Performance Evaluation Study of Merchandising of K.A.S Knitwear Limited


Submitted To
Tania akter
Lecturer
BRAC Business School

Submitted By
Mohammad Ali
ID: 10204051
DPT: BBS

An Internship Report Presented in partial Fulfillment of the Requirements for the degree
Bachelor of Business Administration

BRAC University
June.2015
Letter of Transmittal

Tania Akter
Lecturer
BRAC Business School
BRAC University, Bangladesh

Subject: Internship report on merchandising department in garments industry

Dear Sir,

With due respect, as a student of BRAC University, Bangladesh, I have prepared my internship report on “Performance Evaluation Study of Merchandising of K.A.S Knitwear Limited - a Ready Made Garments” 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 accurate as possible. I am honestly thankful for your guidance during the preparation of this draft of the 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 no limitations. I hope you will assess my report considering the limitations of the study.

Yours sincerely,
Mohammad Ali
ID: 10204051
Performance Evaluation Study of Merchandising of K.A.S Knitwear Limited

Acknowledgement

First of all I would like to thank Almighty Allah who blessed me and made it possible for me to complete this internship report. I am also very grateful to my parents who supported me during the hard times I faced. I wish to express profound gratitude to my teacher Tania Akter for his persistent guidance, keen interest and continuous encouragement.

I am also thankful to all my teachers of BRAC University Bangladesh who taught me and helped to apply the bookish knowledge into practical life. I am also extremely thankful to all the employees of K.A.S Knitwear Limited who made this project possible for me.
Performance Evaluation Study of Merchandising of K.A.S Knitwear Limited

Executive Summary

Merchandising department is the star of the department among all the working departments in the Export concern, because it is the only department having maximum control over the departments and total responsible for profit and loss of the company. After LPG (Liberalization, Privatization & Globalization) the business gets more important and now merchandising is on its hot seats. So, it is necessary to understand the day to day happenings of the star department. In the field of marketing and services, Merchandiser is at a position of utmost importance, He is the person who co-ordinates with various departments for a uniform business. It denotes all the planned activities to execute and dispatch the merchandise on time, taking into consideration of the 4 Rs to replenish the customer. Right Quantity, Right Quality, Right Cost and Right Time is what they have to deal with.

K.A.S Knitwear Limited is engaged in processing raw fabric to finished products and exports these products to different countries. Its factory is situated in Malibagh, Dhaka and head office is in Uttara Model Town. It has two other sister concern in Gazipur. I worked in the factory and paid occasional visits to the head office in order to cope up with the production process. I worked with almost all the departments; especially in Accounts and Finance Department, Marketing Department, Import and Export Department and Merchandising Department. The research was structured on a number of objectives. Research starts with an overview of the merchandising department of K.A.S Knitwear Limited. After the global financial crisis, customer’s perception has become as a most important and sensitive issue of companies. It is of course not just important for garments. It is something that needs to be addressed in relation to all companies.

This report is done because there was no research found on merchandising on individual garment specifically K.A.S Knitwear Limited. This paper will aim to find out that whether the perception of customer differ towards price of a product and advertising and promotion and whether any variability in salary affects the merchandising performance. The significance of this study is that now a particular research gap will be filled up and it will indicate if any further related research is needed or not. I have tried my best to complete this research but there are some limitations. I expect that those unintentional mistakes should be overlooked.
<table>
<thead>
<tr>
<th>Chapters</th>
<th>Topic</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter-1</td>
<td>Introduction</td>
<td>1.1 Introduction</td>
</tr>
<tr>
<td></td>
<td>Objective of the study</td>
<td>08</td>
</tr>
<tr>
<td></td>
<td>Methodology of the study</td>
<td>08</td>
</tr>
<tr>
<td></td>
<td>Limitation of the study</td>
<td>09</td>
</tr>
<tr>
<td>Chapter-02</td>
<td>Garments at a Glance</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>What is Garments?</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Requirement to build a Ready Made Garments Factory</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Scenario of Ready Made Garments in Bangladesh</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Formalities needed to be a member of BKMEA</td>
<td>12</td>
</tr>
<tr>
<td>Chapter-03</td>
<td>An Overview Introduction K.A.S Knitwear Limited</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>History and Background of the Industry</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>ABOUT THE COMPANY</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>K.A.S Knitwear Limited</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>PRODUCTION PHILOSOPHY AND METHODOLOGY</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>R &amp;D</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Organizational Organogram</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Designation Wise</td>
<td>22</td>
</tr>
<tr>
<td></td>
<td>List of Work-In-Process in K.A.S Knitwear Limited</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>List of Work-In-Process in K.A.S Knitwear Limited</td>
<td>23</td>
</tr>
<tr>
<td>Chapter-04</td>
<td>Merchandiser</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>The main processes of Merchandising</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>Methods of purchasing raw materials</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>How a Merchandiser track his/her production?</td>
<td>30</td>
</tr>
<tr>
<td>Chapter 05</td>
<td>Buyer’s Satisfaction</td>
<td>31</td>
</tr>
<tr>
<td>Chapter 06</td>
<td>Buyer Loyalty</td>
<td>36</td>
</tr>
<tr>
<td>Chapter 07</td>
<td>My Internship Activities in K.A.S Knitwear Limited</td>
<td>39</td>
</tr>
<tr>
<td>7.1</td>
<td>How the Accepted Order Passes on the Floor?</td>
<td>39</td>
</tr>
<tr>
<td>7.2</td>
<td>Weekly activities</td>
<td>39</td>
</tr>
<tr>
<td>7.3</td>
<td>Monthly activities</td>
<td>40</td>
</tr>
<tr>
<td>Chapter 08</td>
<td>SWOT analysis of K.A.S Knitwear Limited</td>
<td>42</td>
</tr>
<tr>
<td>8.1</td>
<td>Strengths</td>
<td>42</td>
</tr>
<tr>
<td>8.2</td>
<td>Weakness</td>
<td>42</td>
</tr>
<tr>
<td>8.3</td>
<td>Opportunities</td>
<td>43</td>
</tr>
<tr>
<td>8.4</td>
<td>Threats</td>
<td>43</td>
</tr>
<tr>
<td>Chapter 09</td>
<td>Recommendation &amp; Conclusion</td>
<td>44</td>
</tr>
<tr>
<td>9.1</td>
<td>Recommendation</td>
<td>44</td>
</tr>
<tr>
<td>9.2</td>
<td>Conclusion</td>
<td>46</td>
</tr>
</tbody>
</table>
Chapter :01

1.1 Introduction

Origin of the report
As a student of Business Administration, I had to complete a 90 days internship program with any organization. My attachment was with K.A.S Knitwear Limited and I worked as an intern from 2nd February, 2012 to 30th April, 2012. And that period, I collected information regarding preparing a report on “Performance Evaluation Study of Merchandising of K.A.S Knitwear Limited”- a Ready Made Garments.

Scope of the study
As a student of BBA, it is very much necessary for me to know about the formal process of Merchandising. I have worked in factory and head office which helped me to get myself familiarized with the official and factory environment in a garments industry for the first time.

Identification of Issues/ Problems
During my internship in K.A.S Knitwear Limited, I was able to point out the following major problems that the company is facing:

- The global financial crisis affected the buyers negatively to invest cautiously, thus spending less amount of money on the newcomer industries which lead the industry in a struggling position.

- In Bangladesh, as there are a number of established Readymade garments industries, the buyers are offering lower prices to this newcomer industry due to its lack of experience. It is causing a big problem for the merchandisers to find buyers & export goods.

- The employees are underpaid and if the employees request their boss to increase their pay mostly get an answer that the industry is in a liquidity crunch.
1.2 Objectives of the study

- To find out that whether the perception of customer differ towards price of a product.

- To find out that whether the perception of customer differ towards advertising and promotion.

- To find out any variability in salary affects the merchandising performance.

1.3 Methodology of the Study

For my report I have collected information from both primary and secondary data.

Primary Data: I got the data or information through following ways-

- directly from the employees and the head of the departments

- by observing the environmental behavior, facts, record and present condition of the industry

- through conversation with the Line Managers and regular employees

Secondary data: I have collected the secondary data from K.A.S Knitwear’s profile, export volume report, audit reports, documents, related books and articles on garments industry, BGMEA, BKMEA etc. Beside, I tried to collect data through browsing internet also.

Variables: For doing the research I have chosen some dependent & independent variables like price, salary, promotion etc.

Statistical Methods: Descriptive statistics method is used for the mathematical representation of variables to prepare this report. And to do the Multivariate analysis, ANOVA method is being used.
1.4 Limitations of the study

I tried my level best to enrich and complete this report although there are some limitations which are as follows:

☐ Unfortunately due to the company’s limitations (business secrecy and confidentiality), I was unable to acquire sufficient information.

☐ Personal barriers like inability to understand some official terms; office decorum etc. created a few problems for me.

☐ Time was also a limitation. Gathering a huge amount of information during working for only three months was really a difficult job.
2.1 What is garment?
Garment means dress that is use to wear. Garments may be oven, sweater or knitwear. In garments industry it is produced at a large scale.

History of garments in the world
In the 1950s, labors in the Western World became highly organized; forming trade unions. This and other changes provided workers greater rights including higher pay; which resulted in higher cost of production. Retailers started searching for places where the cost of production was cheaper. Developing economies like Hong Kong, Taiwan and South Korea presented themselves as good destinations for relocations because they had open economic policies and had non-unionized and highly disciplined labor force that could produce high quality products at much cheaper costs.

In order to control the level of imported RMG products from developing countries into developed countries, Multi Fiber Agreement (MFA) was made in 1974. The MFA agreement imposed an export rate 6 percent increase every year from a developing country to a developed country. It also allowed developed countries to impose quotas on countries that exported at a higher rate than the bilateral agreements. In the face of such restrictions, producers started searching for countries that were outside the umbrella of quotas and had cheap labor. This is when Bangladesh started receiving investment in the RMG sector. In the early 1980s, some Bangladeshis received free training from Korean Daewoo Company. After these workers came back to Bangladesh, many of them broke ties with the factory they were working for and started their own factories.

2.2 Requirements to build a Ready Made Garments factory
The minimum requirements needed to build a new Garments factory are given below:

- Trade License
- Bank Account
- Company registration by Joint Stock Company
Performance Evaluation Study of Merchandising of K.A.S Knitwear Limited

- Project and working capital loan sanction from bank
- TIN & VAT certificate
- Project permission letter from board of investment govt. of Bangladesh
- Factory floor installation
- Fire license
- General insurance
- Factory layout plan
- Environment certificate
- BKMEA/ BGMEA membership certificate
- Labor certificate
- Pass book for EPZ and Chittagong customs
- Chamber of Commerce certificate
- Electricity, gas WASA, boiler connection in the factory building
2.3 Scenario of Ready Made Garments in Bangladesh
The ongoing global economic crisis has been the cause of major concern of export dependent economies. It has been observed major industrial countries is experiencing sharp fall in export demand. Even high exporting countries like China and India recorded sharp decline in export in last few months. Economists and trade analysts suggested efforts to improve productivity, and diversify products and export markets to weather the financial storm.
Currently, the country's highest employment generating RMG sector is hit hard by labor unrest, skilled labor shortage by more than 25 percent, weak infrastructure, higher bank interest rates and erratic gas supply. In fiscal 2007-08, only woven and knitwear, the two sub-sectors of RMG, fetched $10.699 billion out of the total export earnings of $14.110 billion, according to the Export Promotion Bureau (EPB). The total exports grew by 15.87 percent during this fiscal. In fiscal year 2006-07 the overall exports of the country were estimated at $12.177 billion. EPB data also showed the knitwear sub-sector fetched $5.532 billion of the total RMG export earnings in the immediate past fiscal year, up 21.50 percent over fiscal year 2006-07. In fiscal 2007-08, woven garments earned $5.167 billion, registering a growth of 10.94 percent over the same period of 2006-07

2.4 Formalities needed to be a member of BKMEA
First, collect the registration form from BKMEA after depositing Tk.200 to BKMEA account related bank. Then the form has to be submitted to the following documents with completed registration form.
Required documents are as follows:

- Trade license
- Board of Investment certificate “BOI” (Registration Copy)
- Machineries Invoice
Performance Evaluation Study of Merchandising of K.A.S Knitwear Limited

- Bill of lading (B/L) entry
- Import L/C (ILC) copy
- Photo draft of all directors
- Article of Memorandum
- Bank solvency Certificate
- Fire Certificate
- Factory Layout
Chapter 3: K.A.S Knitwear Limited

An Overview Introduction K.A.S Knitwear Ltd. was established in 2003, Dhaka for meeting the demand of good quality fabrics worldwide. The unit started operations in 2006 and its production capacity fulfilled the expectations of the management and proved as a successful venture. The management of the group is vested with a team of professionals under direct supervision of the Director, General Managers, Factory and Production Managers, Departmental Heads for each section, marketing, Administrative and a Production team of 675 skilled and semi skilled workers.

3.1 History and Background of the Industry
K.A.S Knitwear Limited is a newcomer industry in Bangladesh that manufactures and exports Fabrics and Garments. It is a partnership firm came into existence in 2003. This industry is involved in dyeing and printing on different kinds of fabric targeting mainly export markets but also keeping a small presence in the local industry.
A continuous balancing, modernization and replacement have been taking place in the organization trying to make it one of the leading exporters of its size. With the dynamic leadership of its Director, Mr. AlamgirKabir and a dedicated team of professionals in the finance, marketing, Merchandising and technical departments, K.A.S Knitwear Limited has been able to make quality products and has increased its exports sales in the last 12 years.
Short Profile of K.A.S Knitwear Limited

<table>
<thead>
<tr>
<th>Name</th>
<th>K.A.S Knitwear Limited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of Establishment</td>
<td>2003</td>
</tr>
<tr>
<td>Location</td>
<td>Dhaka</td>
</tr>
<tr>
<td>Number of Product Lines</td>
<td>06</td>
</tr>
<tr>
<td>Preferred Bank for Trading</td>
<td>Prime Bank</td>
</tr>
<tr>
<td>Status</td>
<td>Private Limited Company</td>
</tr>
<tr>
<td>Corporate Office</td>
<td>B-24/A Malibagh, Chowdhury Para Dhaka-1217, Bangladesh</td>
</tr>
<tr>
<td>Factory</td>
<td>Malibagh, Chowdhury Para, Borobari, Gazipur Shahalam Bari, Chowrasta,Gazipur</td>
</tr>
<tr>
<td>Business Line</td>
<td>Manufacturing and Exporting Ladies and Gents T- Shirt and polo shirt</td>
</tr>
<tr>
<td>Export Outlets</td>
<td>Germany, France, UK, USA</td>
</tr>
<tr>
<td>Number of Partners</td>
<td>None</td>
</tr>
<tr>
<td>Stock Exchange Listing</td>
<td>No</td>
</tr>
</tbody>
</table>
3.2 ABOUT THE COMPANY

K.A.S Knitwear Ltd. was established in 2003, since then there has been nothing stopping the group. Exploring Knits with an annual turnover of $91,50,000.00 working on the path of latest productive systems alongside its implementation, has moved us forward and opened new areas to aim higher. ‘Buyer Satisfaction’ is our ultimate goal. Keeping in view our performance, besides aggressive Marketing. We have stringent guidelines on quality controls, on-time delivery and satisfaction of our buyers.

The same passion and entrepreneurial spirit that our company was founded on more than 40 years ago continues to drive our on going success. K.A.S Knitwear Ltd. is a complete vertically integrated group. All its requirement are under one roof to serve the demands of today markets and to give the buyers the best service possible. Registered as K.A.S Knitwear Ltd., we comprise of three distinct Department, each headed by a team of professionals, exercising their complete expertise to produce quality goods.

We are located very close to ZIA international airport, as well Sonergaon& Sheraton hotel, Five Star hotel. On the other hand Malibagh area is a garment oriented, and as such efficient worker is available here.

By the grace of Almighty, the company is one of the leading export house in the country which is contributing its handsome share of export and bringing back well deserved foreign exchange to motherland.

3.3 KAS KNITWEAR LTD :

K.A.S Knitwear Ltd. is a complete vertical unit, we, at K.A.S Knitwear Ltd. are involved in the Manufacturing of knit Garments right from the yarn to the final product. Our performance is supported by a field of experienced personnel, whose endless efforts have made us proud giving us a name to reckon with worldwide.
Performance Evaluation Study of Merchandising of K.A.S Knitwear Limited

Over the years, we have maintained product quality and standard, to the entire satisfaction of our clients, always complying successfully with the time schedule and delivery deadlines.

**KNITTING**

The company has acquired state-of-art knitting which has a capacity to produce of 6000.00 kgs per day. The sandblasting process of this department is applied to achieve the exacting standards of diverse fabric finishing that today's high profile fashion customers demand.

This department has equipped with following latest machines:

- **SINGLE JERSEY** = 19” 20” 21” 22” 23” 30” 32” 34” 36” DIA = 09 NOS.
- **INTERLOCK** = 34” 36” 38” 40” 42” DIA. = 05 NOS.
- **FLEECE** = 30” 32” 34” 36” DIA. = 04 NOS.
- **RIB** = 34” 36” 38” 40” 42” = 05 NOS.

**Production**: 2,00,000PCS /Month

**Factory Area**: 30,000.00 Sq. feet

**Product Range**

- T-Shirt
- Polo Shirt
- Sweat Shirt
- All kinds of knit fleece and CVC Items.

**THE FACILITY**
Technology being the greatest enabler in the new millennium, we have invested heavily in high-tech and modern equipments. Our machine brands range from Masa from Taiwan, Juki from Japan, Pegasus, Siruba from Taiwan. These machines combine design and delivers state-of-the-art fabric processing.

**Cutting / Design Pattern**

The GGT aided cutting department is equipped with team of experienced cutting masters who use technologically advanced software and machineries. List of the machines which are being used in our cutting department are as follows:

1. Cutting machine ---------08nos origin Japan.
2. Zigzag ----------04nos origin China.
3. Thread sucker ---------02nos origin China.

**Finishing :**

Experienced managers supervise skilled teams in each unit to complete the final packing stage once garments are ready. Strict quality control checks are employed at every stage of the processes and separate quality control teams look after each unit. Details of machineries used in this department are as follows:

1. Squeezer ,Corinano (Auto Detwisting Auto ballooning over feed controlled two both with hi performance. ) 08 Nos.
3. CompactorMontiantinio
   (Felt type for proper dimensional Stability & GSM Control) 03 Nos.
4. Boiler Cochran (Fully Auto) 02 Nos

In addition, we have in-house lab testing facility that conducts online tests for shrinkage, weight tear and tensile. Grading is based on the US Four Point System.

3.4 PRODUCTION PHILOSOPHY AND METHODOLOGY:

Since our production process enables our products to meet the most demanding international standards, it is the secret of our unique competitive edge in world markets. The company has the capability of producing 200,000 pieces per month and is equipped with high-speed latest technology machines and well defined processes, details of which are given as follows:

**Stitching**

Kas Knitwear Ltd. unit comprises over 400 stitching machines bought from world-reowned manufacturer such as juki and Brothers. In addition, we have invested in highly advanced and specialized machines for specific processes in knit production such as pocket setters, pocket designing, loop making etc. Vibemac Technically supports all machines.

Details of the machines used in each line are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Unit-1</th>
<th>Unit-2</th>
<th>Unit-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Plain Machine</td>
<td>85 Set</td>
<td>120 Set</td>
<td>80 Set</td>
</tr>
<tr>
<td>2. Over lock</td>
<td>45 Set</td>
<td>65 Set</td>
<td>50 Set</td>
</tr>
<tr>
<td>3. Flat lock</td>
<td>28 Set</td>
<td>40 Set</td>
<td>30 Set</td>
</tr>
<tr>
<td>4. Button hole</td>
<td>3 Set</td>
<td>5 Set</td>
<td>3 Set</td>
</tr>
<tr>
<td>5. Button stitch</td>
<td>3 Set</td>
<td>6 Set</td>
<td>4 Set</td>
</tr>
<tr>
<td>6. Two niddle</td>
<td>4 Set</td>
<td>6 Set</td>
<td>4 Set</td>
</tr>
<tr>
<td>7. Snap button</td>
<td>4 Set</td>
<td>8 Set</td>
<td>5 Set</td>
</tr>
<tr>
<td>8. Rib cutter</td>
<td>2 Set</td>
<td>3 Set</td>
<td>2 Set</td>
</tr>
<tr>
<td>9. Back tape</td>
<td>2 Set</td>
<td>3 Set</td>
<td>2 Set</td>
</tr>
</tbody>
</table>
KNITTING:
The company has acquired state-of-art knitting which has a capacity to produce of 6000.00 kgs per day. The sandblasting process of this department is applied to achieve the exacting standards of diverse fabric finishing that today's high profile fashion customers demand.

Dyeing:
The company has acquired state-of-art dyeing which has a capacity to wash of 5000 kgs per day. The sandblasting process of this department is applied to achieve the exacting standards of diverse fabric finishing that today's high profile fashion customers demand.

This department has equipped with following latest machines:

- A.K. T011-3T 08 Nos
- Labaratory 04 Nos
- Alcan T-13265 03 Nos
- Alcan T-13265 03 Nos

CURRENT CUSTOMER

- VEGOTEX (BELGIUM )
- PIAZZA ITALIA S.P.A. (ITALY)
- BERNARDI GROUP S.P.A. (ITALY)
- TEDDY S.P.A. (ITALY )
- M/S. FAISAL AL-RASHEED G.T.C. GROUP (KWAIT)
- GOURAND POINT G.S.A. (FRANCE)
- ALDI (GERMANY)
- ADLER GERMANY)
Performance Evaluation Study of Merchandising of K.A.S Knitwear Limited

-FUNTEX (AUSTRALIA)
-OSMAL PRODUCTS PTY LTD (AUSTRALIA)
-RENT + RAVE LTD (IRELAND)

3.5 R &D:

Fashion is all about ideas; we at K.A.S knitwear Ltd. know the ever changing demand in design. We have hired in house designer who travels around the year to different parts of the world checking the high street trends and bringing it back to our design room and implementation them according to the seasons. We develop new finishes to provide the best quality garments for our customers. Our seasonal collections are presented in the international fares such as Texworld Paris, Messes Frankfurt Hong Kong and in Inter Textiles Shanghai.

3.6 Organizational Organogram:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample section</td>
<td>Compliance</td>
<td>Knitting &amp; Dyeing</td>
<td>Accountant manager</td>
</tr>
<tr>
<td>Marketing &amp; Sales</td>
<td>Human Resource</td>
<td>Quality Control</td>
<td>Head Commercial</td>
</tr>
<tr>
<td>Purchase section</td>
<td>Store</td>
<td>Printing</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Security</td>
<td>Finishing</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cutting</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sewing</td>
<td></td>
</tr>
</tbody>
</table>
3.7 Designation Wise

**Director/CEO**

- Fabric production GM
- Merchandising Manager
- Admin. Manager
- Garment Production GM
- Accountant Manager

**Knitting & Dyeing**
- Merchandiser
- Security in charge
- Prod. Manager
- Asst. Manager

**Admin. Manager**
- Asst. Merchandiser
- compliance Officer
- HR Officer
- Store in charge

**Garment Production GM**
- accountants
- QC Manager
- Store in charge
- QC in charge

**Accountant Manager**
- 1. Asst. Knitting Manager
- 2. Asst. dying Manager
- Store officer
- QC Supervisor
- QC Controller
3.8 List of Work-In-Process in K.A.S Knitwear Limited

Currently the following activities are in progress at the factory of K.A.S Knitwear Limited:

- Cutting
- Printing
- Sewing
- Garment Wash
- Iron
- Quality control
- Finishing
- Hang Tag
- Poly
- Cartons/Packing
- Inspections
- Shipment
RMG sector of Bangladesh is gaining ground in the world market at breakneck speed, but still not flourished at the fullest extent. Although the resources are available abundant with a powerful foundation of fabric and spanning sector to support. The key factors behind this are low technological development, lower output, cut throat competition, high raw material cost, inadequate infrastructure, traditional productivity, unfavorable regularity policies, and globalization in fact. However, there a fair list of the producers, suppliers, and exporters that are fully acknowledge with regularity policies and formalities, international marketing policies and procedures. The only concern is in executing their productivity initiatives, and meeting with order deadlines. Garments merchandising means the work to buy raw material and accessories to produce garments (Merchandise) against a particular work order of garment and have to export these under the same work order within time schedule, maintaining required quality level of buyer. The Merchandising is the important activities, term and section of a garment that is not possible to run and deliver successfully. The term “merchandising” is well known to the persons specially involved in garments trade. The term merchandising has been derived from the term merchandise. Merchandise means good that are bought & sold. Merchandising is a business on marketing activities responsible for ensuring a products description both quality and quantity. Merchandising means total responsibility of a Merchandiser. Merchandiser Duty of merchandiser describes himself like If anybody has to be designated as Merchandiser then theword itself demands some qualities from that individual, now let us see what all are the hidden meanings there in the word

Chapter 4:
"MERCHANDISER”.

☐ M- Should have good Managerial capacity.

☐ E- Efficient in both English written and spoken.
Performance Evaluation Study of Merchandising of K.A.S Knitwear Limited

☐ R- Having high sense of Responsibility.

☐ C- Always keep commitment.

☐ H- Leads Honest life.

☐ A- Attitude should always be positive in resolving any problem.

☐ N- Never does any argue with buyers and seniors.

☐ D- Fully Devoted to his service.

☐ I- Always well Informed about his all orders.

☐ S- Sincere in office and daily works.

☐ E- Enthusiastic in nature.

☐ R- Regular in e-mail correspondence.

Most importance things for a Merchandiser is Communication.

Planning

Production Follow Up
4.1 The main processes of Merchandising

One of the key things that I learned during my internship is procedures of Merchandising. It follows a series of activities which are as follows:

☐ Step 1-Understanding Sample Order:

Merchandiser has to understand the buyer's requirements carefully after receiving specification in the sample order.

☐ Step 2-Managing production timetable:

The Merchandiser has to manage every single production schedule and order route card that helps to follow-up the execution in a planned way.

☐ Step 3- Submitting pre-production samples:

The pre-production samples should be provided on time to the concerned buyers. Quality of the sample must be verified.

☐ Step 4-Solving shortage problem:

From the beginning actions should be taken immediately to arrange required materials, after discovering the shortage if occurred. Then the Merchandiser has to inform to his superior about the shortage as soon as possible.

☐ Step 5-Communicating with associated people and buyer:

It is essential to communicate with the buyers regarding the order. The Merchandiser has to provide order status to the buyers frequently.
Step-6-Concluder remark on merchandising:

Merchandiser has to assign subordinates to help him in the order to execute and direct the procedures. He has to revise his knowledge from time-to-time to know current market trends.

Processes of Sampling

Another core activity of Merchandising is preparing the correct sample so that it can satisfy the buyer. During my internship I learned about the processes of sampling which follows a sequence given below:

1. **1st Pattern:**
   1st pattern refers to the first physical version of any garment as per the artwork is done by designer or developer. In other words,
   [Human Mind > Sketch > Paper Sample > Sample]
   - Purpose: See the Design work & test the Fitting
   - Status: Nothing specific
   - Material: Available
   - Price: Not conformed
   - Quantity: 1 (for buyer) + 1 (for Merchandiser)

2. **2nd Pattern:**
   Usually designer/developer always ask for some changes to the first pattern. Second pattern is made as per comments.

3. **Counter Sample:**
   Where the first pattern is made on designer’s artwork, Counter sample should not be made on designer’s artwork. It has to follow another sample given by the merchandiser.

   - Purpose: To see the workmanship & test the factory skill
   - Status: Nothing specific
Material: Available
Price: Not conformed
Quantity: 1 (for buyer) + 1 (for self keeping)
Delivery: As per request

4. Sales Man Sample:
Sales Man Sample is made when price is confirmed and orders are on speculation, usually in L size in all color combinations of expected order. Buyer arranges a meeting with its customer and records their response on order quantity per color, size etc. and finally place order to their vendor.
Purpose: Sales Meeting by Retailers, Market Appraisal, Demand / Order forecast
Status: Final stage of the order confirmation
Material: Actual
Price: Confirmed
Quantity: There is minimum quantity per color combination
Delivery: Very important to meet the delivery date.

5. Photo sample:
In this point of Sampling, Samples are made with actual color and material to be worn by the models on the event of shooting for catalog.
Approval Sample:
In any discrete period of time, whenever it required any revision in the sample, a new sample is made as per new specification. It is then sent to buyer for his approval of the conformity that- the revision is done correctly.
Pre-Production sample:
When material for bulk production arrives, factory makes a sample with the actual material and sends to the buyer.
Production sample:
It is a reference to the buyer that the bulk is being produced as per specification. Buyer wants to be assured that correct material is sourced and line workmanship confirm to the quality.
Shipping sample:
A sample is kept from every Pre Shipping inspection to be referred, if required, after the order has been delivered. Usually for any disputes (e.g. Claim) shipping sample is important.

**Swatch**
Swatch is a presentation of all the materials (Fabric & Accessories) used for any specific style/order. Usually small piece of fabric and each piece of accessories are attached on a board paper in a systematic manner. Swatch is very important for production line to make the correct construction of a garment and the QC department ensures it. Concerned Merchandiser should confirm/approve the swatch before shipment.

**Trims**
Trims cover all the items used in the garment except the basic fabric. There are hundreds of items used to manufacture the garments, proper selection of trims and its quality are very important for styling, otherwise the garment may be rejected or returned by the customers. Following is a part of list that covers some names of the trims:

- Zipper/Fastener
- Main Label
- Flag Label
- Button
- Elastic
- Tags
- Sticker
- Hanger
- Poly bag
- Scotch tape
- Gum tape
- Carton Etc.
4.2 Methods of purchasing raw materials
Here fabric and some related accessories are the main raw materials. The process includes:

- Lab Dip
- Approval of the Lab Dip
- Collect price Quotation
- Negotiation
- P.I. Received
- Back to Back L/C transfer
- Delivery Chalan received

4.3 How a Merchandiser track his/her production?
A Merchandiser tracks the overall production process by the following activities-
1. Following up yarn supply in the factory
2. Knitting follow-up
3. Linking follow-up
4. Accessories supply
5. Finishing follow-up
6. Ready for export
Chapter 5

Buyer’s Satisfaction:

5.1 Sample of Production
Production sample is very much important requirement for RMG business. It is the preliminary requirement for buyer. Through attractive production sample the company may able to focus their activities on foreign buyers. Here Lyric Garments have strong production sample capacity.

![Sample of Production Chart]

Source: Field Survey
The above chart shows that 40% buyers are strongly agreed, 50% buyers are agreed and 10% buyers are neutral.

2) L/C Transfer:
The merchandiser of the company should transfer LC in just time. On the basis of LC they take next step he or her order. In Lyric Garments the merchandiser transfer LC in due time except some uncertain reasons. So the buyers are satisfied of the company.
3) Sewing Quality:
Sewing quality of Lyric Garments is standard. The following chart shows the satisfactory of buyers. Here 50% buyers are strongly agree, 47% buyers are agreed and 3% buyers are neutral of sewing quality.

Source: Field Survey

Here 5% buyers are strongly agreed, 50% buyers are agreed and 5% are neutral on their satisfactory level.
I have collected information from different buyers of Lyric Garments.

4) Packing:
Beside sewing quality Lyric Garments maintain standard packing procedure. Without well packing the product cannot reach at the buyer’s hand. So buyers are satisfied on packing. Here 48% buyer’s sere strongly agreed, 51% buyers are agreed and 1% buyers are neutral on better packing. I have collected information from different buyers of Lyric Garments.
5) Negotiation Skill:
There is problem in negotiation or communication with buyers of the merchandiser. Buyer’s satisfaction highly depends on negotiation skill. For this reason 50% buyers are strongly agreed, 45% are agreed and 5% neutral.

6) Product Delivery
Product delivery in due time is very important function of a merchandiser. A buyer satisfaction is highly depends on it. In my questionnaire it is clear that all buyers are not satisfied on Lyric Garments for their product delivery. Here 2 Percent buyers are disagree on delivery product in due time, 60% buyers are strongly agree, 30% are agree and 8% neutral.

Source: Field Survey
7) Working Situation:
Working situation is very much important to continue to work. It depends on the strong machineries, clean and silent environment. In here 50% buyers are strongly agree, 40% agree and 10% neutral.

8) Total System:
The total system of Lyric Garments is better. In here 70% buyers are strongly agree and 30 percent buyers are agree.

![Total System](image)

Source: Field Survey

**Chapter: 6**

**Buyer loyalty**

Beside buyer satisfaction a merchandiser should be concern of those issues for a loyal buyer

1. Communicating with buyers: Merchandisers communicate with buyer on regular basis to understand buyer’s needs. They communicate with buyer for clarifying each and every queries related product development, production, quality requirement etc.

2. Developing garment sample – Merchandiser develop various garment sample as requested by buyer and submit to buyer for approvals. Sometimes orders are confirmed after a few sample pieces are seen by the buyer. Buyer's comments and feedback is collected by the merchandiser and the necessary changes are conveyed to the concerned personnel.

3. Product costing - Based on the existing infrastructure, quality norms and capabilities of the plant merchandiser sources orders across the markets and submits a probable costing sheet to the buyer. If the buyer finds the plant compatible with its compliance with the costing being appropriate to the merchandise, the order is confirmed.

4. Developing good relationship with customers - Merchandisers ensure the product quality and
timely shipment delivery to satisfy buyers. The work of the merchandiser starts even before getting the order and extends even after the shipment happens so as to maintain post purchase service and relationship with the buyer.

They accompany buyers on visits to manufacturers to appreciate production processes and meeting with suppliers.

5. Scheduling of activities - Merchants handle multiple orders at a time. Sometimes they work of styles of multiple seasons. They look into all orders closely. So they prepare a detailed activity schedules. They makes Time and Action Calendar (TNA) for scheduling for various pre-production and production activities like sampling, approvals, cutting, sewing, final inspection date, shipment dispatch etc. Time and action calendar is shared with all production team, quality team and other concerned personnel.

6. BOM Preparation - Merchandiser makes Bill of Materials and handover the same to sourcing department. They coordinate and track the sourcing activities and makes sure that all the raw materials are delivered on time. See the following figure for sample BOM.

7. Sourcing raw material – Merchants initiate sourcing raw material. Even they select the vendor for fabrics and other raw material. Chase with raw material supplier and also responsible for sourcing material on time.

8. Providing Quality approval - Merchandising department approves of the quantity of sourced trims and accessories to be used in production. They give approval to production team on print design, construction etc.

9. Preparing Production File - They prepare production file by which they communicate style detailing and quality standard to production department. Copy the production file is also given to quality department.

10. Conducting Pre-Production Meeting - Merchants conduct pre production meeting for each style. PP Meeting is held after receiving buyer approval and comments on PP Sample. The internal PPM is held only among factory members to discuss the style, trims, construction, production schedule etc.
In PPM merchant gives production file to production and quality team. If there are further clarifications, an external PPM is held with the Q.C, merchandiser, and buyer.

11. Order Execution - Merchandisers constantly keep track of the position of the order that is being processed in the factory. Merchandiser is the one who is responsible and in turn answerable to buyer for delivering the goods as specified and within the committed time period. Therefore, she is a link in order to achieve maximum customer satisfaction.

Identifying production and supply difficulties and dealing with them as and when they occur.

12. Providing after sales services - Once the order is executed and the shipment is dispatched, merchandiser takes care of the post shipment comments and tries to maintain a long term relationship with the buyer.
Chapter 7

Work Experience/My Internship Activities in K.A.S Knitwear Limited

As I worked as an assistant of the Merchandiser in K.A.S Knitwear Limited so I got the opportunity to learn lots of things. At that time I have done different merchandising related task in the company which are as follows-

Daily activities

• Scanning documents
• Proper filling the documents

Mail communication
Report to respond supervisor

7.1 How the Accepted Order Passes on the Floor?

When the order is being accepted, Merchandiser searches the scope of knitting machine according to required Gauge, makes production schedule, Trim & Accessories Card is being prepared, makes well finishing according to buyers requirement in case of Labeling, Zippering, Buttoning, Ironing, Packaging, Cartooning etc.

7.239

• Meeting with the fabrics and accessories supplier
• Making accessories list
• Meeting with the buyer
7.3 Monthly activities

• Meeting with the production people

Besides observing the entire Merchandising Process, I learned many things and worked in the Finance & Accounts Department during my internship. Following are my internship activities in K.A.S Knitwear Limited-

Preparation of Bank Payment voucher:
During the time I spent in the Finance department, I used to prepare bank payment vouchers. Bank payment voucher is used when payment is made for different types of expenses and to accounts payables out of the bank account of the organization. Photo copy of the check is attached to the voucher when payment is made through check.
Journal entry for bank payment voucher is:
Expense account Debit
Bank Account Credit

Preparation of bank receipt voucher:
Bank receipt voucher is used when payment is received and deposited into the bank account of the organization. Deposit receipt is attached to the bank receipt voucher as supporting document.

Preparation of journal voucher:
Journal voucher is used when there is not cash or bank is involved in a transaction. There are so many types of transactions for which journal vouchers are prepared. For example, when goods are sold to the customers on account, the journal transaction is recorded.
Cash receipt vouchers and cash payment vouchers are also used for the receipt and payment of cash.

Maintaining admin expenses:
I used maintain records of different kinds of expenses related to office and the daily expenditures’ record of the organization.
Maintenance of different files:
Another responsibility of mine was to maintain the files carefully which contained different important documents

Preparation of Payroll Sheet:
Payroll sheet is an important document which is to be prepared in all organizations for the efficient procedures. I learned how to prepare payroll sheet in K.A.S Knitwear Limited.
In conclusion I can say that, K.A.S knitwear Limited helped me a lot to learn about the Merchandising activities as well as proper documentation in a simple way. From this Garments, I have experienced the practical knowledge about how a merchandiser works, what are his core responsibilities, what process are being followed & the methods to follow-up the activities along with all the formalities needed to make, receive and deliver a contract.

Problem Faced During Internship

During my working period one of the major problems I faced was that sometimes a few persons who are in-charge in any specific department were not flexible to work with the interns. Another problem was that as K.A.S Knitwear Limited didn’t provide me any formal briefing or any kind of workshop so it’s become really difficult for me to understand the work.
In conclusion I can say that, K.A.S knitwear Limited helped me a lot to learn about the Merchandising activities as well as proper documentation in a simple way. From this Garments, I have experienced the practical knowledge about how a merchandiser works, what are his core responsibilities what process are being followed & the methods to follow-up the activities along with all the formalities needed to make, receive and deliver a contract.
SWOT analysis of K.A.S Knitwear Limited

A SWOT analysis is overall evaluation of the company’s Strength, Weakness, Opportunities and Threat. Strength and Weakness are the internal values creating factors such as assets, skills or resources etc. And Opportunities and Threat are external values creating factors a company unable to control.

The SWOT analysis of K.A.S Knitwear Limited is given below-

8.1: Strengths

1. Own Land: Factories of K.A.S Knitwear Limited are established in its own land.

2. Effective Manpower: Factories are well equipped with skilled, expertise and productive manpower. They are doing their level best to deliver timely shipment and exporting 100% quality garments.

3. Production of Fabrics: Mostly employees produce fabrics as per buyers requirement.

4. Innovative product line: Product lines are producing a unique & innovative garment which is a very good sign for the industry.

5. Proper Management: Employees of K.A.S Knitwear Limited manages all the paper work quite nicely; supervises the production from start to end and helps to ship the good s as per the requirement of buyers.
8.2 Weaknesses

1. Post purchase behavior: After shipment of the products, employees do not collect actual post purchase behavior of buyers which is really a negative sign for the industry.

2. Shortage of workers: As the Industry is not so big & the number of employee is limited, sometimes it becomes really difficult to produce all the goods timely & workload of the workers increase to a great extent if there is a large shipment.

3. Subordinates absence in policy making: The subordinates do not take any decision or take part in policy making in meeting. The decision always comes from the top management which is de motivating.

4. Poor salary structure: As the industry is still in a struggling position, its salary structure is not that much good in compare to the other industries.

8.3 Opportunities

1. Covering UK & USA market: Recently some foreign countries are really interested about making contract with K.A.S Knitwear Limited which is really good news. Covering more market area of EU & USA will help the industry to establish quickly.

2. Diversification: K.A.S Knitwear Limited can expand their business by establishing the yarn, woven & sweater factories. It will help them to minimize the risk.

3. Hiring dynamic & fresh Graduates: K.A.S Knitwear Limited can hire dynamic, young & fresh Graduates who can generate innovative ideas & can lead to grater profit.

4. Attending Trade Fairs: K.A.S Knitwear Limited can take part in different trade & textile fair to get public attention and can get new ideas related with today’s business.
8.4 Threats

1. Absence of Spinning Plant: Most of the big Garments industries who are well-established have their own Spinning Plant. As a result they can sell their product more cheaply but K.A.S Knitwear Limited doesn’t have any Spinning Plant. For that reason their cost of production is high.

2. Competitors’ smart move: Competitor industries are constantly offering innovative and substitute a product which is a big threat for this industry.

3. Trade barriers: Increased trade barriers and quota system withdrawals are the major threats for the newcomer industries like K.A.S Knitwear Limited.

4. Political imbalance: One of the major threats for K.A.S Knitwear Limited is the current political instability. Strike, Procrastination etc are hampering the production process quite badly.

In this report I examined the relationship between price, advertising and promotion, salary and merchandising performance of the K.A.S knitwear Limited. Using regression models, we found a statistically significant relation between price, advertising and promotion, salary with merchandising performance which was consistent with expectations.
Chapter: Recommendation & Conclusion

9.1 Recommendation

Generally I have given the concentration on Financial and Merchandising activities of K.A.S Knitwear Limited. I would like to recommend the following areas that should be improved immediately to achieve the desired goals:

- Instead of short-term relationship, Merchandisers need to develop long term relationship with the key parties – buyers, buying houses and suppliers etc.

- As a newcomer industry, K.A.S Knitwear Limited should always keep in mind that, customer retention is more important than customer attraction. If they can follow this concept then they will gain more.

- Director should clearly share his mission with manager and all the staffs. Because a clear mission statement guides the employee to work independently and to achieve the organizational objectives.

- As the industry is in a struggling position, it should frequently measure the annual growth rate through the growth share matrix, BCG (Boston Consulting Group approach) whether business is operating effectively or not.

- Consultancy with garments expertise regarding the development strategies will be helpful to get more output.

- K.A.S Knitwear Limited should identify their position based on the product life cycle and the position of competitors so that they take corrective action to compete & stay in the business.

- K.A.S Knitwear Limited can establish their own design section and from there they can create unique and innovative products design for marketing. And in this purpose they can contract with professional fashion designer in Bangladesh and abroad to get the maximum results.
The industry can use internet as an efficient promotional tools for buyer awareness about their business. In this purpose they can develop their own website with detail information about their business.

It should allow its employees to participate in decision making process so that it will help to get more productivity & commitment to work.

The industry should establish a good salary structure & ensure the due time salary & wages otherwise employees will be demotivated.

9.2 Conclusion

The RMG sector is expected to grow despite the global financial crisis of 2009. As China is finding it challenging to make textile and foot wear items at cheap price, due to rising labor costs, many foreign investors, are coming to Bangladesh to take advantage of the low labor cost which is really a good sign for K.A.S Knitwear Limited. Management of merchandising is a big job and is a complex one. The result of the study shows that there are a lot of steps that K.A.S Knitwear Limited should undertake to improve their merchandising management in order to be successful. The study revealed that Merchandisers are the most valuable human resources for the progress of the organization. For the development of these valuable resources there are many factors involved. So to increase the productivity of an organization effectively, efficient Merchandising management is necessary.