

Internship Report on the Procurement process of
United Groups ‘IPCO Development & Hotels Limited’



Internship Report on the Procurement process of United Groups 'IPCO Development & Hotels Limited'

Submitted to,

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Submitted by,

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Date of Submission: 03.08.2017

CHAPTER I
Prefatory Part

Letter of Transmittal

3rd August, 2017

To

Ms. Rahma Akhter

Lecturer

BRAC Business School

BRAC University

Subject: Submission of the internship report on the Procurement process of United Groups 'IPCO Development & Hotels Limited'

Dear Ma'am,

With due respect, I would gladly like to inform you that I am very pleased to submit my internship report on the 'Procurement process of United Groups IPCO Development & Hotels Limited' as part of the BUS400 course. Over the last 3 months I have gained a lot of practical experience by doing the internship. I was assigned to the procurement department to mainly prepare purchase orders but I have observed the whole procurement process of the company for gaining more knowledge. In order to do that, I have visited the store department and the accounts department of the company several times.

I have tried my best to gather all the information related to the topic of this paper in the last 3 months. In spite of the various difficulties faced while preparing this report it was a great experience for me to work in the 'United Group' and I really enjoyed being a part of the group.

Sincerely yours,

Md. Ishtiak Sarwar

Id- 13104034

Acknowledgement

First of all I want to thanks the almighty Allah for giving me the strength to complete this report. Without him nothing is possible. Then I would like to express sincere gratitude to my advising supervisor Ms. Rahma Akhter who guided me and co-operated me whenever I needed her. My heartfelt thanks to my internship supervisor Mr. Abdullah Al Maruf (Assistant manager of finance & accounts), who has guided and supported me with sincerity and patience throughout the whole work. I want to specially thanks Mr. Jahurul Haque (Assistant manger procurement department), who constantly encouraged me and gave me feedbacks throughout the internship process. I am also thankful to Solayman Sikder (DGM of procurement department), for giving me permission to see the whole procurement process of the company. Finally I like to thanks all the the personals of procurement and finance department of IPCO Development Limited for being supporting to me all the time.

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Executive Summary

United Group is one of the most recognized business houses of the nation. IPCO Development and Hotels Limited is United Groups one of the biggest project where I was assigned as an intern. IPCO is a comprehensive hospitality centre of buildings and facilities, designed with the prospect of providing luxurious shopping, business and hotel experience.

Procurement is one of the major functional department of United Groups 'IPCO Development Limited' under the finance department. Throughout the report I tried to give brief idea about the United Group as a business house, the whole procurement process and my experience during the internship program. Procurement is a long process that involves store department and accounts as well. Procurement department concerns with all the purchase related activities such as preparing purchase order, preparing material receiving report, vendor enlistment, communicating and negotiating with vendors, doing market research, database management, ordering items etc. During my internship I have also worked in the accounts department which is related to the procurement process. My key activities were updating receipt journal after receiving new materials in store and updating stock journal when materials go out of store on Tally ERP 9 and also updating the ledger book.

All these practical learning's will surely help me a lot in the corporate life even though I think 3 month is insufficient amount of time to get good enough exposure to a big company such as United Group.

CHAPTER II

Company Overview

United Group

United Enterprises and Companies Limited was framed in 1978 by the Founding Directors who imagined a firm with a core set of qualities including innovative thinking, commitments to its stakeholders, and being ethical in all its practices. Today, after more than three and a half numerous times of leading business, it is right now known as United Group: a standout among the most recognized business houses of the country.

History

In the year 1978 it was all started. Three companions, having chosen to start business together, acquired a little organization for a small entirety, shaping a partnership based institution. They acted as contractual workers for the Trading Corporation of Bangladesh and later in 1979, registered the firm as a limited liability company. Thus, United Group, as we know it today, was born.

In the mid 80s, the Group was related with trading with Bulgarian firms dealing radio transmitters and unified gear in return for turnkey answers for Radio Bangladesh. Truth be told, this helped set up a some of the real radio stations of the nation amid that time. In 1983, an arrangement was marked with Koppers Inc. USA by the Group to wind up plainly the previous' Exclusive Representative in Bangladesh for their wood treating chemicals and Wooden posts for the Rural Electrification Board (REB). Amid the late 80s, the Group obtained oil tankers for transportation of heater oil and molasses amongst Chittagong and Khulna. Because of the last said, the circumstance was for all intents and purposes monopolistic, as the Group was accountable for all inland course transport for molasses being conveyed of the country.

Amid that same period, the Group additionally got drew in with a few government ventures for the Water Development Board (WDB) for stream preparing and seaside bank assurance of waterways that were powerless against disintegration. It made broad utilization of geotextiles, a progressive material that has a great limit with regards to soil maintenance, along these lines turning into the primary organization to present this innovation in Bangladesh. Subsequently, it was very fruitful in its wander and cases of its work are apparent till today.

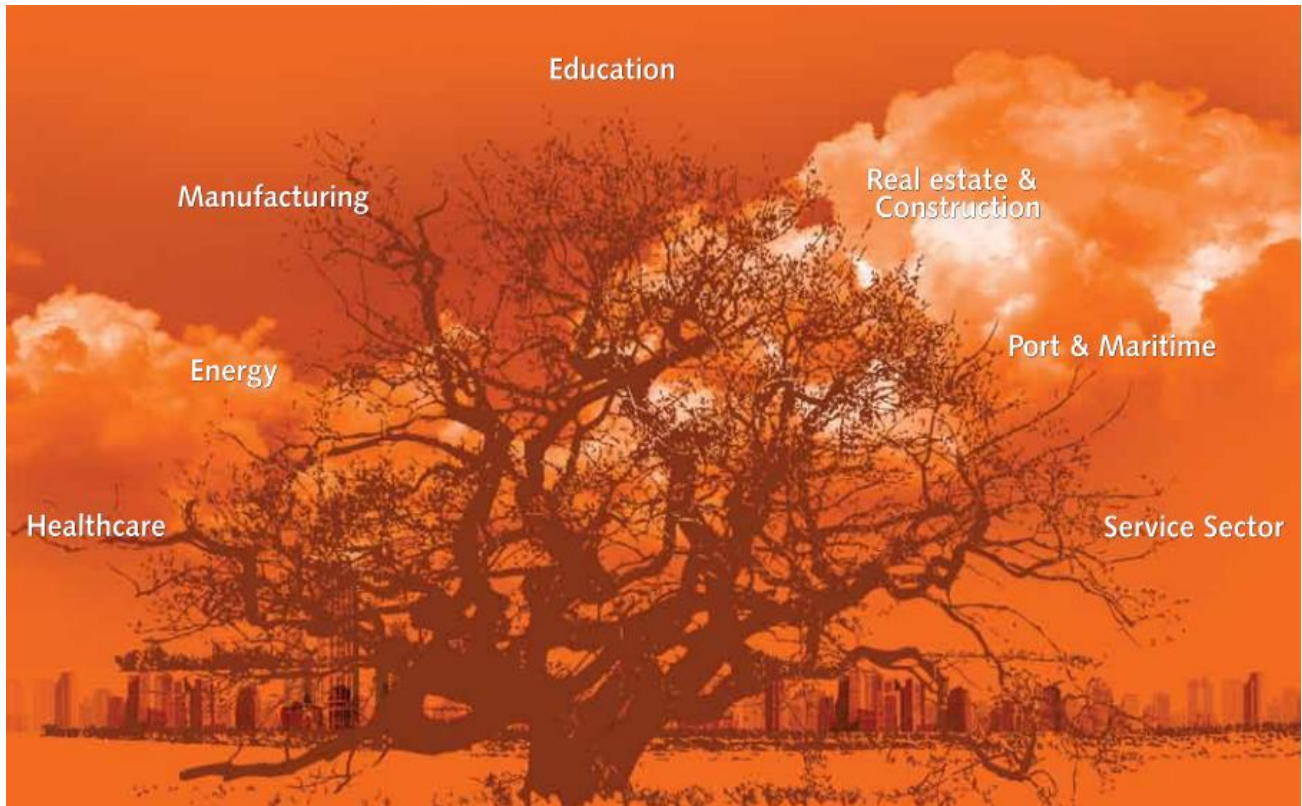
Since the mid 90's the Group stretch out into a few new directions. It dug into the market for quality real estate projects, still in its initial years amid that time, under the pennant of Dream Builders Ltd. This organization went ahead to build up some fantastic activities throughout the years in the excellent zones of Dhaka, including Gulshan and Baridhara. At that point in 1992, it gained Summit United Tank Terminals Ltd. from remote proprietors. This would all the while make it the first private sector firm in the nation to work such terminals and also making it one of only a handful couple of organizations in the nation to procure outside possessed foundations. The last is something which it has carried on right up 'til today, with its next acquisition being the Van Omeron Tank Terminals Ltd. amid the last half of the 90s. By 1996 it entered the yarn producing market putting resources into Comilla Spinning Mills Ltd. which, to date, is one of the finest result of blended yarns in the market. In 1997, it set up the primary independent power

organization in Bangladesh, being one of the co-proprietors of Khulna Power Company Ltd. This really settled the basis for united and on which it continued proceeding with interest in the power division, having set up a few little power plants for REB from that point. Since 2000, United Group has seen various new entryways open up to advance conceivable outcomes in the business world including opportune expansion of Neptune Land Development Ltd. in 2003 with the super land extend "Joined City". 2004 alone observed the development of United Hospital Ltd, United Rotospin Ltd., Novo Healthcare and Pharma Ltd. what's more, United national University. At long last, with expansion of United Land Port Teknaf Ltd. a "Fabricate Operate and Transfer" convention extend with the Government in 2006, the organization had enough chances to seek after well into the following decade, having firmly settled in itself into some of the most profitable yet technologically advanced sectors in the country.

At this point, the Groups involvement in the Power Sector in the end prompted the arrangement of United Power Generation and Distribution Company Ltd (beforehand known as Malancha Holdings Ltd) in 2007, a really spearheading organization of its kind, which created business control plants in the nation. Along these lines, 2011 saw propelling of United Ashuganj Power Ltd, Khulna Power Company Unit II Ltd. furthermore, Khan Jahan Ali Power Company Ltd.

Business Operations

The core values have been tremendously beneficial for the Group over the years. Our unique understanding of economic & industrial priorities and our dedication towards excellent client – service have helped us to branch out in a number of commercial ventures. Power generation, healthcare, real estate and construction, yarn spinning, higher education and land port services are but a few of the areas we are directly involved in. As a result, the Group has a present valuation of almost TK. 82,000 million, a very honorable achievement in the space of over thirty five years. Few of the key business operations are discussed in the paper.



United Hospital Limited

United Hospital Ltd (UHL) was resulting from a dream to give entire and one-stop medicinal services answer for the general population. Opening its entryway in August 2006 and being arranged next to the pleasant Gulshan Lake, this is one of the biggest referral clinics, in the private part in Bangladesh.

United International University

In 2003, United Group ventured into education sector by joining some of the finest mind of the country under the standard of United International University (UIU). This is a pride venture of the Group and it intends to build up the university as one of the head seats of higher studies inside the nation as well as past concentrating on quality instruction and research work.

United Power plants

In 1997, United set up the first independent power organization in Bangladesh, being one of the principle co owners of Khulna Power Company Ltd. This really settled the ground work for united and on which it continued to invest in the power division. Few of them are:

United Power Generation & Distribution Co. Limited: In January 2007, United Power Generation and Distribution Co. Ltd. (formerly known as Malancha Holdings Ltd.) was conceived out of the need for continuous, quality power supply to the ventures housed inside the Export Processing Zones (EPZ) of Bangladesh. The aggregate venture cost of the plants stands at Tk. 7750 million.

United Ashuganj Power Limited: United Ashuganj Power Limited (UAPL), a 100% claimed organization of United Group, went into a Quick Rental Contract with Bangladesh Power Development Board (BPDB) on 23rd December, 2010 for providing power to the National Grid.

Khulna Power Company Limited: In October, 1998, Khulna Power Company Limited began operation of its plant at Khulna to be the first independent Power Producer in the private sector of the country.

Khan Jahan Ali Power Co. Limited: KJAPCL went into an agreement with Bangladesh Power Development Board (BPDB) on 25th July 2010, for the supply of electricity on rental basis for a long time.

United Landport Teknaf Limited

United Land Port Teknaf Ltd. (ulptl) is situated on 27 acres of land on the banks of Naff River at the southwest of Bangladesh. This is a port of travel for products between our nation and Myanmar.

United Maritime Academy

United Maritime Academy (UMA), one of the most recent ventures of United Group, began cruising in February 2012 with its first admission. Now, UMA is running pre-ocean preparing programs for deck and building engineering cadets with HNC and HND programs in Nautical Science and Marine Engineering awarded by Scottish Qualification Authority.

Unimart

Unimart is the only hypermarket in Bangladesh. A "hypermarket" is characterized as a retail space that joins a basic supply grocery supermarket and a departmental store, offering a substantial assortment of items. United Group realized that the ramifications of hypermarket are immense and the greatest limitation to a hypermarket is the necessity of huge space. The Group had an in-house arrangement: Gulshan Center Point, the cutting edge business and office constructing that offers tremendous space in each floor with 500 auto stopping office. Consequently the main hypermarket of the nation, Unimart, appeared.

United Makkah Madina Travel & Assistance Co. Ltd

United Makkah Madina Travel and Assistance Co. Ltd. set out upon its main goal to be a facilitator and guide for the hajjis amid this sacred trip. Perceived as one of only a handful few enrolled venture out organizations approved to manage all Hajj and Umrah matters, this organization has been arranging such outings for about 10 years now.

United Stock & Bond

United Stock and Bond has turned into a member of Dhaka Stock Exchange Ltd through United Enterprises and Co. Ltd. that opened its entryways in July 2010. This participation furnishes United Group with financier benefits, which enables it to be an entryway for imminent investors, both institutional and the normal resident.

Gunzi United Limited

In Bangladesh the fast development in the RMG segment has provoked the development of sewing string and embellishments area in the course of the most recent 20 years. The United Group has stepped up with regards to present Gunze brand of sewing strings in this nation by framing a Joint Venture Company – the Gunze United Ltd. in March 2012, in a joint effort with Gunze Ltd. of Japan.

Comilla Spinning Mill Limited

In a nation where the textiles industry is one of the significant supporters of the GDP Comilla Spinning Mills Ltd. has figured out how to make its stamp as a creator of top notch cotton, polyester and blended yarns.

NOVO Healthcare & Pharma Limited

NOVO Healthcare and Pharma Ltd., is a concern of United Group. NOVO Healthcare and Pharma Ltd. were set up in 2004 with cutting edge creation offices having a different large scale manufacturing unit for mass pellets in Bangladesh.

IPCO Development and Hotels Limited

IPCO Development and Hotels Limited is United Groups one of the biggest project and a sister concern. IPCO is a comprehensive hospitality centre of buildings and facilities, designed with the prospect of providing luxurious shopping, business and hotel experience. Lying adjacent to the Hazrat Shahjalal International Airport on Dhaka-Tongi Highway, the Airport Hotel & Retail Project will be a mega project of truly different class. Located in one of the most premium locations around Dhaka, it is being designed to offer the best accommodation, shopping & entertainment experience to business travelers, tourists and locals alike. It will include several structures a five star hotel, a three star hotel, a world class Shopping Mall with over 72,000 sqm of retail space, retail buildings, convention centers, banquet hall and a car parking building. It has a total construction area of 300,000 SQM with 1600 SQM for the car park.

Mission

- ✓ Committed to socio economic development of the country and continuously enhancing value for the stakeholders.
- ✓ To be a socially responsible corporate entity by supporting community development activities
- ✓ Creating bonds between highly productive entities, ensuring positive synergistic effects and therefore, maximizes the benefit for all those involved.
- ✓ Find business areas that can be improved and take initiatives to make things better

Vision

To be the best brand committed to excellence in all our endeavors

Slogan

A business house of your trust.

CSR Activities

United Group has made some amazing progress from its origin in 1978 to end up noticeably a standout amongst the most trusted business houses of the nation. All through this journey it always remembered its duties regarding the general public and got engaged with different ventures as a major aspect of its social obligations. To give this a regulated shape, the Group framed United Trust (UT) in December 2011. The vision was set to enhance the quality of life of the socially disadvantages population principally in the country zones. It is done for the most part by tending to individuals' fundamental needs – education, health and employment.

UT began its journey with the underlying mission to enhance the nature of progressing ventures and to make new ones in satisfying other fundamental needs according to the destinations of the Trust. In last around more than two years, in training part, it created framework and enhanced nature of instruction in 01 Degree College, 04 High Schools, 06 Alia Madrashes (Kamil and

Fazil), 03 Hifzkhanas and 05 orphanage along with 11 Primary Schools spread more than 04 regions. In wellbeing division, it has likewise settled a 30 bed rural hospital at Maloncha, Jamalpur, 30 bed rural eye clinic with outside offices at Bikrompur, Munshigonj, 10 bed rural health clinic at Motkhola, Kishoregonj and small outdoor clinic at Momenabad, Jamalpur and Nijkunjora, Feni. On a normal, 50,000 outdoor patients are dealt with and 2000 cataract operations are led in those country centers.

Other than these, UT is likewise running enhanced ventures like "Interest Free Micro Credit" for rural women, and small business people, "Intereste Free Farmer's Loan" for minimal ranchers, "professional Training" for the jobless youths, "Handicraft Project" for rural women, "Monetary Assistance" for advance treatment, poor marriage and desperate, "Old age Allowance", "Rural Sanitation", "Safe Drinking Water" in rural areas. It additionally gives noteworthy financial help to development of mosques and training foundations. It wants to attempt an "Old Home" and "Guchchogram" extends soon in Jamalpur territory which should house the ruined elderly individuals and the dejected families in the range who have nobody to take care of.

SWOT Analysis:

Strength:

- Reputation of the company
- Diversified business operations
- Huge financial backup
- Good infrastructure
- Uniformity across divisions
- Experienced work force
- Strong working relationship with clients

Weakness:

- Lack of accountability of management and employees in few divisions.
- Use of old technology in some unit
- Lack of minority in the work force

Opportunities:

- Opening new business operations
- Buying new and much faster technologies for some department
- Increase the number of employees
- Increase more branch office

Threats:

- Increasing rate of tax and vat
- Increase of competition in few sectors
- Political & economical stability of Bangladesh

CHAPTER III

Project Part

Introduction of the project

United Groups 'IPCO Development & Hotels Limited' is where I assigned to do my internship program. I worked in the procurement department which is under the supply chain management. I have been assigned to prepare this report by my honorable supervisor Ms. Rahma Akhter. The report is based on the procurement process of the company with respect to my knowledge and working experience that I gained during the three months internship program. Procurement is one of the major functional department of the company and its working process is vast. Procurement unit deals with all the purchase that needs to conduct business operation of the company.

Purpose of the Report

The internship report is a requirement for BRAC Business School students to complete the Bachelor of Business Administration degree from BRAC University. Internship report is based on the 12 weeks internship program that a student needs to do as part of BUS400 course. The motivation behind the Internship Program is to facilitate student learning opportunities outside the classroom. This exposure provides the opportunity to apply classroom theory to the corporate world thus enhancing the students' academic and career goals. The purpose of the report is to demonstrate and analyze the activities, performances and other related business affairs of the procurement department of United Groups IPCO Development Limited.

Timeline

I started my internship on 2nd may of 2017 in United Groups IPCO Development Limited. It was a three month process with 10 weeks of organizational attachment and 2 weeks of report finalization work even though I started working on the report in my second week. In the first month I was only assigned to prepare purchase orders and voucher management. In that period, I only write down my experiences and company details. In the second month I started gathering as much information as I could to complete the report. I did the surveys and analyze the whole procurement process. In the last month I got very familiar with the process and started writing hypothesis, my findings and recommendations about the program. So it took me all three month to complete the report.

Limitations

In the process of completing this report I have faced few difficulties and restrictions, otherwise I could have add more information to the study. Confidentiality is one of them, thus the reason why management did not permit me to use the picture of the balance sheet and income statement in the paper. Due to their legal terms United do not allow their employees to use restricted data's

outside the company. Another constraint was that I was not able to visit the head office to get even bigger exposure to the company. Furthermore, they gave me a personal computer instead of laptop so when I went to the store or any other department I had to take notes in the paper. Finally I think the time allocated for internship program which is 12 weeks is not sufficient enough to get proper exposure to big companies such as United Group. With more time this paper would only get better.

Methodology

For preparing this paper I needed to select sample from target population, primary and secondary data source for data collection.

Framework

This paper is divided in four parts, the preparatory part, the organizational part, the project part and the supplementary part. In the organization part I tried to give brief idea about the United Group, their history, business operations, mission, vision, future goals etc. The project part is the most significant part of this report. In this part I discussed the procurement process, work experience during the internship program, hypothesis, survey and findings. Finally I attached the appendix and references in the supplementary part.

Data collection method:

To prepare this report I collected data from both primary and secondary source.

Primary source:

- i. Communication with colleagues of procurement department
- ii. Visiting store and accounts
- iii. Face to face conversation with vendors
- iv. Making phone calls to communicate with few listed vendors
- v. Observing day to day activities of all personals.

Secondary source:

- i. United Groups brochures
- ii. United Groups official website
- iii. Google scholar and Google search
- iv. Company terms and policy.

Sample selection

Target population for the study is all the vendors of united group. To do the research I have selected 15 samples who are the local vendors of IPCO. For selecting the sample I have used random sampling techniques.

Source of data

The information required from the target sample is obtained by face to face conversation and informal interviews. Some information is collected by internal employees from the sample. Furthermore, even though the questionnaire is in English, often I had to speak and obtained information in Bengali because it is easier to communicate with some people in Bengali.

Procurement Department

Procurement Department is a major functional department of IPCO Development Limited. Despite of its significance it is not a very big department. It is smaller than other major department such as marketing and finance. Procurement department has around 25 employees in total excluding ware-house/store department. Directive General Manager (DGM) of procurement and supply is head of the procurement department. He has three assistant general manager and other executive officers in sourcing, supply research and procurement administration section.

Store department is a part of Procurement Department. Store department has an office and two ware house. Store manager is the head of the store department. He is in charge of the entire store and the employees that work within. Store manager reports to the DGM of procurement department.

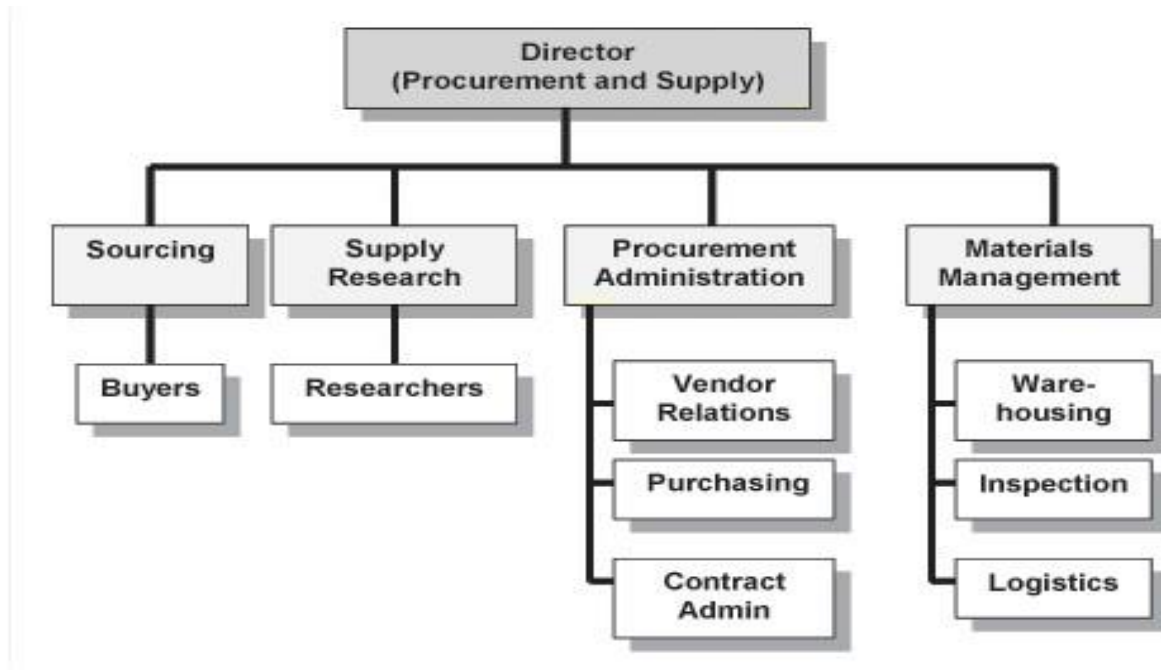


Figure: Structure of procurement department

Working Principles of Procurement Department

Procurement department is responsible for all the purchase related activities of IPCO Development Limited. Procurement's primary role is to obtain goods and services in response to the internal needs. For those who are not familiar with procurement may think there is not much work in this department but it's quite the opposite as procurement department has huge amount of tasks to do. They support operational requirements such as buying products and services at the

right and reasonable price, from the viable source, measures the right quality and quantity of the product, get delivery at the right time, check specification as per required etc to name a few. They also manage the procurement process by doing market research, enlisting vendors, identifying opportunities, managing internal operations, database management etc. Moreover procurement department has to coordinate and cooperate with every other department of IPCO in order to run its operation effectively. They have to cooperate and maintain strong and good working relationship with store and accounts. Every purchase of IPCO must go through the procurement department.



Figure: Major Procurement Activities

Procurement Process of IPCO

Procurement process of IPCO is consists of three systems:

- i) Ordering System,
- ii) Receiving System,
- iii) Distribution System.

When the demand for any good is realized it is forward to the procurement department. The procurement department then contacts the store department and forwards the demand to them. If the good is available in the store then they follow the distribution system and supply the good.

When the demanded goods are not available in store, then the company needs to procure the goods from vendors.

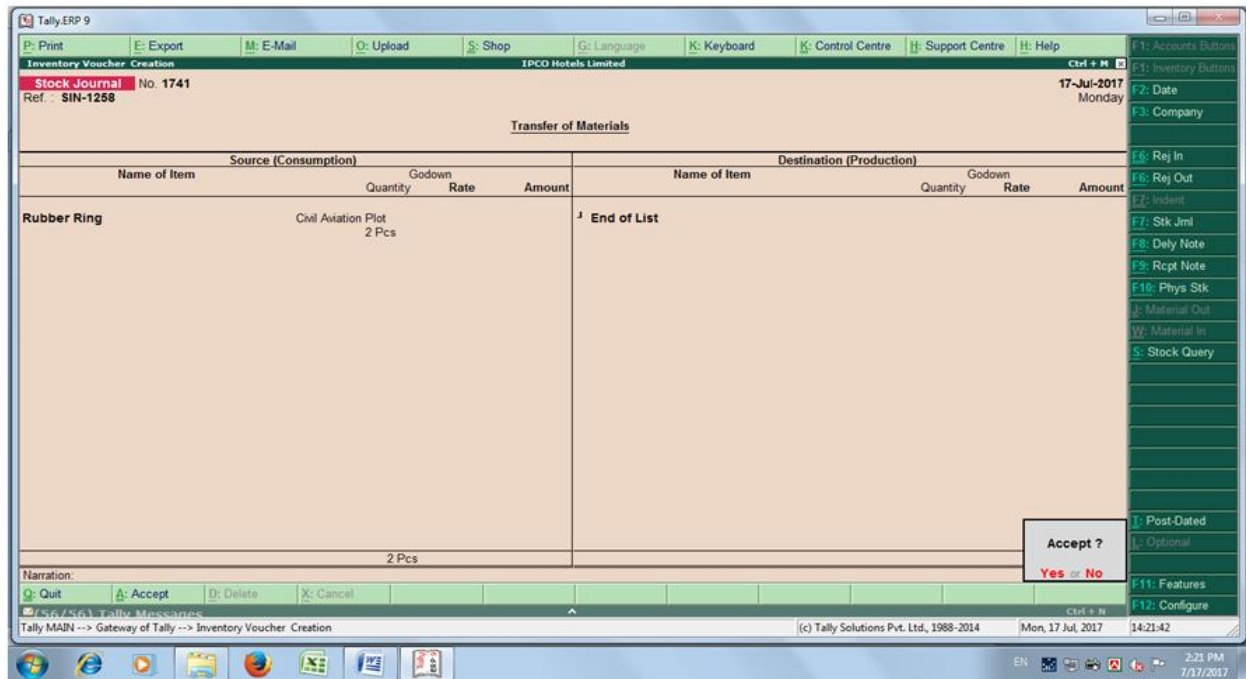


Figure: Stock Journal

Ordering system

Upon receiving the demand order, store prepares Material Purchase Requisition (MPR) and they include the present stock to MPR. They include the signature of store department and collect the approved signatures from engineering department to MPR. Afterward store department submit the approved MPR to procurement department and photocopy filed up to store for record.

Procurement department start doing market research and search for vendors after receiving MPR from store department. They search vendors by measuring the quality, commitment level and standard of the vendors and also give priority to the previous working experience with the vendor. After doing their research they enlist credible and potential vendors. They call the vendors, communicate with them about the work proposal, negotiate the terms and conditions and wait for the vendor's proposals and offerings. After getting the response they gather all the offers from different vendors. After that comes the most important part. Through the process of technical and financial evaluation they select the appropriate vendor and finally issue purchase order.

IPCO Hotels Limited

ipco
HOTELS LIMITED

PURCHASE ORDER

To	PO/IPCO/NEEL/4810/2016	DATE: 23/07/2016
National Electrodae & Electronics LTD. House # 20/B, Road # 14, Sector # 4 Uttara, Dhaka-1230	OUR REF MPR NO. 1143/16	DATE: 08/06/2016
Attn: Md. Hemayet Uddin Asst. General Manager Cell: 01717-4232016	DELIVERY TO (PROJECT NAME): IPCO Hotels Ltd. ADDRESS: Civil Aviation Area, New Airport Road, Kurmitola, Dhaka - 1229. Contact Person : (A.A. Masud, Store In-charge) Contact No : 0171-2910366.	
Delivery Require Date: On 23/07/2016		
MODE OF PAYMENT: A/C Payee Cheque <input type="checkbox"/> Cash <input type="checkbox"/>		

SL. No.	Description of Items	Size	QTY	Rate	Amount TK.
01	Welding Rod (Safe)	3.2 (450mm)	100 Pack	680.00	68,000.00
Total					68,000.00

In Words: Taka Sixty Eight Thousand Only.

Instructions:

1. Please quote this order number on all your Invoices & correspondence.
2. Part Bill will not be Entertained.
3. Please send all your bills in Duplicate.
4. Payments shall be made after Confirmation of Receipt of Materials in Good Condition.


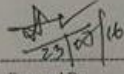
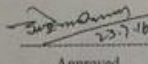
 Prepared By 23/07/16	 Forward By Deputy General Manager 23/07/16	 Approved Executive Director 23.7.16
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Figure: Purchase Order

Receiving System

The goods are sent to the store from vendors. Store receipt the goods with Challan as per MPR and check the security seal in the Challan. They measure the quantity and for some goods confirm the weight by weight bridge scale. After measuring the weight it is store departments responsibility to prepare measurement sheets. They include the receiver's signature in the challan and mark the destination location. Following that, store prepares the daily report by receiving challan. Daily report includes all the distributed and procured items and it is updated on a daily basis. Store then submit the daily report to concern person or all unit in charge. After that they prepare the Material Receiving Report (MRR) by challan and send the report to the Quality Committee for checking the materials quality. After the quality committee's members ensure the quality by including their signatures on MRR, store department includes the record of MRR to the register and ledger book and keep a copy of MRR to the store and send a copy to the accounts and procurement department. Procurement department includes the record of Material Receiving Report to the Tally ERP 9 software and start the bill processing process.

IPCO Developments (Bangladesh) Ltd. & IPCO Hotels Ltd.

Materials Receiving Statements

Date : 03.05.2017

MPR No.	Supplier's Name	Particular	Challan No	Unit	Quantity	Project Location	Remarks
	DL Filling Station	Diesel	Nil	Ltr.	80	Pickup Car	
	Safwan Bearing & Machineries	Bearing (6000)	1429	Pcs	2	Store	
1408	Barnali	Safety Shoe	Nil	Pair	1	Store	
1374	Saba Enterprise	4" Grinding Machine	Nil	Pcs	1	Store	
1408, 1390	M/S. Anna General Store	Umbrella	1618	Pcs	3	Store	
	Jahangir Electric	A-1 Vernish		Ltr.	2		
		1" Cotton Tape	Nil	Roll	6	Store	
		Copper Wire		Kg	5		
		Fibre		Pcs	1		
1408	KEN Center	Armature Spindle	22205	Pcs	1	Store	
1368	Rupshi Carpet House	Paposh Net	Nil	Rft.	80	Store	
1407	New Osmani Mill Store	Star Screw Driver (6")	Nil	Pcs	4	Store	

Date : 04.05.2017

MPR No.	Supplier's Name	Particular	Challan No	Unit	Quantity	Project Location	Remarks
	Kapita Auto Bricks Ltd.	Brick	17363	Pcs	3000	Car Parking & Office Building	
1387	M/S. Al-Amin Traders	Local Sand	2184	Cft.	198.83	Car Parking & Office Building	
1364	M/S. Al-Amin Traders	Filling Sand	2185-95	Cft.	2203.41	Car Parking A, Office Building	

Figure: Material Receiving Statements

The bill processing only begins after receiving the invoice from the vendor. The vendor may send the invoice via email or postal mail. Procurement department compares the Purchase Order, MRR and Invoice to each other and double check it. Only when the details in the three documents are in agreement, a vendor's invoice will be entered into the Accounts Payable account and scheduled for payment. Procurement department prepares the purchase journal and also calculate the TDS (tax deductible at source), TAX and VAT and make adjustment to the invoice from which finally the Payment voucher is prepared by the Accounts. The payment could be given by Bank check or by cash. If the payment amount is less than 5000 taka, IPCO pay with cash and all above five thousand taka payment is given by Bank checks. It also depends on the vendors. Few are very small vendors with less financial papers so the company usually pays them with cash. After receiving the check or cash the vendor sends Cash Receipt to IPCO Development Limited by postal mail confirming that they got the money.

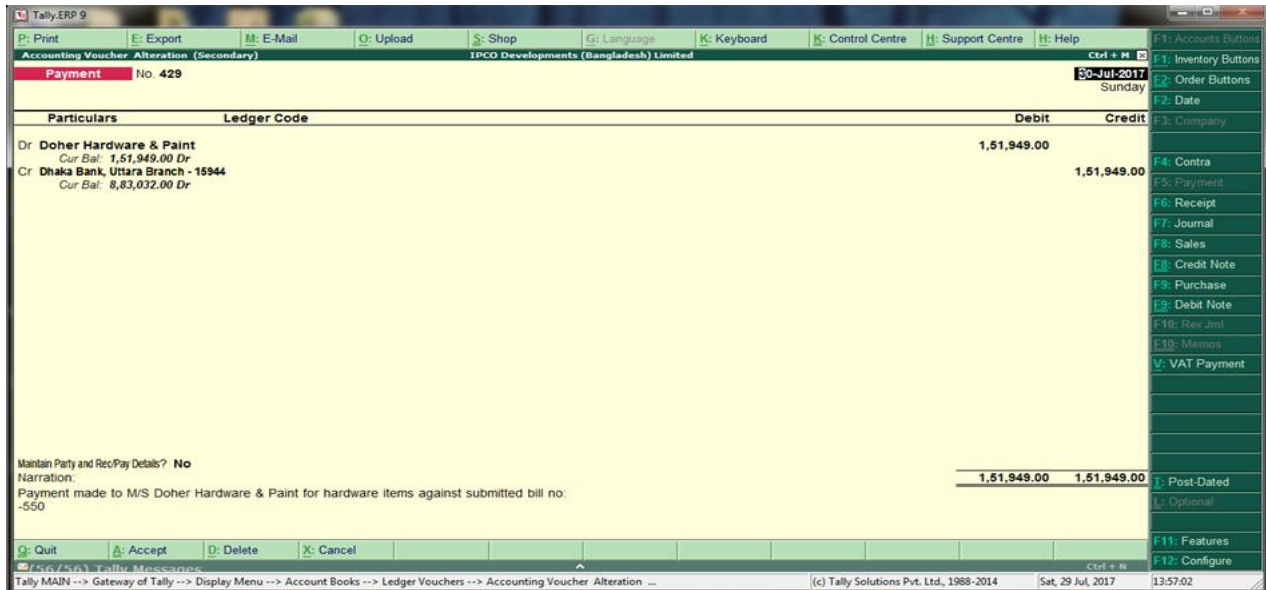


Figure: Payment Voucher

Distribution System

After receiving procured item from suppliers it is stored in the store house. The concern person of IPCO who requires the item needs to collect it from the store department. First store department collects the approved Materials Issue Note (MIN) from the concern person. They check the MIN with proper supporting materials as per MIN to receivers and include the store signature to MIN. after that they deliver the materials as per MIN to the receivers and include receiver's signature to the MIN.

IPCO Developments (Bangladesh) Ltd. & IPCO Hotels Ltd.						
Civil Aviation Plot, Dhaka-Tongi-Highway, Kurmitola, Dhaka-1229.						
SIN NO: 1689			Date : 15.07.17			
STORE ISSUE NOTE						
IPCO Developments (Bangladesh) Ltd.						
(4 Star Hotel & Retail)						
Sl. No	Name of Materials	Unit	Quantity	Unit-in-Charge	Project Site	Posted
1	Diesel	Ltr.	542	Common	Common	
2	8" Ceiling Exhaust Fan	Pos	1			
3	2' Tube Light Set	Pos	1			
4	PVC Tape	Pos	1			
5	Strip - 129 Pcs	Kg	119			
6	V-Belt (A-54)	Pos	2			
7	Carbon Brush (7)	Pair	3			
8	Gear Oil	Ltr.	5			
Prepared by		Store Dept.		Project Co-Ordinator/CM		
(3 of 3)						

Figure: Store Issue Note

After that, they prepare the Store Issue Note (SIN) from the MIN and include the signatures to SIN by all unit-in-charges. They issue the materials of SIN from Tally ERP software. They also update the receipt journal after receiving new materials in store and update stock journal when materials go out of store on Tally software. Finally they issue the materials of SIN from Ledger book and fill up for official record.

Tally Software

Tally is comprehensive business management software that is extremely simple to use. Tally software plays significant amount of role in the procurement process of IPCO Development Limited. Tally ERP 9 is an ideal business administration arrangement and GST programming. It is a total package that holds its unique effortless yet offers far reaching business functionalities, for example, Accounting, Finance, Inventory, Sales, Purchase, Point of Sales, Manufacturing, Costing, Job Costing, Payroll and Branch Management alongside consistence abilities for TAX, VAT, TDS and TCS as well. It is also highly secure and safe. Tally ERP 9 synchronizes business information over multiple branches without the need of simultaneously associated with each other; in this manner wiping out the requirement for inflexible timetables to solidify branch information.

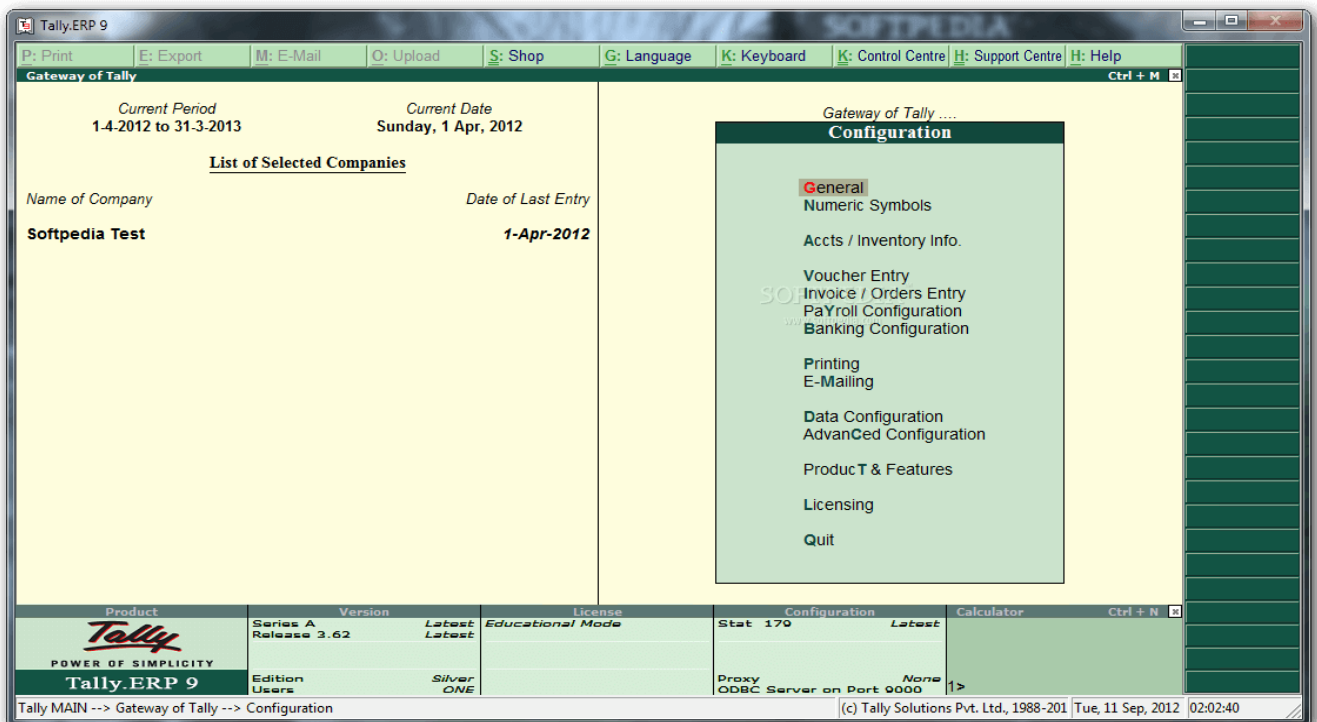


Figure: Tally ERP 9

Working Experience as Intern

Working in United Groups IPCO Development Limited for the three month time frame as an intern was a noteworthy piece of my life. It was so critical for me since it was my first introduction to the corporate life. I was so excited in light of the fact that I generally dream to work in a professional workplace. At long last my fantasy worked out as expected when I got the email notice of participating in United Group and decide to join.

I was employed in the Procurement department under the supply chain management. On the first day at my office I was introduced to the procurement and accounts department. My supervisor then gave me a brief overview of the entire organization. In the first week I got the overall idea about companies supply chain management procedures. In the first month my key jobs was to prepare purchase order and file management such as Payment Voucher, Material Receiving Report, Invoices, Bills, Challans, Money receipts, Bank checks, Measurement Sheets etc. of various parties. In that time period, I worked both in procurement and accounts. One of my key activities throughout the three months is handling cash payments of labors, staffs and low ranked employees. Every Thursday IPCO made the payment of low ranked employees so in that time I worked in the cash department.

During the second month I visited store department several times to see how they operate day to day activities. In that time period i was assigned to do few more activities such as Updating receipt journal after receiving new materials in store and updating stock journal when materials go out of store on Tally ERP 9 and preparing Store Issue Note (SIN) from Material Issue Note (MIN) on MS Excel. I was also learned how to prepare payment vouchers on Tally software.

In the last month, I was given task to communicate with vendors and order items as per required. I must say all these work helped me gain tremendous amount of experience in the work field. In the last few weeks I was more focused with my internship report. I started collecting data for my report and ask for help to my senior colleagues and they were all helpful to me.

United Group gave me an entertaining knowledge about corporate world. The environment here was in single word "outstanding". They valued every last worker to utmost level. Connection between the people is far nearer than the professional relationship. Overall, the entire organization gave me the feeling of a family. These three months will always be a memorable and learning curve to my life.

Survey

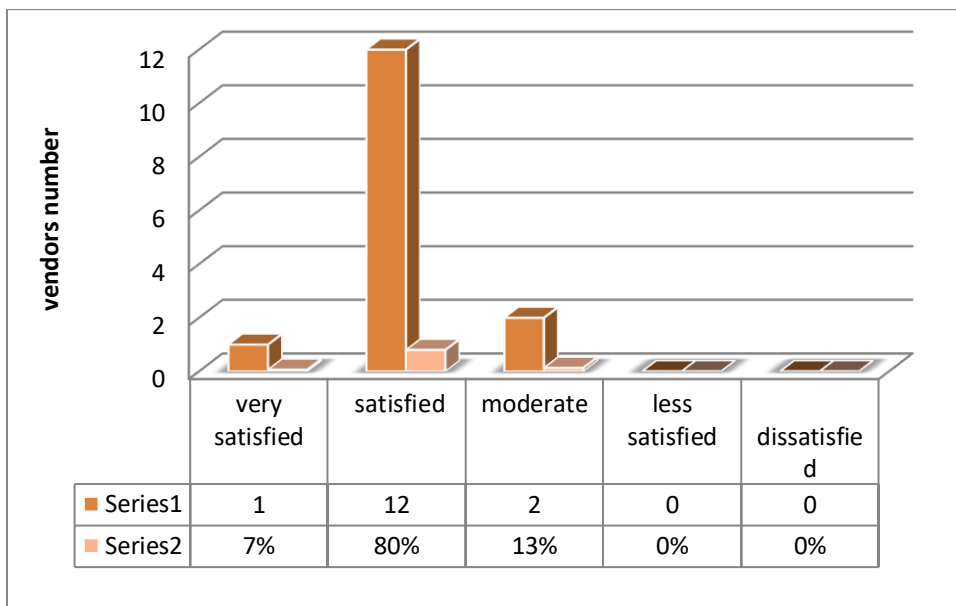
In the three months of my internship program I worked so hard to collect the data for this report and for the survey. I collected both primary and secondary data. My target population is all the vendors of United Group and my target sample is the local vendors of IPCO Development Limited.

I selected the sample by using random sampling techniques. My supervisor provided me the list of local vendors and few files of vouchers of 2017. I randomly choose few vendors and communicated with him via phone calls. Few other responses I got from the vendors are by having face to face interviews in the office.

The sample size for this paper is 15. I would love to have more samples but it is quite difficult to get response from them.

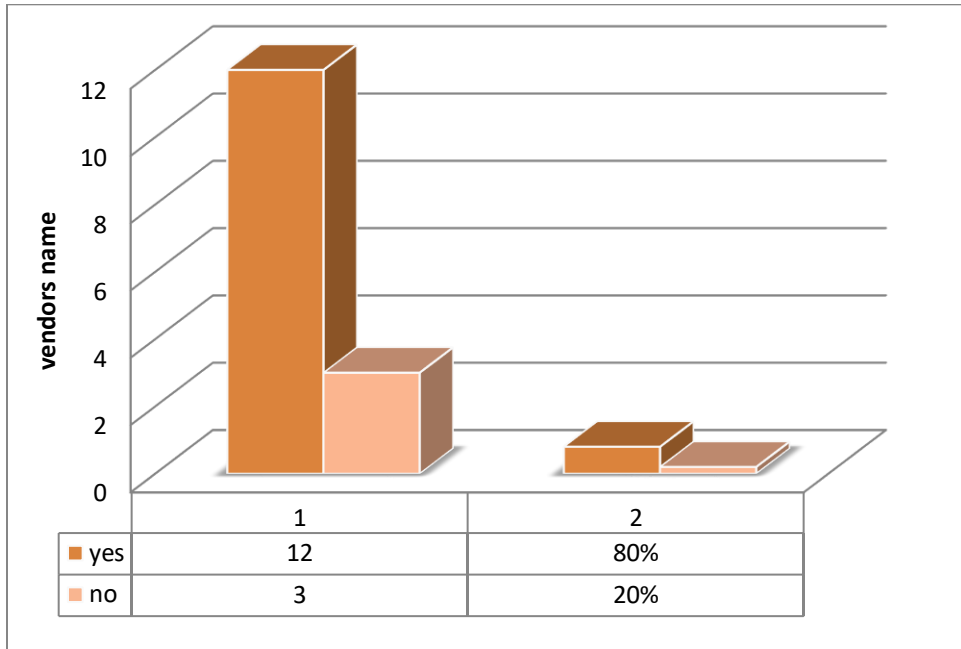
Based on the responses of my target sample I can comfortably demonstrate the result of my survey.

1. The first question was ‘Is the correspondence level of United Group with vendors is viable?’



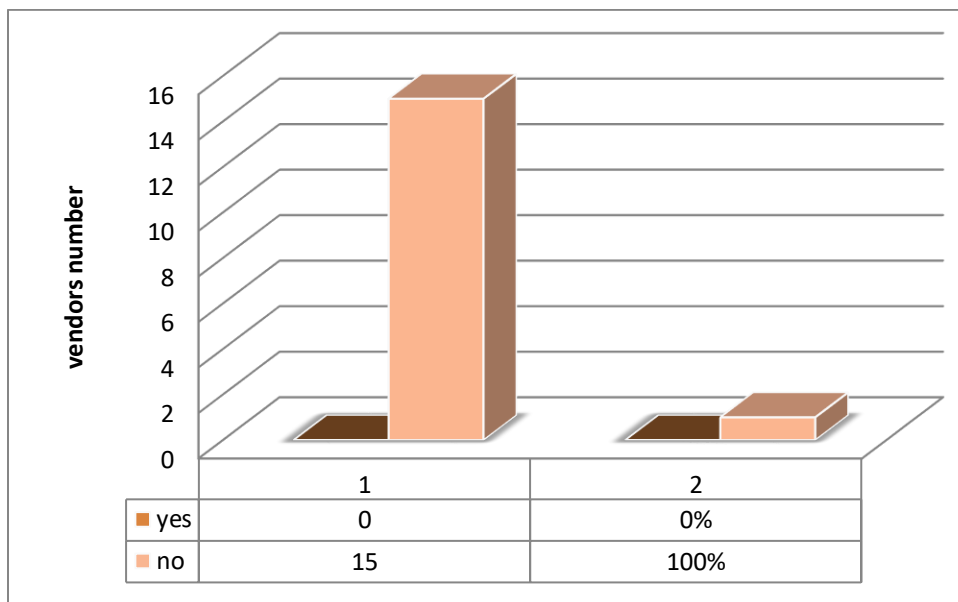
Interpret: among 15 vendors 12 said they are satisfied. 2 vendor said moderate and one said very satisfied.

2. Do they monitor their supplier's operations to assess their compliance with their supply chain policy?



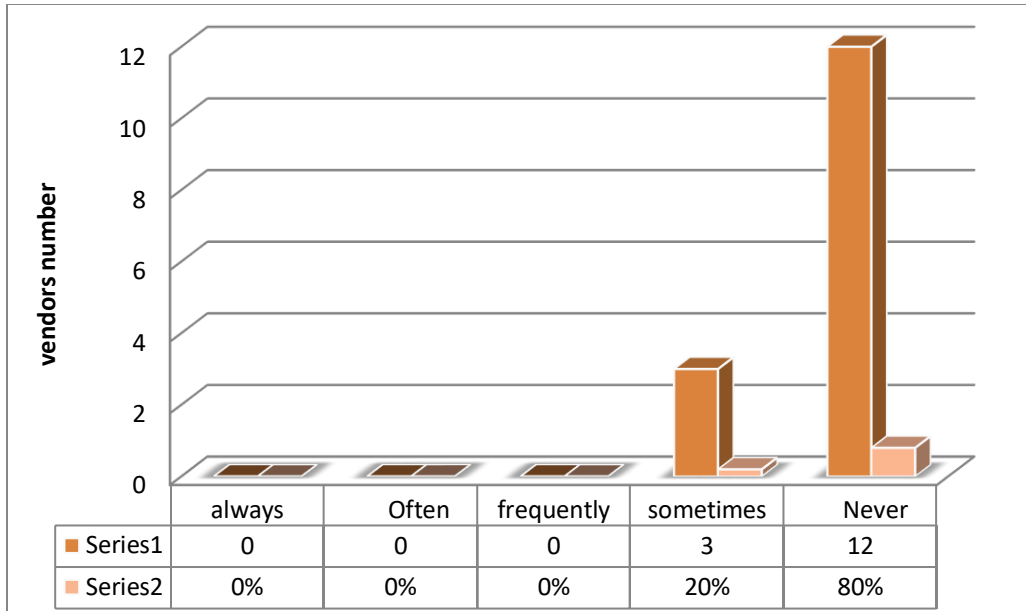
Interpret: 12 vendors said they operate their supplier operation to assess their compliance with their supply chain policy.

3. Are there any risk assessments after the placing order of IPCO Development Limited to the vendors?



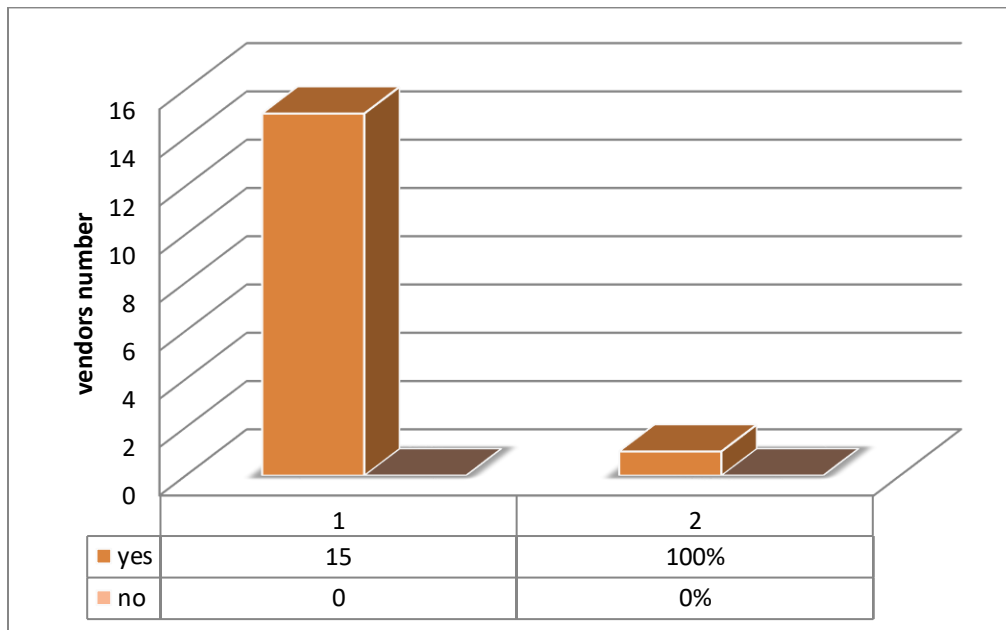
Interpret: all the 15 vendors said there are no risks after taking orders of IPCO Development Limited.

4. Do they cancel order after ordering product?



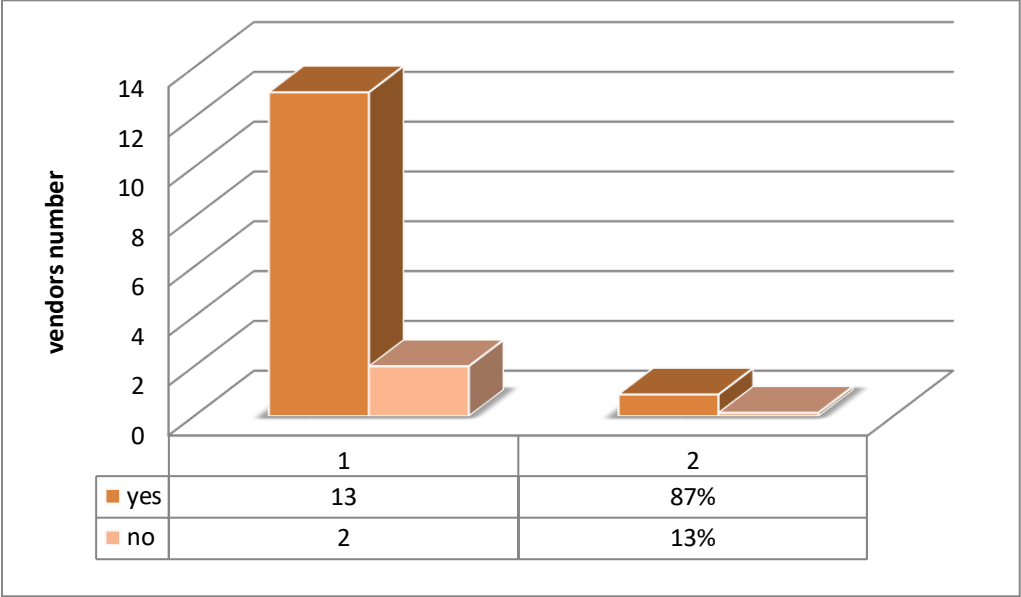
Interpret: 12 respondents said IPCO never cancel their order after placing it, 3 said sometimes.

5. Do they select suppliers on the basis of their ability to meet their purchase order requirements?



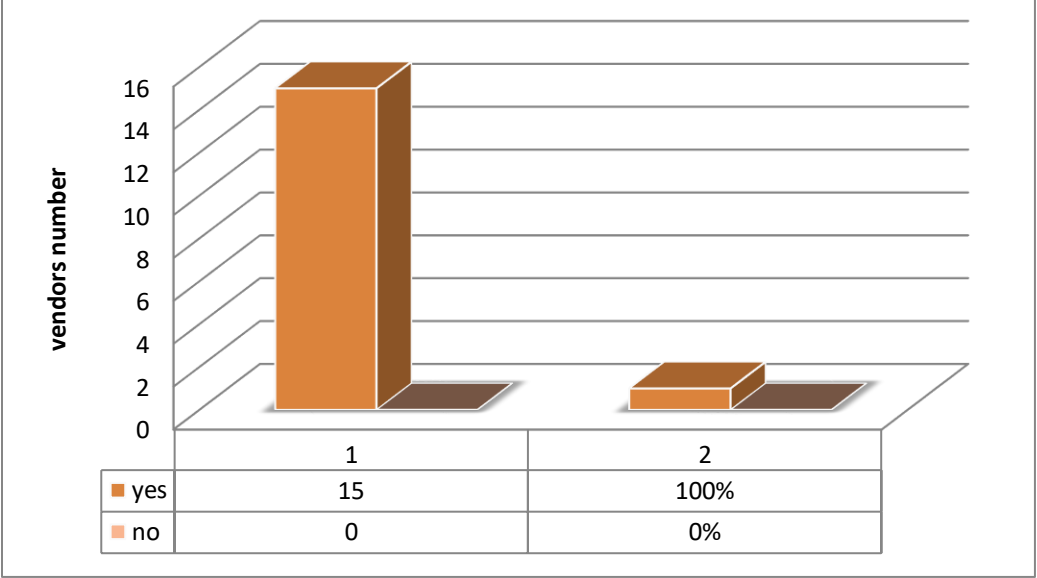
Interpret: All the respondents said yes.

6. Are all contracts and customer purchase orders reviewed before making order to the vendors?



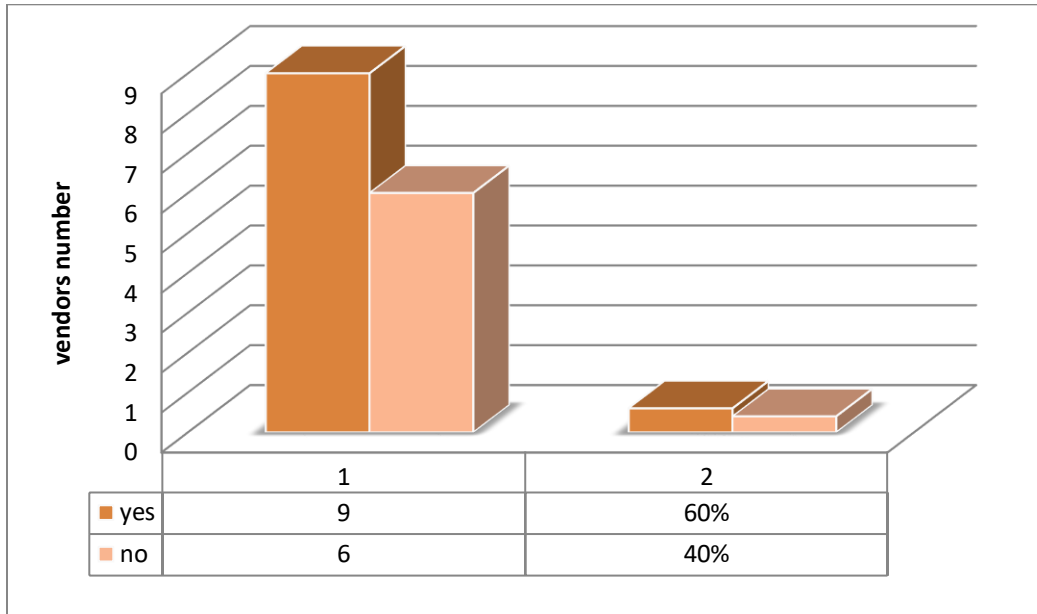
Interpret: 13 vendors said yes and couple of them said no.

7. Do they always measure the quantity before receiving the products?



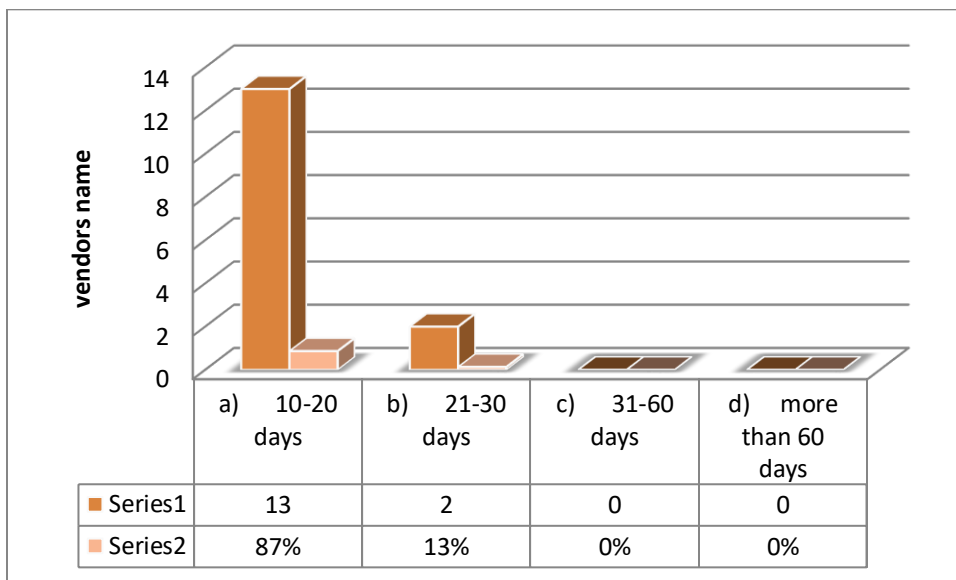
Interpret: All the respondents said yes.

8. Are the accounts payable dept. clear all the payments on time?



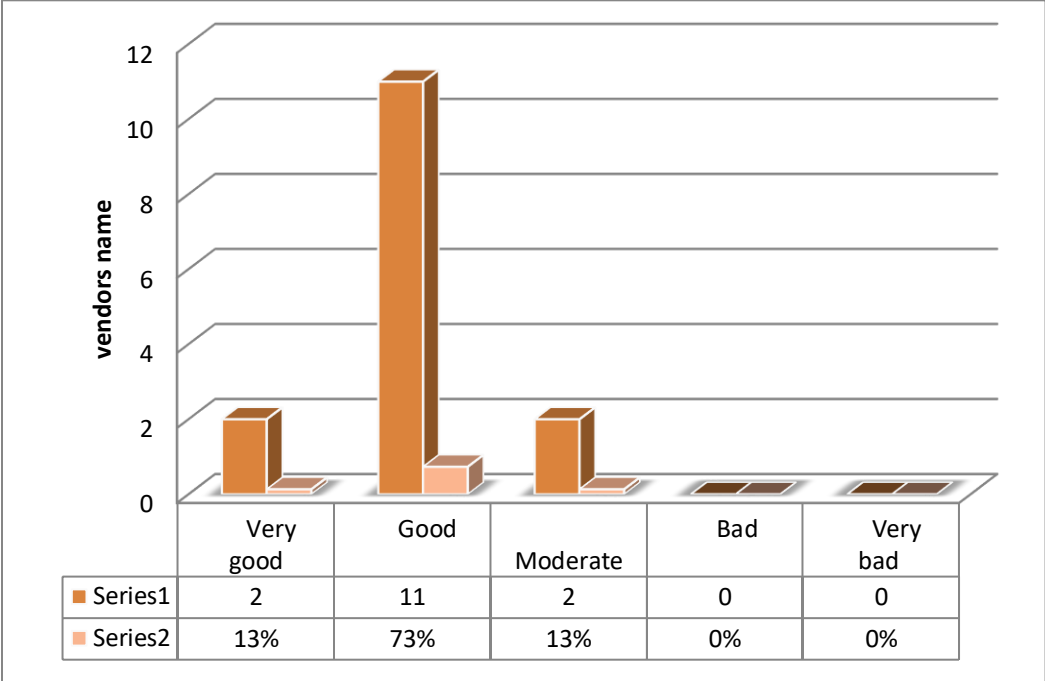
Interpret: out of 15 vendors 9 said they clear payment on time and other 6 said no.

9. If the answer is no then how many times they usually delay for that?



Interpret: 13 respondents said 10-20 days and other two said 21-30 days.

10. How is your experience doing business with united group?



Interpret: 11 vendors has good working experience with united group, two vendors said very good and other two said moderate.

Findings & Recommendations

The research findings are based on my three months work experience with the company and the Survey results. I randomly selected 15 Vendors of IPCO Development Limited as sample respondents. The responses I got from the vendors are by having face to face conversations and via phone calls. Even though the questionnaire is in English, I got some responses in Bengali. Despite of all the difficulties I managed to get the results.

The correspondence and cooperation level of IPCO Development Limited with their vendors is viable. Eighty percent respondent said they are satisfied with the correspondence and cooperation. IPCO monitor their supplier's operations to assess their compliance with their supply chain policy. This means they select the appropriate vendor through technical and financial evaluation. There are also no risks after taking orders of IPCO Development Limited. All the respondents said it is safe to take orders from IPCO. The company rarely cancels orders after ordering product. Eighty percent respondents said they never did cancel any order and 20% said rarely canceled the order.

According to all the respondents, IPCO select the suppliers on the basis of their ability to meet their purchase order requirements. They also review all contracts and customer purchase orders before making order to the vendors and always measures quantity before receiving the product. All fifteen respondents said they always measured the quantity.

Furthermore, IPCO does not always clear the account payables in time of receiving the products from supplier. When asked if the accounts payable department clear all the payments on time, sixty percent respondent said yes and forty percent said not always. Among the forty percent respondent, eighty seven percent said they delay 10 to 20 days and other thirteen percent said they delay 20 to 30 days which is I think a area where the company has room for improvement. Also none of the respondents said they delay more than 30 days which is good. This means they do not delay much to pay their dues.

On top of that, IPCO Development Limited usually maintains good working relationship with its vendors. Seventy three percent respondents has good working experience with the company, thirteen percent said very good and other thirteen percent said moderate.

After working in procurement department for three months I found some areas that can be improved which will benefit the company. As procurement is very significant job, IPCO should have more employees in this department. The number of employees in this department is not much if I compare with marketing or finance department.

Today's corporate world has started using software based financial recording system and financial transaction system and they started to let go of the traditional book keeping style. The Finance Department of IPCO use some of the better technology and software to do their job but the store department still maintain traditional ledger book system. Now, the traditional ledger

system is required to learn accounting and financial format but to stay on top in the corporate world a company should use technology in its every sector. So, from technological point of view I would recommend IPCO to give better technology to the Store department for more efficient work.

I would also recommend IPCO to use ORACLE or SAP software instead of Tally ERP 9 as SAP and ORACLE is the new technology and it works much faster which will save lot of time of the employees. Employees should also use personal laptops instead of personal computer so that they can carry their work with them around the work place.

Conclusion

I am thrilled working for United Groups IPCO Development Limited. It gave me exposure to the corporate world. Working with a number of talented people really help me develop my skills and learning techniques. My colleagues were so supportive to me that I never felt like a stranger in my office. In my view, it is the team work and cooperation between the employees of United Group that helped it built as one the biggest business house in the country. Working as an intern and being a part of the family was an amazing privilege for me, the learning I have obtained from such association will always be a lesson to me. I believe that such entry level position as intern will surely help develop my profession in near future.

CHAPTER IV
Supplementary Part

Appendix

Questioners:

1. Is the correspondence level of United Group with vendors is viable?
 - a) very satisfied
 - b) satisfied
 - c) moderate
 - d) less satisfied
 - e) dissatisfied

2. Do they monitor their supplier's operations to assess their compliance with their supply chain policy?
 - a) Yes
 - b) No

3. Are there any risk assessments after the placing order of united group to the vendors?
 - a) Yes
 - b) No

4. Do they they cancel order after ordering product?
 - a) Often
 - b) Never

5. Do they select suppliers on the basis of their ability to meet their purchase order requirements?
 - a) Yes
 - b) No

6. Are all contracts and customer purchase orders reviewed before making order to the vendors?
 - a) Yes
 - b) No

7. Do they always measure the quantity before receiving the products?
 - a) Yes
 - b) No

8. Are the accounts payable dept. clear all the payments on time?

- a) Yes
- b) No

9. If the answer is no then how many times they usually delay for that?

- a) 10-20 days
- b) 21-30 days
- c) 31-60 days
- d) more than 60 days

10. How is your experience doing business with united group?

- a) Very good
- b) Good
- c) Moderate
- d) Bad
- e) Very bad

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