

Agriculture Machineries Business in Bangladesh

And

Benefits of using agrimachineries of ACI Motors



Internship Report

On

BUS- 400



Topic: Agriculture Machineries Business in Bangladesh

And

Benefits of using Agrimachineries of ACI Motors

Submitted To:

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16th May, 2010

To

Syeda Rownak Afza

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BRAC Business School

BRAC University

Dhaka-1212

Subject: Submission of the Internship Report on ACI Motors.

Dear Madam,

It is my great pleasure that we submit the internship report on **“Agriculture Machineries business in Bangladesh and benefits of using agrimachineries of ACI Motors”**

It was a complicated topic to work on since I didn't have any prior knowledge about this Agrimachineries Industry. But at the same time it was also a very interesting topic to work on. By doing an internship at ACI Motors I have learned about the business strategy of an industry which was totally unknown to me. Working on this report also has given me a good opportunity to apply my theoretical knowledge in the practical field.

I have tried my best to follow your guidelines and prepare this internship report in a professional manner. But, obviously, there is also much scope for improvements. I hope that you will consider my mistakes and shortcomings as a subject for learning. Your valuable feedback will help me a lot in making this kind of report in the future.

Sincerely yours,

Masud Parvez

Id: 06304026

BRAC Business School

BRAC University

Intern of ACI Motors Ltd.

Acknowledgement:

At first I would like to thank the almighty Allah for giving me opportunity to successfully complete my Internship Report. Then I would like to thank my Supervisor Mr. Tushar Kanti Saha , Senior Product Executive, ACI Motors for teaching me all the things that I needed to perform my work. After that my Sincere thanks goes to my university 1st internship supervisor Mr. Suntu Kumar Ghosh for giving me valuable feedback and proper guideline to make a better internship report.

At last, I would like to thank all the executive of ACI Motors who give me support all the during my internship period.

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Introduction Part

Executive Summary

For the completion of my BBA Program I have done my 3 month internship at ACI Motors Ltd. ACI Motors established in 2007 as a subsidiary of ACI Agribusiness which is one of the SBU'S of ACI Limited. ACI limited is one of the largest and renowned conglomerates in Bangladesh operating their business in diversified sectors. ACI Motors are now marketing the various models of Sonalika tractor which is 3rd leading position in India as well as the fastest growing brand. It also has introduced high quality Bull Power brand power tiller, Rice cutter, Daedong Combine harvester etc. In my Internship at ACI Motors I worked in marketing department under the direct supervision of the Senior Product Executive. In my internship period I have made concept paper for “Government Subsidy Project on agricultural Machineries” and I assist my supervisor in arranging demonstration program of Daedong Rice Transplanter in Gzazipur. I also participate in different government organized agriculture fair both in Dhaka and outside Dhaka where I Decorate ACI Motors stall and sit in the stall for introducing different Agriculture machineries of ACI Motors to the visitors and find out prospect of ACI Motors Product. Apart from this I have also worked under the direction of the Service Manger of ACI Motors from which I have learned about after sale service system of ACI motors. overall In my internship I have gained knowledge about agriculture machineries business in Bangladesh benefits of using ACI motors machineries and its features and how to communicate this features of ACI motors product to the prospect properly. I have also gain knowledge about the selling and after sales service system of ACI motors which I communicate to our prospect customers in different fair and demonstration. In order to communicate our product benefits to the customers I also have to develop a sound knowledge about the comptometers of ACI Motors which was also a new learning for me. At the last part of my report I have provide some suggestion for the betterment of ACI Motors.



Background of the Report

As a student of Business Administration at BRAC Business School it is essential that we apply our theoretical knowledge in the practical work field. For this reason we have to done an internship in a particular organization and submit a report to prove that during that during the period of internship we were able to successfully implement our knowledge in the work of our particular organization. After successfully submitting report, we complete our graduation. I have done my internship in ACI Limited at ACI Motors division.

Objective of the Report:

Main Objective of my internship report of ACI Motors is to successfully complete my graduation as well as inform others about agriculture machineries business and benefits of using ACI Motors Agrimachineries.

Scope Of the Report:

In my internship report I give more focus on the benefits of using ACI Motors Sonalika Tractor, Bull power Rice Cutter, Daedong Combine harvester and Rice Transplanter. Scope of my report was limited to these 4 products of ACI Motors. Apart from these I provide some information about Agriculture Machineries business in Bangladesh.

Methodology:

Very simple methodology is to prepare this report. I collect primary data from my field visit and talking directly with my supervisor. I collect Secondary data from websites, Product profile and marketing plan of ACI Motors. After analyzing all data this final report is prepared.

Limitation:

- Lack of Information about “Agriculture Machineries Industry in Bangladesh” in the journal and websites.
- Lack of my prior knowledge about this agri machinery business and product of ACI Motors.



Company Profile

About ACI Limited:

ACI was established as the subsidiary of Imperial Chemical Industries (ICI) in the then East Pakistan in 1968. After independence the company has been incorporated in Bangladesh on the 24th of January 1973 as ICI Bangladesh Manufacturers Limited and also as Public Limited Company. This Company also obtained listing with Dhaka Stock Exchange on 28 December, 1976 and its first trading of shares took place on 9 March, 1994. Later on 5 May, 1992, ICI plc divested 70% of its shareholding to local management. Subsequently the company was registered in the name of Advanced Chemical Industries Limited. Listing with Chittagong Stock Exchange was made on 22 October 1995.

Vision of ACI Limited:

To enrich the quality of life of people through responsible application of knowledge, skills and technology. ACI is committed to the pursuit of excellence through world-class products, innovative processes and empowered employees to provide the highest level of satisfaction to its customers.

Mission of ACI Limited:

To achieve the vision ACI will:

- Try to attain a position of leadership in each category of its businesses.
- Attain a high level of productivity in all its operations through effective and efficient use of resources, adoption of appropriate technology and alignment with our core competencies.
- Develop its employees by encouraging empowerment and rewarding innovation.
- Promote an environment for learning and personal growth of its employees.
- Provide products and services of high and consistent quality, ensuring value for money to its customers.
- Encourage and assist in the qualitative improvement of the services of its



suppliers and distributors.

- Establish harmonious relationship with the community and promote greater environmental responsibility within its sphere of influence.

Advanced Chemical Industries (ACI) Limited is one of the leading conglomerates in Bangladesh .**The company has 3 Strategic Business Units (SBU’S):**

- **Pharmaceuticals**
- **Consumer Brands & Commodity Products:**--has following Subsidiaries
 - ACI Salt Limited
 - ACI Pure Flour Limited
 - ACI Foods Limited
- **Agribusinesses:** is the largest integrator in Agriculture and Livestock and Fisheries. It include Following subsidiaries:--
 - Crop Care Public Health
 - Livestock & Fisheries
 - Fertilizer
 - **Motors (Agri Machineries)**
 - Cropex
 - Seeds

CC & PH supplies crop protection chemicals, Seed supplies Hybrid Rice, vegetable and Maize seeds, Fertilizer Supplies Micronutrient and Foiler fertilizer, Agrimachineries (**ACI Motors**) supplies Tractors, Power Tiller and Harvester and Animal Health supplies high quality Nutritional, Veterinary and Poultry medicines and vaccines

Joint Ventures:

- ACI Godrej Agrovvet Private Limited
- Tetley ACI (Bangladesh) Limited
- Asian Consumer Care (Pvt) Limited



Main Part of the Report

ACI Motors Limited:

ACI Motors start its operation from 6th November 2007 as a subsidiary of ACI Agribusiness with an objective to market high quality farm machineries like: Tractor , Power tiller diesel engine etc.

Mission of ACI Motors:

To provide complete farm mechanization solution to the farmers.

Specific objective of ACI Motors:

- ❖ To become the market leader in the tractor industry of Bangladesh by 2016
- ❖ To introduce new agricultural Machineries and related commodity for farmer

It has own sales and service center at Bogra, Comilla, Jessore, and Dinajpur by which ensure highest quality after sales service, repairs and spare parts. It also provides flexible credit facilities for farmers for better customer satisfaction and service. ACI Motors are planning to introduce light commercial vehicles like pickups and mini trucks to support farmers to carrying agricultural goods. Also, high quality diesel engines and pumps for irrigation purpose will be offered in the near future. This business shows considerable promise in contributing to the agricultural productivity of Bangladesh.



Product Profile of ACI Motors:

ACI Motors offers following product or agrimachineries to the farmers in order to provide them a better solution in cultivation.

1. Tractors:

Brand Name: Sonalika.

Country of origin : India

Model Range: - DI-730, 735, 745, 750, 760

Here, 730,735, 745 etc indicates the Horse Power HP, The more the horse power the more the price will be.

Usages:

- ◆ DI -730 and DI-735 is used only for carrying purpose by using trolley
- ◆ DI-745, 750 and 760 models are used for agriculture cultivation and transportation both.
- ◆ It is more encouraged for commercial usages, Rent service.



DI-745



DI-735

Price range:

Model	Price Taka
DI-730	5,50,000
DI-735	6,20,000
DI-745	7,05,000
DI-750	7,75,000
DI-760	9,30,000

2. Rotavator:

Brand Name: SICMA

Country of Origin: Italy

Usages: It is used to cultivate land with Sonalika cultivation tractor.

Price: 2, 20,000 Taka.



3. Power Tiller:

Brand Name: Bull Power



Manufacturing Country: China

Price: 85,000 Taka



Usages:

- ◆ To cultivate the land and Carrying goods.
- ◆ It is suitable both for personal and commercial cultivation

4. Combine Harvester Refreshed:

Brand name: Deaong



Country of origin: South Korea

Price: 600000 Taka

5. Rice Transplanter Refreshed:

Brand Name: Daedong



Country of origin: South Korea

Price: 200000 Taka

Basically this machine can put the rice plant into the soil within a very short time.
This is a 4 row based walking type machine

6. Rice Cutter:

Brand Name: Bull Power.



Manufacturing country: China

Price: 15,000 Taka

7. Diesel Engine:

Brand Name: Bull power



柴油机型号: TR190(TP183)
型 式: 单缸、蒸发水冷、四冲程、涡流室式
12小时功率: 5.13kW(7马力)
标 定 转 速: 2000r/min
净 重 量: 48kg
安 装 尺 寸: 235X145 中心高140

Manufacturing country: China

Price Range: 10000 to 40000 depend on horse power.

8. Spray Machines: Imported from China and Korea.

Usages: To spray Pesticides in the farm land.

Price range: 1800 to 5000





Target customer of ACI Motors Products or Machineries:

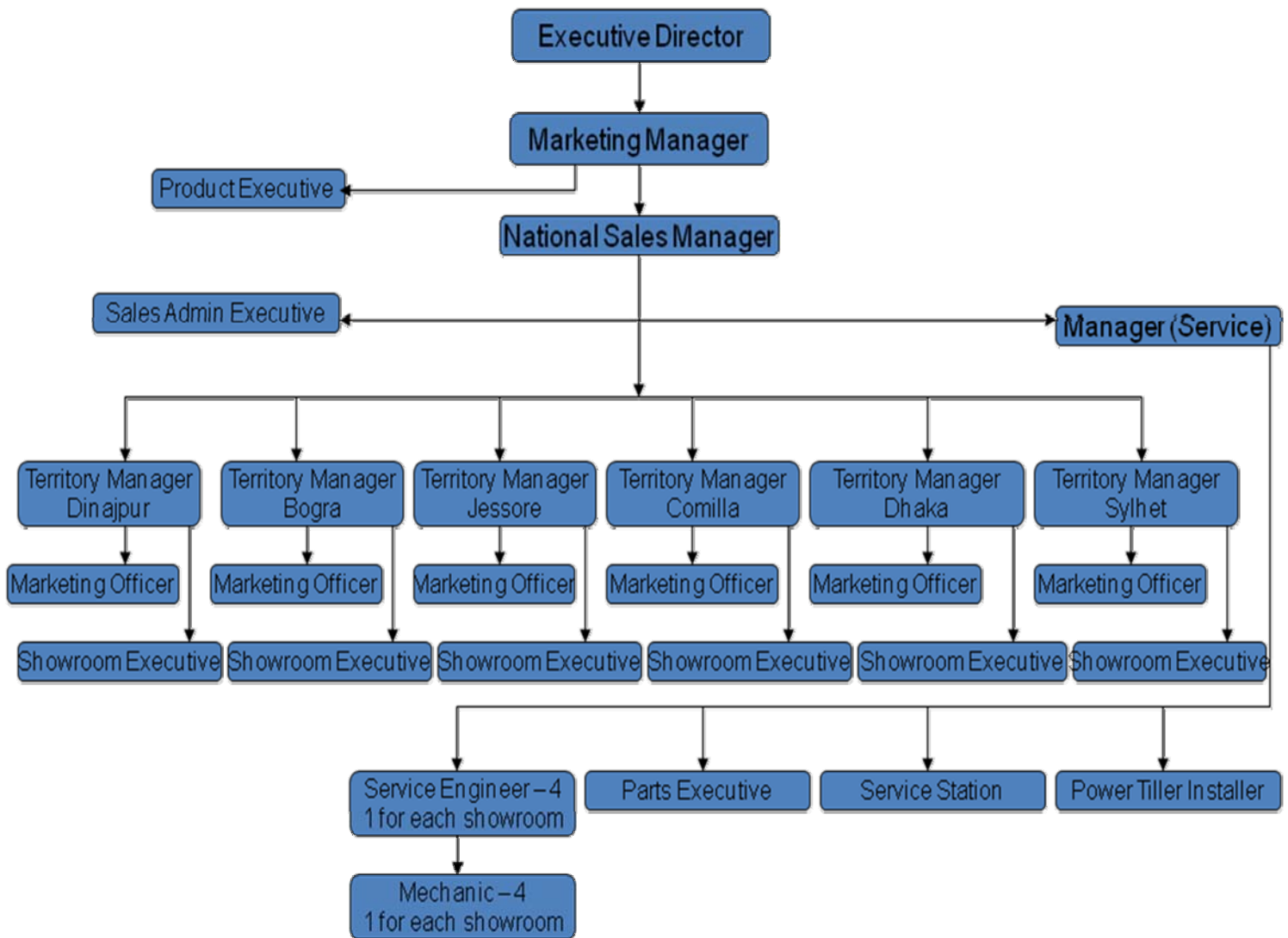
An ACI motor has targeted different class or group of people for their different product or machineries. Since the price of tractor, power tiller combine harvester and Rice transplanter is quite and it is quite hard for an individual farmer to buy. For this reason ACI motors have targeted specific group of people. Like:--

- Solvent farmers in a specific village who has quite a good amount land or under which lots of small farmers works.
- Businessman who want to invest money in new sector.
- People who return from different foreign country and want to do a profitable business.
- Different NGO'S who work with farmers like:Asha, Dipsikha BRAC etc
- Dealers of ACI Seed, Fertilizer (especially for Power tiller, Rice cutter, Diesel engine and sprayer)

However, price of Rice cutter, Diesel engine and sprayer is affordable to individual farmer. So, for selling these products individual farmers are also targeted by ACI Motors.



Organogram of Marketing Team





My Internship duty at ACI Motors:

My internship period was 3 month and during that period I worked under direct supervision of the Sr.Product Executive of ACI Motors. Basically, my duty was to support my supervisors in different work. I worked both in office and outside Dhaka. In my Internship period I have performed following duties:--

❖ Help senior product executive in making concept paper for “Government Subsidy on Agricultural Machinerics Project”:-

Preparing this concept paper was my 1st and main assignment. Here, I was told to make a concept paper on How ACI motors can approach in this Government project and sell maximum Machinerics to the farmers. To prepare this concept paper I have to study about Following things:--

- Agriculture of Bangladesh
- Ministry of agriculture and its different wings
- Human resource or work force of different wings of Ministry of agriculture.
- Situation of Agri Machinerics business in Bangladesh

After 10 days, I have submitted a concept paper according to the instruction. The concept paper that I submitted is enclosed below:--

**Concept paper
On
Selling Agricultural machinerics to farmers
(A project of Bangladesh Government)**



Introduction of the Project:

The Ministry of Agriculture, Bangladesh has undertaken a project to encourage farmers to buy and use different types of agricultural machineries according to their needs. For this reason, the govt. will give 25% subsidy on their different types of power tiller, tractor and others machineries. In this project, farmers will have the full freedom to choose their desired brand. This project will be implemented by the Department of Agriculture Extension (DAE). in total it is a project of 150 core taka and the government subsidy will be around 120-core taka. 25 districts has targeted for this project. Thana Agriculture Officer and Thana Agriculture Engineer have given the responsibility for the proper implementation of this project. Government will provide subsidy on 5000 tractors, 22000 power tiller and 20 Combine Harvester.

Opportunity for ACI Motors:

This government project has given a very good opportunity to ACI Motors to attract many new customers towards their product. Therefore, to grab this opportunity ACI Motors have to make some strategy to influence farmers towards their products.

Persons to be motivated:

In Bangladesh, the level of knowledge of farmers about different types of agricultural equipment and their using method is low. So, two types of staff of DAE will influence their purchase of agricultural equipment. They are--

✚ Upzila Block supervisors

✚ Upzila Agriculture Engineer

So, we have to emphasis on this two staff of DAE, to recommend the machineries of ACI Motors.



Block Supervisors:

I think in this project, for a number of reasons Block supervisors have to be motivated first. The reasons are given below ----

1. Block Supervisors have personal contact with the farmers.
2. They are involved in assisting farmers to identify their problems and possible solutions to them.
3. Through the Block Supervisors, extension programs of DAE is implemented and communicated to the farmers.
- 4. Block Supervisors work in a participatory style with farmers groups of all types. it means that they has a very sound idea about farmers financial capability and needs.**
5. Block Supervisors plays an important role in providing ideas for suitable extension activities for farmers during Thana Planning Workshop.
6. They assist farmers to develop new technologies and they discuss with farmers about new technologies.

How Block supervisors can be motivated: Block supervisors can be motivated by following ways:--

1. Campaigning program:

We can arrange a campaigning program for Block Supervisors. We can make a list of the upzilla block Supervisors, and then we will select supervisors according to their connection with farmers. After that, selected Block Supervisors will be invited in the Campaigning program. Here, all the expenses of Block supervisors like; - travel, accommodation and other expenses will be beard by ACI Motors. In this event, we try to convey following information to them: ---



✚ Company Information :

Here, we will try to convey the Brand value of ACI. I think it will create a good impression on them about our company.

✚ Information about ACI motors:

In this stage, we will convey details information of our ACI Motors. We will tell following things:--

- ❖ Product profile of ACI Motors
- ❖ Unique features of the products and after sell service system of ACI Motors that can keep ACI Motors ahead of the competitors.
- ❖ We will demonstrate how the unique features of our ‘Bull power power tiller’, “Sonalika tractor”, Bull power rice cutter “and others agricultural machineries of ACI Motors can add a greater value to the farmers comparing the competitors.
- ❖ We can also demonstrate some tips on how to maintain and repair agricultural equipment so that they can communicate it to the farmers.. we can also put this demonstration into a video CD and give it to the supervisors.
- ❖ We can provide some gifts to the Block Supervisors like calendar, dairy, pen, bags etc. incorporated with the logo of ACI Motors.
- ❖ *In this campaign, we will request to the block supervisors to send the profile of financially sound farmers of their region to them.*
- ❖ Finally, there will be a question answer session.

After campaigning task:

If we can complete the campaigning task successfully then our task will to keep connected our self with them. Here, periodic phone calls, send greetings card on different occasion Like: - Bangali new year, EID, Puja etc.can be a good motivating options.



Commission on Sonalika tractor Sales:

Money is the most effective motivational tools. As, our Sonalika tractor is an expensive product, so, to sell Sonalika tractor we can offer some commission on the selling of per tractor to the block supervisors. Like we can offer 3% commission on the selling amount of per Sonalika tractor. I think, by this approach we will get better effort from the block supervisors.

Agricultural engineer:

Agriculture engineers need to be motivated because they are involved in discovering new technologies and they hold a huge knowledge about agricultural machineries. So, their recommendation will have a great impact on the purchase pattern of the farmers.

Ways of motivating Agriculture Engineers:

There is 1 Agriculture Engineer in 1 upzilla. We can take the following approach to motivate them:--

- ✚ Campaigning program:-- will be same as the campaigning program for “Block Supervisors”
- ✚ By maintaining a sound relationship with them, communicate with them regularly.
- ✚ By attending the training session organized by the Agriculture Engineers.

We can also offer sales commission to them but in this case we have to do it secretly and very carefully science the post of Agriculture engineer is a very prestigious position.



Customers (farmers):

Farmers will be our prime concern for motivation science in this project the government has given full freedom to the farmers in choosing brands. ACI Motors is a new company in the Agricultural Machineries business and in this sector there are some established competitors like Chittagong Builders and Machinery LTD (SIFANG brand), The Metal Private Ltd (TAFEE tractor). This agri machinery sector is highly performance oriented and customers depends more on Known brand than the new brand. So, initiate purchase will require lots of promotional efforts. **We have to promote our brand in a way that our product can reach the Brand Recalling level.**

Ways of influencing customers: we can influence or attract customers by implementing following strategies: ---

➤ **Give Advertisement in Radio and TV:**

TV and Radio can be a very effective source for us. Most of the farmers have radio and they listen to the radio at their time of their field work as well as in their leisure time also. Cost of giving advertisement in radio is not very costly. Overall advertisement in radio will help a lot to ACI Motors to communicate their branded product. On the other hand, advertisement in television will give the opportunity of demonstrating the product benefit and it will last in the memory of customers for a long time. I think with this step we will be able to get a competitive advantage over our competitors because no other competitor is using this two communication media. If ACI Motors is using these two media then for this project they should increase the telecast rate.

➤ **Make district wise campaign:**

After giving regular TV and radio advertisement and collecting information about the financially capable farmers, we can arrange a district wise campaigning program for our targeted farmers. In this campaigning along with the demonstration of our product unique features; we will also show a **short video** of the opinion of our satisfied customers of that district. For example: -- if we organize a



campaigning in Jessore district then we can show a short video of our satisfied customers of that district. Here, the full address of those customers will be showed.

- We have to demonstrate our product benefit in a way that keeps us ahead against our competitor.
- District wise training session: we can also arrange a **district wise open learning session** where our mechanical expert will demonstrate farmers how to use, maintain and repair different types of Agricultural machineries properly. I think it will create a positive image in the mind of our targeted and potential customers.
- At present ACI Motors is using different promotional items like: Poster, Banner, Festoon, Leaflet ,Sticker, T-Shirt, Wall Clock. Here, especially for this project of government we have to increase the distribution of these promotional items and we have to ensure that these promotional items reach to our potential customers.

My concept in Short :

To summarize I want to say that for this Government project of selling Agricultural Machineries to farmers; ***In my concept paper I basically suggested a combination of push and puling selling strategy for ACI Motors.*** For this project , ACI Motors will push Block Supervisors and Agricultural engineers by giving them value, maintaining a good relationship and offering themselves sales commission. On the other hand, through extensive promotional effort ACI Motors will try to create a demand of their product in the mind of the farmers. So that they force the dealer or agent of their district or upzilla to keep the machineries of ACI Motors in their store or show room.



❖ Participate in different types of Agriculture fair on behalf of ACI Motors and organize ACI Motors stall in the fair:

During my internship period ACI Motors have participated in 3 Agriculture Fair in Dhaka and outside Dhaka. The name location and description of these fair is given below:--

1. **National Agricultural Machineries Fair, Khamarbari, Farmgate, and Dhaka:** - This fair was organized by Department of Agriculture Extension DAE. It was a 5 day long fair 15 February to 20 February. In that fair my responsibility was to decorate stall properly and sit in the stall and informed visitors about our different products and activities. This fair was inaugurated by the honorable Agriculture Minister Begum Motia Chowdhury. 17 big and small agrimachineries companies took part in this fair. In that fair ACI Motors had gotten the “Best Stall” Price.



Stall View



Combine Harvester machine



My Supervisor and Business Manager of ACI Motors with The “Best Stall Prize” in hand



Rice transplanter machine

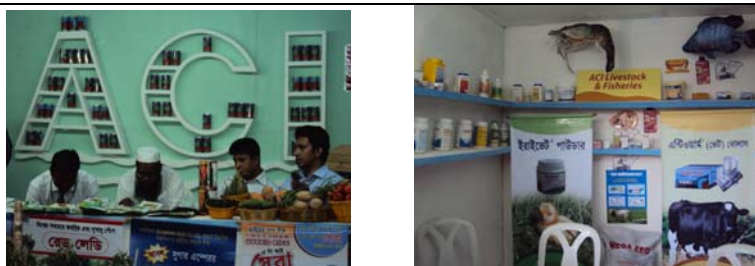


2. **Agricultural Technology Fair, Faridpur:** - This fair was organized by Faridpur wings of DAE. It was my first official tour. I was sent there with the full responsibility organizing that fair. It was a very challenging task for me since the full responsibility was on me. In that fair I had full freedom of decorating our stall. I have gotten full support from the Territory Manager and sales officer. It was a five day long fair. In that fair we have gotten many customers who have shown their enormous interest on our different product especially on rice cutter. In that fair we have gotten the second price on stall decorating.



Fair at Faridpur, Khamarbari Wings.

3. **National Seed Fair, Bangabundhu Convocation center, Dhaka:** This fair was basically organized by “Bangladesh Seed Association “to inform farmers about different types of Hybrid Seed. As, a part of ACI Agribusiness ACI Motors also took part in that fair. It was a 3 day long fair and this fair was inaugurated by The Honorable Agriculture Minister.



Stall of ACI Agribusiness



❖ Assist my supervisor in arranging demonstration programs in different place of Bangladesh:

Product demonstration plays a vital role in Agricultural Machineries business. During my Internship period I have took part in the **“Deadong Rice Transplanter”** demonostration program at Bariali in Gazipur. This demonstration program was arranged to inform farmers and different Agricultural officers about our Rice transplanter, its benefits and how this rice transplanter machine works. From this kind of demonstration program, we also get customers live feedback. Project Director of Department of Agricultural Extension was present as a chief guest in this demonstration program. Media persons form Channel-I, ATN Bangla, R TV and Channel 1 were present to telecast this program. Here, my responsibility was to assist my supervisor in different works and submit a report on my visit on that demonstration program.



- Training session at Comilla: At last week of my internship I had got an opportunity to work with our Service Manger and by working with him I learned a lot about the after sale service system of ACI Motors Ltd. With him I participated in a 3 day Tractors training program which is organized to increase the skills and efficiency of the senior and junior mechanics of ACI motors. In this program training was given by the Indian Service Engineers of Sonalika Tractors. It was a 4 day long training program. Participants who successfully completed this training session were awarded by certificate.



Activities of the training Session at Alkher Char in Comilla.

My Internship Learning:

Overall I n my during my Internship period I have developed a fair idea on flowing things:---

- Agrimachinaries business in Bangladesh
- Product Knowledge of ACI Motors: Its features and benefits
- Competitors of ACI Motor
- Present situation of ACI Motor
- After sales service system

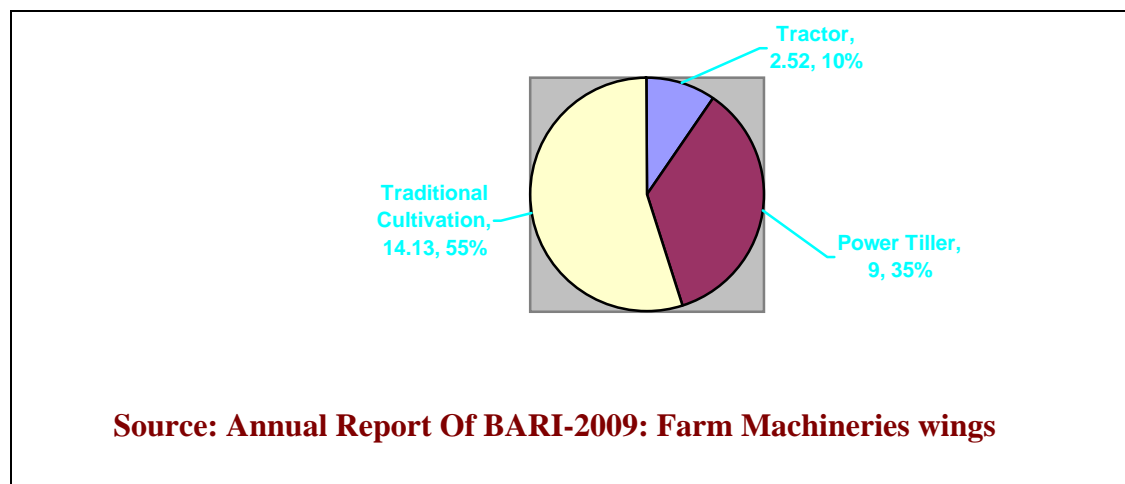
In the following part of my report I will describe these topics:-



Agricultural Machineries business in Bangladesh:

Agriculture Machineries Industry or business is not new in Bangladesh. This Business was started in 1962 with Deep tube well and Power Tiller by Pakistan Agriculture Development Corporation. After the independence of Bangladesh, This sector goes under the Ministry of Agriculture, Bangladesh and Bangladesh Agriculture Research Institute (BARI) and Department of Agriculture Extension (DAE) wings are the main supervisors or monitor of this sector. For the irrigation of the land water pump concept was introduced in 1974. Uses of power tiller diesel engine become popular during the beginning of 1982 with the investment of self interested people. The Chittagong Builders is one of them. After that by the withdrawal of import duty on agrimachineries in 1984, privatization of this sector gets more speed. Tractor was first introduced in Bangladesh in 1985 by The Metal Pvt Limited. But it started to get popularity from 1999. At present Total Tractor using population in our country is 20000. Agricultural Engineers of Bangladesh Agriculture Research Institution is working on the development of new technologies and its uses in Bangladesh for the betterment of our farmer and our agriculture sector. Up to now this institution successfully introduced many modern agrimachineries to the farmers like:-- High Speed Rotary Tiller, Crop cutting Machine, Hand and Power operated corn Harvesting machine, Potato withdrawal Machine, Mango Picking and grading machine etc. This institution along with farmers also provides training to different companies on manufacturing, operating and maintenance of these machines.

Potential Market for Power Tiller and Tractor in Bangladesh
(Present scenario of Cultivation Purpose)



- Total cropped area per year – 25.65 Mio. Ha. (cropping intensity 1.8)
- Total land coverage by power tiller – 9 Mio. Ha.
- Total land coverage by tractor – 2.52 Mio. Ha.
- Required tractor and power tiller, which is coverage by traditional cultivation – 14.13 Mio. Ha.
- Cultivation by power tiller - 0.5 ha/day
- Cultivation by tractor - 3.58 ha/day
- Cultivation period – 90 days

This statistics indicates that ACI Motors as well as other companies in this agro machineries business has a very good opportunity to cover more market science still more than 50% land is cultivated through manual or traditional method which is costly and time consuming as well.

Specific Features and Benefits of the product of ACI motors:

In my Participated fairs and demonstration program I have to tell the features and benefits of our products to the customers. Basiacly I told the followings this about our SONALIKA Tractor, Combine Harvester, Rice cutter and Rice Transplanter:--

- Features
- Benefits it will give than the manual method

1. SONALIKA Tractor:



Important Features:

- SONALIKA Tractor is manufactured by the Technology of Japan
- It is a complete and balanced tractor which have:--

I. Maximum Wheel Base than others:

WHEEL BASE (MM)

HP Category	Sonalika	TAFE	Mahindra	Farmtrac	Swaraj	New Holland
30 HP	DI-730III 1975	30-DI 1822	DI-265 1835	DI-30 1870		
35 HP	DI-35 1985	1035-DI 1815	DI-275 1830	DI-35 1875	735-FE 1960	
45 HP	DI-745III 1980		DI-475 1910	DI-45 1930		
50 HP	DI-750III 2065		DI-585 1920	DI-50 1930		DI-3630 2035



Due to the maximum wheel base of Sonalika Tractor it doesn't lift-up in front and pulls heavy load on steep slopes while maintaining its balance. Whereas all the other tractors have small wheel base, which lifts-up their front side while doing uphill task.

II. Maximum Ground Clearance than others:

GROUND CLEARANCE (MM):

HP Category	Sonalika	TAFE	Mahindra	Farmtrac	Swaraj
30 HP	DI-730III 380	30-DI 325	DI-2265 325	DI-30 375	
35 HP	DI-35 372	1035-DI 325	DI-275 325	DI-35 370	
45 HP	DI-745III 405		475-DI 345	DI-45 346	
50 HP	DI-750III 405	245-DI 345	585-DI 372	DI-50 355	855-FE 400

Due to Sonalika Tractor's Maximum ground clearance it does not damage standing crop while ploughing and weeding. It easily oversteps the bunds while going from one farm to another and crosses uneven surfaces easily.

Benefits of Using Tractors:

Traditional VS Mechanized Cultivation:

Cultivation Method	Required Time for cultivation of 1 hecter land	Number of Tillage	Cost of Cultivation Taka	Depth of Plough
Traditional Plough	10 days	6	8892	1.5 inch
Power Tiller	1.2 days	4	3705	2.5 inch
Tractor	2 hours	2	2000	6.00 inch



III. By Proper using and renting it will give the return of investment within 2 years.

Economics of tractor

- Cultivation purpose
- Price of 50 HP tractor, tillage implement with trolley – Tk. 11,80,000
- Per day charge for rental service - Tk. 10,000
- Per day expense, repair maintenance and driver cost- Tk. 5,000
- Financing cost @ 17 % , per day Tk. 557
- Net income cultivation purpose per day Tk.4,442
- Providing of rental facilities for cultivation purpose- 90 days
- Net income cultivation purpose per year Tk. 3,99,850
- Net income carrying purpose per day Tk. 1,500
- Providing of rental facilities for carrying purpose- 80 days
- Net income carrying purpose per year Tk. 1,20,000
- Total net income per year Tk. 5,19,850
- Return On Investment 44% per year

2. Daedong Combine Harvester:



Important features:

- This Machine is able to perform 4 tasks at the same time . this machine can cut down paddy, harvest it, weeding it and put down the rice in the sack at the same time.
- It will solve labor problem for farmers
- It will save Paddy and wheat from different types of natural calamity
- For cutting, harvesting, weeding and packing of 1 acre land this combine harvester takes only 1 hour.

Comparable cost:

For cutting, harvesting and weeding of the rice or wheat of 1 acre land.

Cultivation Method	Labor Required	Total Cost Taka
Traditional method	9 for working 8 hours	1800
Combine harvester	1 for working 8 hours	450 taka including fuel driver, labor cost.
Ratio of Savings: time Cost 85%, Time: 90%		

- **This technology will reduce the production cost of per Kg rice by 2taka.**

3. Bull Power Rice Cutter:



Features:

- Perfect replacement of labor during the season of rice cutting



- This machine can cut rice both from wet and dry land
- This rice cutter machine is suitable for any size of land
- Through this machine 95% ripe rice can be cut down easily
- Price of this machine is affordable to individual farmer.
- Weight of this machine is 8 kg. so it is easy to use
- It is a petrol operated engine. It requires only .0.5 liter petrol per hour
- This machine will reduce labor cost by 50% and time will reduced by 80%

3. Daedong Rice Transplanter:



It's Benefit:

- It will solve labor problem
- Rice plant will be safe from all kind of natural calamity especially from cold injury because for this machine Seed bed is prepared in the tray and one can prepared this seed bed at home in controlled weather
- **Time will be saved:** This technology takes 20-22 days to for seedling the seed into seed bed to put in the land. On the other hand for the same task traditional method requires 35-40 days. So, by using this technology farmers can save 18-20 days.
- It takes only 1 hour to putting the rice plant from the seed bed into a 1 bigha land where as for the same task in 1 bigha land traditional method needs 3 hours.



Competitors of ACI Motors:

At present in Bangladesh competition in the agriculture machineries business is quite intense. As, ACI Motors started its journey in 2007; for this reason they are facing very tough competition from some companies who are operating their business in this sector for many years. At, Present 20-25 large medium and small companies are actively operating their business in this sectors. But, the main competitors of ACI motors especially in the Tractor power tiller and Diesel engine sector are:---

- The Metal Private Limited
- Karnafuli Private Ltd
- The Alim Industries Ltd
- Chittagong Builders and Machineries Ltd: -- In the sector power tiller and diesel engine.

1. **The Metal Private Ltd** : This company is considered one of the pioneer of modern mechanized cultivation in Bangladesh established in 1987. This company first introduced Tractor in our country. They are the sole distributor of Indian TAFE brand tractor. At present this company is the market leader in the tractor sector of Bangladesh. Here, It should be mentioned that TAFE Tractor is also holding number 1 position in India. Up to now they have sold 9000 units different model of TAFE Tractor. TAFE brand has a very good reputation in our country and this company has a very strong network all over Bangladesh.



TAFE Tractor



2. **karnafuli Private Ltd** : Established in 1989 and this company is the sole distributor of Indian Mahindra tractors in Bangladesh. At present this Mahindra brand is Holding number 2 position in the tractor industry of Bangladesh. Mahindra is also a leading brand in India. In India their position is number 2.



Tractors of Mahindra

.3. **Chittagong Builders Ltd:** Established in 1988 and this company is called the king of Power tiller and diesel engine sector of Bangladesh. A Chittagong Builders and Machineries is the sole distributor of Chinese “Syfeng” brand power tiller and Diesel engine. Power tiller and Diesel engine of ‘Syfeng brand has a very good or in other words unbreakable reputation in the market .For this reason ,the sales volume of chittagong builders is also very high comparing to others .



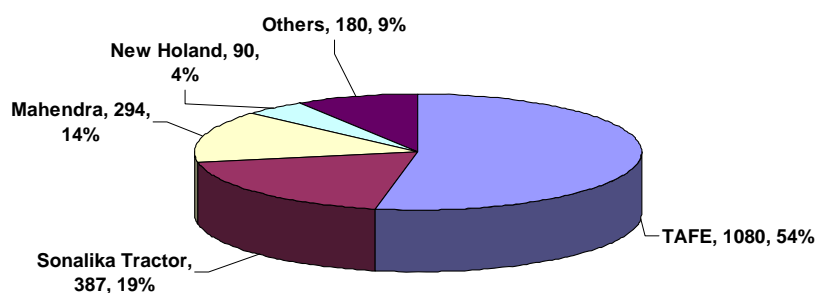
Power tiller and diesel Engine of “Syfeng” Brand



Present situation Of ACI Motors:

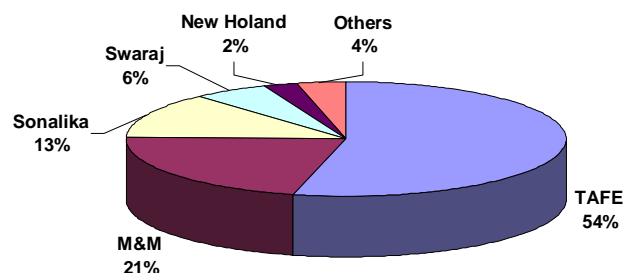
ACI Motors is a new company in this agrimachinery industry in Bangladesh. But, as a new company the achievement of ACI Motors is excellent especially in tractor industry. At present in 2009 “SONALIKA” tractor of ACI motors is holding the 3rd position in the country with 13% market share and giving very tough competition to Mahindra. Up to now ACI motors has sold 1500 unit tractors all over Bangladesh.

Market Share of Tractor in 2008:



Market share of Tractor in 2008 by value (mio Tk)

Market Share of Tractor in 2009:



Source: Marketing Plan of ACI Motors: 1st quarter (Jan-March), 2010

In 2009 market share of Sonalika tractor has reduce due to shortage of inventory, Zero stock of Rotavator and Defensive credit policy

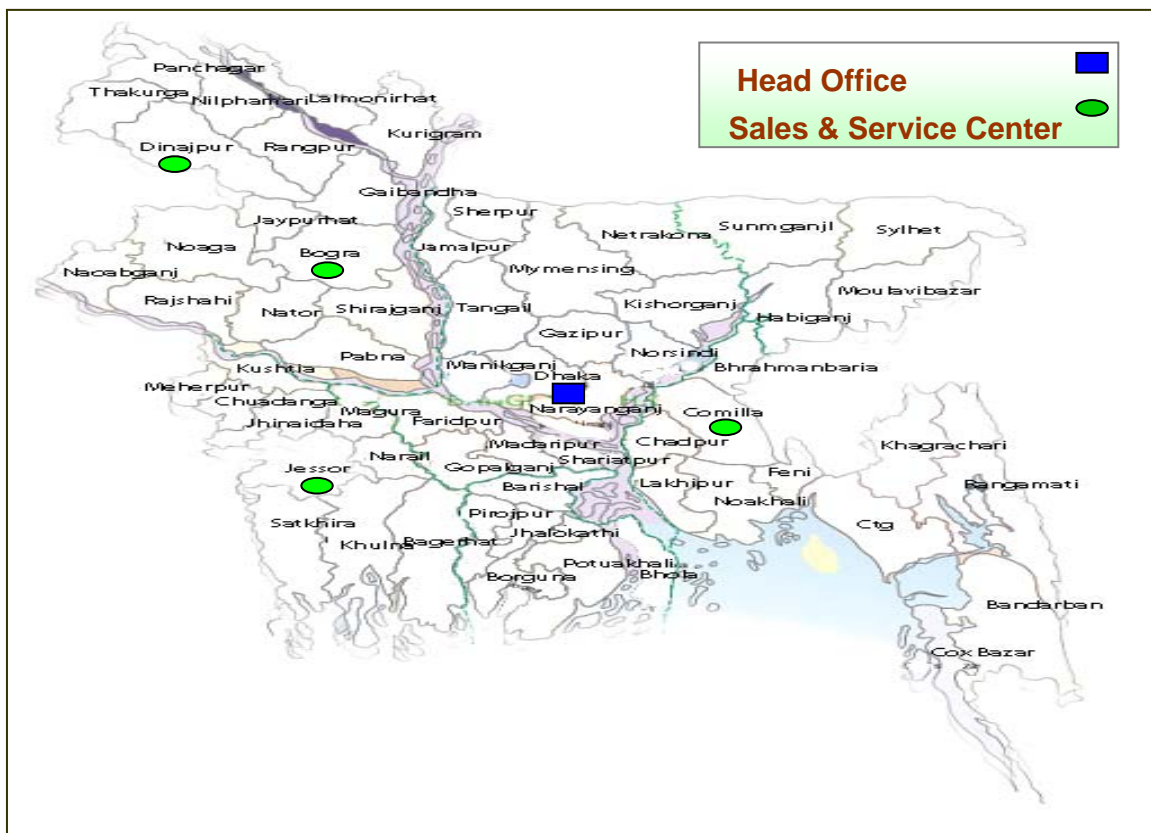


Selling System of ACI motors:

Although the users of ACI motors products is huge but the target group of ACI motors is not that much big especially for Tractor combine harvester and rice transplanter. So, 1 to 1 selling strategy is used by ACI motors. ACI motors have 6 show room at 6 division in Bangladesh for distributing and selling their machineries. ACI motor has showroom in:--

- ❖ Comilla
- ❖ Dinajpur
- ❖ Jessore
- ❖ Bogra
- ❖ Rangpur
- ❖ Sylhet

Sales & Service Center of ACI Agri Machineries





For identifying prospect, motivating them, projecting year to year sales ACI Motor has Territory Manger in each division, Marketing officer and more than 100 sales officer all over Bangladesh

For selling power Tiller to the final customers ACI Motors has 300 dealers all over Bangladesh. Basically dealers are the targeted customers of ACI Motors. And for identifying new dealers, monitoring dealers and maintaining a sound relationship there is a separate team of Marketing and sales officer in every region headed by the 3 area Managers.

Selling procedure of Sonalika Tractor:

Different models of Sonalika tractor is sold by 25%to 30% down payment of the total amount of the tractor. Rest of the amount is collected by 24 installments within 2 years with adding service charge from the customers. At the time of selling the tractor is registered on the name of ACI motors so that the company can take the tractor from customer if he failed to pay his installment. After completing the installment customers can register this tractor on his own name at his own cost.

Model Wise Price Down payment & Installment Size Sales Procedure

Model Name	Tread Price	Down Payment 30%	Monthly Installment Size			
			In 12 Months	Realization Amount	In 24 Months	Realization Amount
DI 730	540,000	162,000	34,624	415,488	18,862	452,688
DI 35	610,000	183,000	39,113	469,356	21,307	511,368
DI 745	695,000	208,500	44,563	534,756	24,276	582,624
DI 750	760,000	228,000	48,731	584,772	26,546	637,104
DI 60	915,000	274,500	58,669	704,028	31,960	767,040



ACI Motors has agreement with Krishi Bank and Markentile Bank and Agrani Bank from which customer can take loan for buying tractor at a interest rate of 10% to 11 %

Customers Incentive:

ACI motor offer following incentive to their customers for purchasing their tractor:-- .

Cash discount: ACI motor offers Cash discount of 25000/= if down payment is more than 30%

Gift Item: TV or Freeze, Rain Coat, Wall Clock , Mobile Phone, Cap, T-Shirt etc

Selling procedure of Power tiller:

ACI Motor Sell its “Bull Power” Power tiller to the dealers both on cash and on credit. Credit limit for the dealers starts from 80,000 taka to up to 70, 00000 depending on the capability and reputation of the dealer. Like tractor power tiller customers also receive cash discount and gift items according to their performance of transaction with the company

Selling procedure for *Bull Power Rice Cutter* and *Daedong Combine harvester*:

Cash selling is preferable for selling “Bull Power Rice Cutter” to the individual farmer. Because the retail price of this Rice cutter is only 14,500/= taka. But for the dealers this price comes down to 12,500/= taka as dealers. ACI Motors has a plan to attract present power tiller dealers of ACI Motors, Sonalika tractor customers and the dealers of ACI Seed and fertilizer to get the dealership of this Rice Cutter Machine.

On the other hand “Daedong Combine Harvester” is a recent product of ACI Motors. This machine is also new in Bangladesh. ACI Motors only sold one unit of this “Daedong Combine Harvester” at Maherpur area. And, it is sold by 50% down payment with 1 year installment. This customer also gets a cash discount of 30000 taka.

ACI Motor has not sold any unit of Daedong Rice Transplanter. This technology is



completely new in Bangladesh and ACI Motors first launched in 18 February.

Apart from selling to the individual customers and dealers ACI Motor also sell their Machineries to different Government Organization through participating in the tender.

After Sell Service System Of ACI Motors:

In this Agriculture Machineries sector after sale service plays a vital role for building a company's reputation. Because in our country knowledge level of farmers or users about using agriculture machineries is very low. For this reason ACI motors has build up a strong after sales services and spare parts department headed with the service Manager, Service Engineer, Service Coordination Executive, Senior and junior Mechanics. The main objective of this department is to retain customer satisfaction. The total permanent manpower of ACI Motor after sales service and spare parts department is 45. Apart from these, ACI Motors also have some contractual mechanics. This department also gives their Service Engineers and mechanics to participate in different training program organized by Bangladesh Agriculture Research Institution where they learn how to operate and manufacture different types of new and light agricultural machineries.

Apart from these Service and spare parts department of ACI Motor organized training program for their service engineers and mechanics to increase their product knowledge and efficiency. Training is given by the expert Indian Service engineer of sonalika tractor.

After selling of agrimachineries to customers Service engineer or mechanics of this department provide practical training to the customers about how to drive tractor, power tiller, how to maintain it properly, what should do and what should not to do etc. A written Bengali manual is also given at that time.

For Tractor Service department of ACI Motors provide 1 year free servicing or free servicing for using up to 1500 hours which one appears first. Customers receive free tractor serving according to the following using hour slot:--



- 1st service : after 50 hour
- 2nd service : after 250 hour
- 3rd service : 500 hour
- 4th service: 750 hour
- 5th service: 1000 hour
- 6th service : 1250 hour
- 7 7th service : 1500 hour

WARRANTY POLICY FOR SONALIKA TRACTOR

- Warranty up to **12 months or 1500 hours** (whichever appears earlier).
- Welding, machining, transportation, labor charges will not covered under warranty.
- Electrical items like bulb, Switches and glasses do not come under warranty.
- Filters, oil, gasket, hose pipe, Nut & bolts, Clutch Lining, Brake lining Plastic materials, Chain & Pins, front & rear wheel bearing are not included in the warranty.
- Warranty is not applicable if tractor used in overload & poor maintenance

Uniqueness of ACI Motors After Sales service department:

- **Provide maximum free service:** Free servicing facilities of Sonalika Tractor start after 50 hours where other companies start this facility after 300 hour.
- **Door to Door Service:** It is a unique service providing system of ACI Motor after sell service department. In this system customers of ACI Motor give a call to the service engineer or service Coordination Executive of his region and told his problem. After that, Mechanic of that region will go to his house or mentioned place according to the promised schedule. Here, the customer does not have to take his machine or drive his machine to the showroom of his region.



Recommendation for ACI Motors:

- 1) **Import DI-55 model of Agriculture Tractor Instead of DI-60:** The present price of DI-60 model Sonalika agriculture tractor is 9, 30,000 taka which is not affordable for the customers. The price of Sonalika DI-55 will be 8,50,000 taka. For this reason I think that it will be better for ACI motors if they import DI-55 Model OF Tractor instead of DI-90.

- 2) **Established a Sales and spare parts center in Dhaka:**

Competitors of ACI Motors like TAFEE and Mahindra has a sales and spare parts center in Dhaka but ACI motors don't have nay sales and spare parts center in Dhaka. For this reason customers who live around Dhaka like: Norsingdi, Gazipur, Dhamrai etc face problem because for buying sparte parts they have to go comilla showroom.

- 3) **Appoint more Territory Managers:**

At present in ACI Motors are managing their sales in all over Bangladesh through only 6 territory managers in 6 division. This 6 territory mangers have to cover 64 district of Bangladesh. Under 1 territory manger there are too many districts. For example: The territory managers of Jessore have to cover 12 district which is very difficult for him mange and make proper concentration on each district.

- 4) **Take aggressive promotion activities:**

As a new company ACI Motors is not attempting enough promotion activities as should be. They are not giving any advertisement in TV and Radio but their competitors especially TAFEE is giving TV advertisement of their tractor. ACI Motors should also increase their billboard advertisement in different district.



Conclusion:

To conclude I want to say that as a new company the performance of ACI Motors up to now is quite impressive. Although it will be very tough for ACI Motors to get the market leadership of tractor from the metal pvt Ltd by 2016. As, they have a very strong network which they build up with their working experience. But I think that their Combine Harvester, Bull power Rice Cutter and Daedong Combine harvester machine has a very good opportunity in the market and by promoting this products properly they can easily took the position of market leader of that product.

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1. www.acibd.com
2. www.moa.gov.bd
3. marketing plan of ACI Motors-4th quarter,2009

THE END
