample before manufacturing. If buyer chooses fabric, color, GSM, labels, measurement etc. → Confirm → Production.

## 2.19 QC (Quality Control) Table:

- ✓ Judgment faults, measure product through the buyers measurement list, Evaluate buyers feedback if they are not pleased or resend "Not OK" mail.
- ✓ Buyer's level of tolerance 0.05 to 0.1 cm.
- ✓ More than 1 cm buyers may not accept.



Picture: QC Table at Mohammadi Group Ltd




On the QC table QC supervisor check Buyer's measurement chart and adjust with sample. If tolerance level exceed 1 cm, sample is rejected by the QC supervisor and resend for re-sampling.

### Test report - Measurement

**Enclosure 1, sample report 1**

Product number: 0204375-6565  
 Product name: LOGG Hilding shirt  
 Product type: Shirt  
 Product description: Shirt - Top-Regular-Long sleeve  
 Supplier: 5193 MG SHIRTEX LIMITED.



<b>Size:</b>	<b>Colour:</b>	<b>Sample:</b>	<b>Performed date:</b>	<b>Test reference</b>
68		Quotation 1	02 Jul 2013	2

**M-list:** Y5071

M-list size: 68	M-list	Sample	Diff.
A CHEST	58.5	58.3	-0.2
B BOTTOM	58.5	58.2	-0.3
C SHOULDER TO SHOULDER	23	22.5	-0.5
D SHOULDER SLANT	1.5	1.5	0
E NECK WIDTH	12.5	12.5	0
F NECK DROP FRONT	6	6	0
G NECK DROP BACK	1.5	1.5	0
H SLEEVE LENGTH FROM CB	35	34.7	-0.3
I BICEPS	24	24	0
J BOTTOM SLEEVE BUTTONED	16.5	16	-0.5
K SCYE DEPTH FROM CB	11.5	11.5	0
L LENGTH FROM CB	35	35	0
M BACK YOKE HEIGHT FR CB	5.5	5.3	-0.2
N COLLAR STAND	2	2	0
O COLLAR HEIGHT CB	3	3	0
P COLLAR POINT	3.4	3.5	0.1
Q PATCH PLACEMENT FR CB	19.5	19	-0.5
R PATCH WIDTH	5.5	5.5	0
S PATCH HEIGHT	7	7	0

**Test result Not OK** ✓

**Comment:**  
Hello,

Pls see the fitting/mmts comments on Q/S as below,  
Com/date-11July 13, Supplier-MG shirtex,

1. Measurements has some deviation on sample, pls follow the P/P and m-list carefully in next sample,
2. Side warp seam top stitch not according to A/W on sample, Pls follow according to A/W,
3. Siv placket in side tuck missing on sample, Pls add in next, Also update placket opening follow PP.
4. Garments hand feel look's stiff on sample, most improve hand feel,
5. Armhole, sleeve head and side seam needs to be adjusted so the puckering does not effect the look of the garment. The puckering and top stitching tears at the garment and the sleeve is pulled upwards.you pls adjust at siv joint time,
6. The collar needs to be adjusted too. pls follow pp if any deviation neck circumference and band you pls adjust,

Pls Improve all above comments and proceed on SS/S, Require size and qty-68-2pcs.86-1pcs.92-2pcs,

Figure: Test Measurement Report



## 2.20 Principal Objectives:

- Profit maximization
- To provide quality product.

## 2.21 Strategic View:

- A truly international outlook for exporting
- A long-term commitment for exporting
- A strategic approach to the development of new export market
- Credibility and close and long-term relationship in export market
- An international reputation for quality
- Resources available for export support

## 2.22 Functional Departments:

All the functions of Mohammadi are operated under four major departments:

1. Merchandising department.
2. Sampling Department.
3. Commercial department.
4. Accessory supply department.
5. Production department.
6. Distribution department.
7. Accounts Department

### 2.22.1 Merchandising Department:

This department of Mohammadi Group is responsible for the following activities:

**Searching buyers:** The task of this department started with the searches of buyers, who want to import garment products from our country, to get the order of the garment product manufacturing. Introduce letter: After finding suitable buyers this dept. issues an introducing letter to the respective buyers which describes Mohammadi Group Ltd.'s total years of experience, its parameter of total activities, efficiency and effectiveness and relationship with existing buyers.

**CM (Cost of Making):** CM is another important activity that stands for Cost of Making. Here the merchandiser of this dept. determines what are the things are required to make a unit or dozen of an order. Then he makes calculation' of per unit cost on the basis of accessories consumption, fabric consumption, labor cost and other relevant costs.

**Price negotiation:** When this department has the clear idea about the cost involved in the desired transaction they start price negotiation to determine a final price that the buyer agrees to pay.

**Select supplier:** Merchandising department recognizes the effectiveness, of their commitment to buyers and thereby it shoulders the responsibility of finding out efficient buyers. The bases



efficiency include supplier's adequate administrative setup to prepare all necessary documents for exports, supplier's financial status and adequate capacities etc.

#### **2.22.2 Sampling Department:**

It starts its activities after receiving the original sample or sketch sample from the buyer with an intention to testify the capability of Mohammadi Group to meet the desired standard of the products. Two people contribute toward the efficiency of sampling dept. They are sampling man and pattern master of Mohammadi Group.



**Picture: Sampling Department**

#### **2.22.3 Commercial Department:**

The commercial department of Mohammadi Group prepares pro-forma invoice for the respective buyer. The invoice includes the quantity of the buyer's order, its unit price and total price. The commercial department also transfer master L/C on the name of selected supplier. This department also maintains all clerical activities such as maintaining the accounts of daily transaction, maintaining payroll, keeping the accounts of daily expenditures etc.

#### **2.22.4 Accessory supply department:**

For a smooth manufacturing, the assurance of on time delivery of fabric and accessories is must. The responsibility of supplying accessories to the suppliers landed on the ground of this department. To assure this supply Mohammadi Group utilizes two sources. As a result the manufacturer doesn't need to be worried about the availability of accessories.



**Picture: Cutting Department**

#### **2.22.5 Production Department:**

Although named as production department, this service department rather follows up production dividing its activities into following sections of responsibilities:

Quality monitor and control: This dept. supervises the manufacturing process to maintain the quality and scheduled progress of the manufacturing in behalf of Mohammadi Group.

Final Inspection: The efficient inspection is the responsibility of the quality inspector of Mohammadi Group Ltd.

#### **2.22.6 Shipping Department:**

As the name mentions the task of shipping department of Mohammadi Group Ltd. starts from receipt of final goods from the supplier factory after the final inspection and ends with loading of the goods bound for supplier. This department also prepares the supporting documents for export such as bill of exchange, bill of lading, commercial invoice, certificate of origin, packing list etc.



## **Chapter 3**

### **Job Part**

#### **3.1 Responsibilities of an IE Trainee officer**

To avoid unnecessary use of sewing machines, reduce man power, use of folders and attachment to make garment easily with quality, make R & D, time study for bulk production etc.

#### **3.2 Activities of an IE trainee officer**

The activities of an IE trainee officer are-

1. Recruitment of sewing operators through standard test.
2. Evaluation of existing production target and fix a new production target.
3. Extend work measurement in other process like cutting section and finishing section.
4. Constant control of direct labor cost.
5. Data analysis and look into monthly trends of each KPIs.
6. Preparing daily production reports, monthly improvements reports with graphical presentation.
7. Time study and updating time study database including videos constant basis.
8. Research on motion study and implementation of the better system to eliminate excess motions.
9. Research on new machinery and latest systems that meets companies long term goal and preparing cost benefits analysis and ROI for the same.
10. Initiative on lean manufacturing learning of lean tools and looking for scope of implementation.
11. Research & Development for samples prior to production start.

As I am working as an IE trainee officer in Mohammadi Group limited so I am getting the opportunity to learn lots of things. In this time I have done different types of task in the company.

#### **3.3 My Activity**

##### **3.3.1 Daily activities**

- Visit the departments of MGL including CAD, store, production, sample, IE, HR, and QC etc.
- Collecting production information
- Staple, Scanning and Proper filling documents
- Follow-up
- Reporting to concern supervisor

##### **3.3.2 Weekly activities**

- Meeting with IE Executives
- Making a report on my weekly activities



### **3.3.3 Monthly activities**

- Meeting with the sample section and production people
- Meeting with the quality people and pattern master
- Meeting with IE Asst. Manager and submit report on behalf of my monthly activities.

### **3.4 Problems faced during internship**

During my working period one of the major problems faced by me was that sometimes production and sample Managers were not flexible to work with interns. Another problem was that as Mohammadi didn't provide me any formal briefing or any kind of workshop so it's become really difficult for me to understand the work.

### **3.5 Recommendation**

My recommendation is that authority should be stricter about the sample and production section and they should provide a formal briefing or one or two day's workshop before starting.

# Chapter 4

## Findings and Analysis

### 4.1 Value Chain Analysis:

As garments factory provide goods and services to foreign buyers, their success depend on the value they are able to provide to their buyers. So to analyze its ability to provide value to its buyers I have analyzed Mohammadi's ability regarding this matter. Value chain analysis is a useful framework for systematically identifying strength and weakness of any organization. Value chain analysis assumes that a firm is a collection of activities necessary to design, produce, market and support its products and each of these activities could add value to product, or service. Each of them can also be a source of competitive advantage for an industry.

### 4.2 Value chain of Mohammadi Group:

Firm Infrastructure			
Human Resource Management			
Technology Development (If any)			
Inbound Logistics	Operation	Outbound Logistics	Marketing Sales Service

Following Factors affect the primary and secondary activities of any value chain of MGL

Inbound Logistics	Mohammadi Group's effectiveness in achieving orders.
	Soundness of accessory control systems of Mohammadi Group
Operations	Productivity of personnel compared to that of key competitors of MGL.
	Effectiveness of service control systems of Mohammadi Group, to improve quality and reduce costs
Outbound Logistics	Timeliness and efficiency of delivery of finished goods and services of Mohammadi Group
Marketing & Sales	Its effectiveness of market research to identify customer segments and needs.
	Innovation in sales promotion and advertising of Mohammadi Group.
	Motivational competence of H.R. capital of Mohammadi Group.
	Development of and image of quality and a favorable reputation of Mohammadi Group.
	Its extent of brand loyalty among consumer
	Extent of market dominance within the market segment or overall market.
Customer	It means to solicit customer inputs for service improvement & promptness of attention to customer complaints service
	Its appropriateness of warranty and guarantee policies
Human Resource Management	Efficiency of recruiting, training, and promoting all levels of employees of Mohammadi Group
	Its appropriateness of reward systems for motivating and challenging employees A work environment of Mohammadi Group that minimizes



	absenteeism and keeps turnover at desirable levels
Technology Development	Success of research and development activities of Mohammadi Group & Quality of working relationship between personnel
	Its ability of establishing work environment to encourage creativity and innovation
Procurement	Procurement of raw materials by Mohammadi Group, on a timely basis, a lowest possible cost & development of alternate sources by Mohammadi Group for inputs to minimize dependence on a single supplier
Firm Infrastructure	Its capability to identify new product market opportunities and potential environment threats & coordination and integration of all activities associated with the value chain
	Timely and accurate information for management on general and competitive environment of Mohammadi Group

### 4.3 Findings of value chain analysis:

I have found the following findings related with the value chain aspects from my working experience in the organization and the personal interview through my working tenure:

#### 4.3.1 Findings related to primary activities:

- Although for their unsatisfactory services at beginning stage Mohammadi Group lost some big American buyers but now they receives order mostly from European countries. Most of these buyers are permanent for their satisfactory services, which show their effectiveness in achieving orders.
- For the both in source and outsource policy of accessory control Mohammadi Group timely receives the accessory and other materials without any bottle neck situation.
- Employers of Mohammadi Group are satisfied with the existing productivity of the employees of Mohammadi Group.
- The acceptable level of satisfaction of both of its buyers and suppliers shows their efficiency in their existing service processes.
- The central location of the company at Nikunja-2, Dhaka is the success of Mohammadi Group. regarding place
- Strategy of 4Ps in marketing strategy.
- Only a small percentage of their total annual orders are usually rejected by their buyers, which proves their efficiency.
- Mohammadi Group is able to deliver the finished goods on time.
- They overlook the necessity of market research to identify the customer segment and needs.
- As they have a personal web site ([www.mohammadigroup.com](http://www.mohammadigroup.com)) but not up to date and no online advertising. So it is clear that they ignore the importance of these marketing tools.





- Although it encourages the customer feedback but any advantageous means is absent in this regard.
- It doesn't provide any official guarantee or warranty to buyers for the products or services they provide.

#### **4.3.2 Findings related to supporting activities:**

- They don't provide any training to their employees.
- Absence of employee reward system except their normal pay scale.
- Nice working environment is strength for this organization.
- Professional pace of work exist within the management.
- Existence of technological support such as e-mail, fax, scanner, phone, printing device etc. in the organization.
- Company doesn't hold any policy regarding employee creativity or inaction
- Company holds international outlooks for exporting.

#### **4.4 Key Success Factors:**

Key success factors (KSFS) are important areas in which good results will ensure successful competitive performance for Mohammadi Group. In this industry key success factors refer to

- good communication skills
- supervision to maintain desired quality
- Committed to the on time delivery.
- Selection of efficient and honest garment manufacturers as suppliers.

#### **4.5 Company competitive situation**

##### **Competitive Competition of Mohammadi Group Limited**

The 'Five Forces' Model of Industry Competition' developed by Michael Porter is the most commonly utilized tool for examining the competitive scope of Mohammadi Group Ltd. It may describe the competitive environment in terms of five Basic competitive forces.

## 4.5.1 The Five Forces Model of Competition:



Figure: Porter's Five forces model of competition

So, The Five Forces model of competition describes the competitive environment of Mohammadi Group in terms of five basic competitive forces:

### 4.5.1.1 The threat of new entrants:

As the garment industry in our country is in the stream of growth the industry provides a good feed to new entrants. So in this industry Mohammadi Group needs high strategic stakes to survive.

### 4.5.1.2 The bargaining power of the firm's suppliers:

Mohammadi Group enjoys little bargaining tendency of buyers.

### 4.5.1.3 The bargaining power of the firm's customers:



In our country garment industry faces a little bargain over the negotiation as an advantage of quota system in EU countries. As a result the bargaining power of Mohammadi Group is very little. “RANA PLAZA” tragedy creates a negative image about Bangladesh in world market.

#### **4.5.1.4 The threat of substitute products:**

In this industry this aspect is not considered because there is no perfect substitute for their provided service like synthetic products, jute or banana fiber clothes etc.

#### **4.5.1.5 The intensity of rivalry among competing firms:**

In this industry there prevails heavy competition among the existing garment factories and they compete strongly with each other for the orders from their buyers. So this aspect is a great constraint for Mohammadi Group.

## **4.6 SWOT analysis of Mohammadi Group**

### **Strengths:**

- Very experienced management officials
- Usage of modern equipment
- Sufficient production capacity
- No outsourcing for printing, embroidery and washing plant
- Mohammadi Group has strong communication skills.

### **Weakness:**

- Delayed delivery of sample
- Lack of automated and modern equipment
- They are not preparing sample designs

### **Opportunities:**

- Now some foreign countries are really interested about Mohammadi Group
- Competitors are not that much strong like Mohammadi Group
- As this a compliance factory and quality management system so there is huge potential for business growth

### **Threats:**

- Emerging market of China and India
- Increased competition with local garments
- Lack of electricity can make problem for the business.
- Political unrest is a notable threat to the smooth function of Mohammadi Group.



## 4.7 Marketing Mix:

We all know that Marketing mix is the set of controllable, tactical marketing tools that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything the firm can do to influence the demand for the product. The many possibilities can be collected into four groups of variables known as the “four Ps”: Product, price, place, promotion.

**4.7.1 Product:** Product means the goods and services combination the company offers to the target market. If we consider Mohammadi Group their main product is readymade garments. According to Mohammadi Group product part is described below:

- **Variety:** There is variation in product category in Mohammadi. They produce different kinds of product for ladies, gents and kids.
- **Quality:** This Company always tries to provide the best quality product for its customers. Mohammadi Group is an ISO: 9002 certified company.
- **Design:** Most of the time Mohammadi Group makes the product according to customer’s designs. But sometimes merchandisers proposed some design to their customer.
- **Features:** There are uncountable features on their shirts. For example: some shirts are short sleeved, some are long sleeved, some have buttons, and some don’t have buttons.
- **Brand name:** Mohammadi Group produce shirt for different branded company. Like H&M, C&A, Zara, Esprit, Sears, Wal-Mart etc.
- **Packaging:** There are three types of packaging. One is standard pack; another one is Flat pack and Hanger pack.
- **Services:** Sometimes merchandisers do some development sample and some special measurement sample for their customers.

**4.7.2 Price:** Price is the amount of money customers have to pay to obtain the product.

- **List price:** Merchandisers quoted some price value for the shirt including cutting making charge, materials and accessories charge on what price they are ready to supply their shirt.
- **Discount:** If there is a big volume of order then MGL give some discount for their customer.



- Credit terms: Customers cannot purchase the product on credit. They must need to give cash for buying.

As this is a manufacturing company so CM (Cutting Making Finishing) cost is considered as price for them. CM cost of different kind of shirt is given below

Short sleeve (per dozen) Long sleeve (per dozen)

Solid- 10.5 dollar Solid- 11.50 dollar

Stripe- 12.50 dollar Stripe- 13 dollar

Check- 12 dollar Check- 12.50 dollar

**4.7.3 Place:** Place includes company activities that make the product available to target customers.

- Channels: There are many wholesaling and retailing company working with Mohammadi group. MGL, TML, MG SHARTEX etc.
- Coverage: Mohammadi has huge customer coverage. They have customer in USA, UK, France, Spain, Turkey and South Africa.
- Assortments: This organization collects all the fabrics and materials together and assembles it in the factory.
- Inventory: Mohammadi follows FIFO system on their organization.
- Logistics: This organization provides logistic support to their customer to some extent.

**4.7.4 Promotion:** Promotion means activities that communicate the merits of the product and persuade target customers to buy it.

- Advertising: Mohammadi Group do not follow any advertising strategy for their customers. But sometimes customers like other order product and give order to make product just like that.
- Public relation: Every year Mohammadi gives some financial support to some meritorious students. In this way, they are maintaining public relation.

## 4.8 Findings Form Primary Data:

- Bangladesh has a good future in Readymade Garments (RMG).
- Manufacturer is the potential tools for RMG. Maximum number of respondents use manufacturer for RMG.
- It is found that majority/maximum numbers of respondents are not satisfied for its Low CM.



- It is found that majority of the respondents are using Manufacturer for RMG.
- Maximum Foreign Buyers are satisfied with the low Wages. Huge Workers attracts Foreign Buyers to Investment this sector.
- Most of the Foreign Buyers gets product as soon as their requirements.
- As yarn market is a competitive market so market would be more price sensitive as well as quality. So they have to take pricing strategy very carefully.
- Maximum Foreign buyers should be informed perfectly so that they get accurate information from their reliable sources.
- Price and quality both are important for any product. Maximum number of buyers does not use it for its high price.

#### **4.9 Findings from the secondary data:**

The following findings are perceived from the answer of the questionnaire. Through these findings I tried to present the existing scenario of garment industry of Bangladesh under two classifications. Under First classification the finding regarding the efficiency and effectiveness of garment factory is presented and under second classification the findings regarding the present and future problems of the industry is presented.

#### **4.10 Findings regarding their efficiency and effectiveness:**

- According to the survey most of the garment factories are not efficient in supplier selection process because of their tendency of long time inefficient trade, harmful employee bias and lack of discretion to certify the efficient suppliers for the first time as the soar of the system.
- While looking into the efficiency of backward linkage industry it is discovered that this industry is afflicted with poor product quality, inadequate capacity and the lack of consciousness to committed delivery.
- Their inefficiency once again has proved when I found that they are very much reluctant in taking any promotional step to convince buyers.
- Garment factories attempt their heart contents to maintain the product quality.

#### **4.11 Findings regarding the problems of garment factories:**

- The dissatisfaction of garment factories toward their buyers mainly based on the buyer's uncompromising attitude toward the failure of commitment due to contingencies.
- The dissatisfaction of garment factories toward their suppliers because of their inefficiency to supply product in right quality and quantity.
- From the study I have seen that obstacles to garment exports can be separated into two parts: major obstacles and minor obstacles.



- Major obstacles: Among the major obstacles causalities such as natural calamities, strike, hartal or political instability are affecting the export marketing of garmentproducts severely.
- Minor obstacles: Among the minor obstacles inefficiency of production process supervision by the garment factory is most noteworthy.
- Again from the study I have seen that problems of garments factories can be separated into two parts: major problems and minor problems.
- Poor product quality attacks most severely as major problems of garment factory and as the minor problem shortage of backward linkageindustry disturbs garment factories hugely.
- The employees of this industry are lacking required communication andtechnical skills.
- There are no effective institutional programs in any institute toteach the required skills to the root and entry level employees of this industry.



## Chapter 5

### 5.1 Recommendation

Mohammadi Group already has a good brand name in the industry. So I do not have much to recommend. Some recommendations are-

- They should be careful about timely delivery of the sample.
- They can import some necessary modern and automated equipment.
- They can require some designers to make sample designs by themselves.
- Training facilities should be introduced specially for the new employees.

### 5.2 Solution:

#### 5.2.1 Solution of marketing problems:

- Mohammadi Group should be more careful and attentive in monitoring the production of the garment manufacturers.
- To maintain appropriate quality, Mohammadi Group should take necessary steps such as training course for their quality controller or inspector etc.
- Mohammadi should be always careful in preparing right documents and send documents at right time.
- Long -term commitment with both of their buyers and suppliers of raw materials.
- The total industry must achieve and persist an international reputation for quality to challenge the quota free environment.
- They should start marketing through trade fair, internet etc.

#### 5.2.2 Solution of banking sector problems:

- Requirement of obtaining approval from Bangladesh Bank for creating Forced/Demand loan by the lien banks should be withdrawn.
- Loans of this nature should be converted into interest free block Accounts and amortized against future proceeds.
- Bangladesh/bank should provide the lien banks with adequate funds for necessary payment of cash incentives to our exporters without delay.
- All private sector commercial banks should immediately stop charging L/C Acceptance charges like the nationalized Banks of the country.
- RMG exporters should not be held responsible if proceeds against their exports are not realized owing to the reasons beyond their control.





### **5.2.3 Solution of Air shipment problems:**

- To strengthen the security in cargo shade of Airport forming and to take necessary steps to exporting through air at the pick time of RMG.
- To waive the high royalty rates at specific times of the tear so that the emergency import of raw material and export of readymade garment could remain steady.
- To formulate a joint action plan with the chairman of the BGMEA standing committee on port and transport.
- Duty free market access should be allowed for essentially all products exported by the LDC's on a non-reciprocal basis to improve their economies.

## **5.3 Conclusion**

Mohammadi Group already established a brand name in Garments industry. Now they have lots of foreign customers and demand for their Garments is increasing day by day. Mohammadi Group is providing washing, printing, embroidery facilities and sometimes accessories for Mohammadi Group which makes production much easier. So if it can maintain its quality and standard it can have a huge business potential.

No doubt, in readymade garment Industry, marketing is very important to establish and spread this industry. For the convenience buyers and suppliers of raw materials, garment industry today has developed massively with a vision to perform marketing and distribution task. Also government, BGMEA and garments factories should remove major error and digitalized this department.



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