Report On

A Comparative Financial Analysis of Health and Hygiene Products: Study on Reckitt Benckiser Bangladesh PLC.

By

Tanzila Akther

20304048

An internship report submitted to the BRAC Business School in partial fulfillment of the requirements for the degree of Bachelor of Business Administration.

Brac Business School

Brac University

October, 2024

Declaration

I hereby declare that

1. The internship report submitted is my own original work while completing my undergraduate degree in Brac University.
2. The report contains information which was previously published with proper references and citation when needed.
3. The report contains primary data that are given with consent and maintaining confidentiality.
4. The report does not contain information that is acknowledged, submitted or accepted for any other degree to any universities or institution to the best of my knowledge.
5. I have acknowledged all main sources of information.

Student's Full Name & Signature:

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Tanzila Akther

20304048

Supervisor's Full Name & Signature:

____

Dr. Mohammad Mujibul Haque

Professor and Associate Dean (Acting Dean)

BRAC Business School

Brac University

Letter of Transmittal

Date: October 13, 2024.

Dr. Mohammad Mujibul Haque

Professor and Associate Dean (Acting Dean)

BRAC Business School.

Brac University

Kha 224 Bir Uttam Rafiqul Islam Ave, Dhaka 1212

Subject: Submission of internship report on “A Comparative Financial Analysis of Health and Hygiene Products - Study on Reckitt Benckiser Bangladesh”.

Dear Mr. Haque,

With humble respect, I am honored to get the opportunity to work under your guidance and invigilation to write my internship report on “A Comparative Financial Analysis of Health and Hygiene Products - Study on Reckitt Benckiser Bangladesh PLC”.

I feel very fortunate to have you as my supervisor since you supported me, gave me space, and gave me the information and direction I needed to accomplish the report. I have tried to include the relevant data and offered ideas to finish the report in the most meaningful, condensed, and exhaustive manner feasible. I'm confident that the report will live up to expectations. I have attempted my best to finish the report with the essential data and recommended proposition in a significantly compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,

____

Tanzila Akther

20304048

Non-Disclosure Agreement:

This agreement is made and entered into by and between Reckitt Benckiser Bangladesh PLC and the undersigned student Tanzila Akther at Brac University.

Acknowledgement:

By the grace of almighty Allah in these three months of internship program at Reckitt Benckiser (Bangladesh) PLC, I have learned with true enthusiasm. For this learning opportunity firstly, I would like to thank the entire human resource and finance team who found myself worthy enough to contribute to their high profile works. Also, under the finance department I would like to be grateful towards the core finance team whose passionate motivation helped me to work so that I can bring the best out of me. I am humbly grateful to the core finance controller MD. Nazmul Arefin sir, my onsite supervisor and manager MR. Mrityunjoy Bose and MD. Anisur Rahman under whose supervision, invigilation and direction I have enjoyed a true learning experience of official works. Other than my official personnel I am thankful enough to my internship report supervisor Dr. Mohammad Mujibul Haque whose guidance makes my journey more fruitful and lucrative to add an experience in both my academic and professional life. Finally, my parents and friends were the key influencers to manage my first official internship job. I want to express my heartfelt appreciation to my friends and the department staff that helped me complete this internship successfully.

Executive Summary:

This report is designed to accomplish my undergraduate degree mainly. Since I am doing major in finance also doing my internship at core finance team of Reckitt Benckiser Bangladesh PLC, it would be useful for me to provide financial impact in my report. Thus, this report reflects both my academic and professional life.

This report mainly consists of three chapters. The first chapter is about me and my internship journey. Secondly, the organizational insights are listed in chapter two. Lastly it provides my project part which is a financial comparison of the organization.

The first chapter mainly shows the internship information. Reckitt Benckiser Bangladesh is my internship organization where I have done multiple tasks in past 4 months. In chapter 1 all my assigned tasks along with the recommendation and limitations are listed.

In the next chapter the organizational data are provided. The activity of different department such as HR, marketing, financial and accounting practices, operations along with the industry analysis. In this chapter the core task and activities of every department are critically analyzed. Along with that in the financial part the financial data of past 5 years are analyzed to interpret the financial performance of Reckitt. Also, in this FMCG industry wat is Reckitt adopting to compete with the competitors are key focused here. Lastly the key strengths and weaknesses are provided in the conclusion part followed by a list of recommendation.

Lastly, the project part includes the comparative discussion of the finance. Basically, in this chapter Reckitt's segment wise performance is scrutinized. Reckitt works in two segments in Bangladesh one is the health, and another is the hygiene one. Segment wise income statement data is available in their annual statement but up to operating profit one. Using this data 4 different evaluation has been done. Later on, some of the data is estimated and then further evaluated to know its performance for its shareholders. Lastly after evaluation its performance some recommendation would be made based on the lacking and limitation it has. In accordance with the gap of the segments these initiatives may be followed.

By writing this report I not only got a golden chance to implement my academic knowledge to a practical one but also got to know the pin and points of an organization. This report is like a roadmap towards my professional life which I am heading too.

Table of Contents:

Chapter 01: Overview of The Internship

1.1. Student Information

Name: Tanzila Akther.

ID: 20304048

Program: Bachelor of Business Administration.

Major (1): Finance

Major (2): Marketing

1.2. Internship Information:

1.2.1. Intern Information:

Period: 4 Months.

Company Name: Reckitt Benckiser Bangladesh PLC.

Department: Core Finance.

Address: The Glass House, Level - 9 & 10, Plot - 2, Block- SE (B), +8802222290770, 71 and 72, 38 Gulshan Avenue, Dhaka 1212.

1.2.2. Internship Company Supervisor's Information:

Name: Mr. Mrityunjoy Bose

Position: Head of Internal Audit and Compliance.

1.2.3. Job Scope:

As mentioned above I was an intern of the core finance department of Reckitt Benckiser Bangladesh PLC. Here I have mostly associated myself with internal auditing activities. With the invigilation of my supervisor, I have done all the activities smoothly. This job responsibility includes

RJSC Documentation: Register of joint stock company asks for 10-12 files which are required after the declaration of dividend. I was lucky enough to ensure my supervisor accomplished some of the tasks. These files include form X, IX, XII, form 23B, meeting minutes etc. All these documents were related to the latest dividend and hierarchy declaration.

CMSF Documentation: Since Rb Bangladesh is a public limited company its shares are listed on DSE as well as CSE. In accordance with the rules of DSEC they are bound to maintain the Capital Market Stabilization Fund. I helped my supervisor to make a dividend compliance report which reflects the total dividend transferred to different banks

Share Holdings Report: Through shareholdings the company recognizes keys to financial ratios which are used in board meetings and so on. With the assistance of my supervisor, I have prepared some notes to make an updated financial report.

Tax Certificates: For all individual, institute, government etc. shareholders the company maintains an excel spreadsheet to maintain their percentage of holdings. Along with this one the company maintains an income tax summary for each financial year. I was associated with computing these values in an excel file along with matching it manually.

Others: Not as regular but I have done professional email writing to send to the chairperson of DSE and ICSB competition etc. Also, I have checked the bills of salespersons in different regions along with I have worked to distribute challan and invoices.

1.3 Internship Outcomes:

1.3.1 Student's Contribution to The Company:

Being a contractual intern, this was my first time association to any organization. Although I was an intern I worked as a full-time employee. I tried to be present on all working days and whenever needed I worked overtime. Also, any work that is assigned for me I have worked my level best to learn and accomplish so that none can come up with a complaint. I have shown my true enthusiasm towards knowing the unknown and doing the undone. That is why my supervisor and on-site manager did not hesitate to hand over any work with faith. Also, our company secretary gave me some work to do and was happy with my performance. I have successfully completed my internship duties with full dedication and honesty.

1.3.2 Benefits to The Student:

Since this is my first encounter with any organization, I have experienced a professional corporate life to make myself ready for the upcoming future. For me all the calculations regarding finance that I have done were in my academic life. For the very first time I have seen how this dividend is being calculated and what other components are being used along with the dividend. Working in an MNC I got a global exposure to work. The path was not clear and comfortable for me but with the help of my supervisor, manager and other colleagues I have successfully encountered all these challenges. To add to these, within a month or so, my abilities significantly increased, and the early difficulties I faced vanished. My ability to deal with MS Word, Excel, and other programs in the Microsoft office suite has improved significantly, as have my interpersonal and other communication abilities. I have got better at prioritizing my time and dealing with stress.

1.3.3 Problems/Difficulties Faced During the Internship Period:

Although there existed a good working environment, I have faced some of the challenges. The first challenge that I faced is there is no specific work allocated for the interns specifically. All the employees work at their own pace whenever needed; they hand over some work. There were a few days when I had to go back home without any work. Also, there were a few days when I stayed overtime to complete the work and some days being the opposite. There is no workload balance. Also, the timing of work is not fixed. There was no specific time allocation for work that is why accomplishment of work got delayed.

1.3.4 Recommendations:

If works are saturated for the interns specifically, they would be getting a proper experience of doing their own allocated job on time. They would certainly feel punctual enough to accomplish all the work. Along with this the time generated works can be given. Also, they might ensure they are not seated idly rather than acquiring knowledge all the time.

Chapter 2: Organization Part

2.1 Introduction:

Reckitt Benckiser Bangladesh plc is a renowned multinational company. It has been serving in Bangladesh for more than half of the century. In this mandatory internship system, I got a chance to complete my internship in the core finance team. This organization is well known for serving health, hygiene and nutrition products. In Bangladesh it only serves the health and hygiene segment. The company plays a vital role in spreading health and hygiene solutions over the decades. This report goes through a detailed analysis of its different departments and its overall operations. In this part of the organization related information will be highlighted. All the information is related to Reckitt Benckiser Bangladesh PLC and its practices. It includes information of the departments such as finance and accounting, marketing, management and HR, operations and technology etc. Also, it undergoes industry analysis too. Overall, in this part the report Reckitt and position is crucially analyzed.

2.1.1. Objective:

Objective for this chapter is to analyze the practice and performance of Reckitt Benckiser Bangladesh PLC. while focusing primarily on:

- Evaluating the company's strategic initiatives in different departments of Reckitt. So, to know the changing consumer behavior what the team is doing. Their different practices and approaches that help them to succeed among competitors especially their marketing and HR practices.
- Secondly, a thorough analysis of financial performance will be judged. This financial analysis will include both Reckitt's year on year performance and comparison.
- Moreover, the industry and its position will be scrutinized. As the industry is changing what Reckitt is doing to overcome or facing the market demand. Using the analysis metrics this will be determined.

2.1.2. Scope:

The scope of this part of the report includes the practices for all the departments available in their website and annual reports, along with this the information is segregated from respective team members, analyzing financial data particularly available in Reckitt's official annual report. Also, it will include information about the FMCG industry and so on.

2.1.3. Methodology:

The methodology of the report includes both primary and secondary data collection. Firstly, relevant information which is available in the secondary data sources like previously published reports on Reckitt, Reckitt's official website, annual reports etc. are collected. Secondly, for acquiring the organizational and departmental information of the company primarily the data will be taken from the employees of the respective departments. For collecting the primary data interviews are conducted from time to time from respective senior employees and department heads. Then all the collected data will further be organized, interpreted and further added to meaning.

2.1.4. Limitations:

Although the report reflects all the valuable practices of Reckitt, it still has some limitations. The first limitation is the non-disclosure agreement between the organization and the employees. The details of this departmental practices are under non-disclosure and cannot be shared outside of the organization. Moreover, under the limited report needed, all information is added. So, the practices and scenarios described below do not reflect the true scenario of Reckitt Benckiser's global operations. Since Reckitt is a global company RB Bangladesh does not reflect all.

2.1.5. Significance

The significance of this part of the report is it reflects the practices that an MNC goes through. It showcases all the important practices of Rb Bangladesh. Along with this it shows strategic positioning of Reckitt in the Bangladesh market in health and hygiene sectors. This helps to adapt the market and consumers' demand and understanding the preferences of them along with the adaptation of different market scenarios. Additionally, the financial analysis will review how effectively the company is adapting and ensuring proper usage of their assets, debt and equity to maintain profitability and competitiveness.

2.2. Overview of the Company:

The FMCG industry of Bangladesh has been witnessing tremendous growth in recent times as a key player by contributing to the GDP of Bangladesh. Not only the local companies but also the foreign or MNCs are getting attracted to invest in this sector. The gross sales value of this industry rose to $3.9 billion in FY2022 which was $3.7 billion in FY2021 figured out by Zaved Akhter, the CEO and MD of Unilever Bangladesh (Report,2022). Among them Reckitt Benckiser Bangladesh Plc, the subsidiary of a global consumer goods company, has been operating in Bangladesh Reckitt Benckiser Bangladesh Plc also known as RB Bangladesh is a subsidiary of UK based multinational company which initiated its operations in Bangladesh in the year 1961. It operates in 68 countries across six continents. As a player of the fast-moving consumer goods industry, it serves products in the health, hygiene and nutrition sector as being the most beloved and trusted brands. In Bangladesh they operate in the health and hygiene sector through renowned health brands like Dettol and Veet as well as hygiene brands like Airwick, Harpic, Lysol, Mortein, Vanish and Cherry. Reckitt Bangladesh has three core departments. These departments include Finance, Marketing and Sales, Human resource. It also includes information technology and legal departments. These departments are meant to be the first line defense for the company. Reckitt finds solace in the knowledge that there are some things they can always count on to help them care for themselves and the ones they love in the best manner possible. About 40,000 members of their multicultural, international family are dedicated to making the world a better and healthier place for everyone. The most well-known and trustworthy hygiene, health, and nutrition brand, a company with a mission.

2.2.1 History of Reckitt Benckiser Bangladesh PLC:

Reckitt’s journey in Bangladesh started before Bangladesh got its liberation. From 1961 till 2021 Reckitt saw tremendous growth and still follows. After deciding to unite, two well-known British firms became Reckitt & Colman in 1938, creating a single home goods company. As well as developing its own trademarks, which ranged from Zebra Grate Polish and Wind Olene to Harpic, Dettol, and Lem sip, additional brands were swiftly acquired via strategic purchase. Each brand has its unique prospects, innovative potential, and scientific expertise. In 1961, the business expanded to Bangladesh as Reckitt & Colman PLC. In 1997, the business went public. Reckitt & Colman and Benckiser, a company founded in the Netherlands, combined in 1999. Subsequently, it adopted the name Reckitt Benckiser (Reckitt,2021).

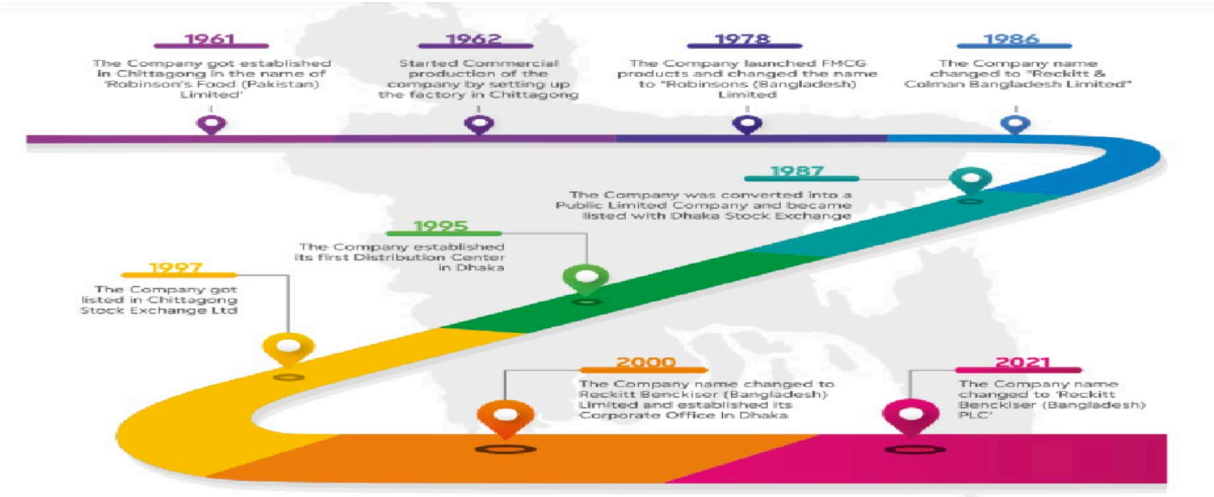


Figure 1: Historical changes of Reckitt Benckiser Bangladesh PLC**.**

2.2.2 Vision & Mission:

"Do the right thing always" through this vision statement and compass Reckitt sets the new values and behaviors for their business. Reckitt places consumers and people first while seeking new opportunities and striving for excellence to build success in future. To accomplish the vision Reckitt leaders, Own, Care, Create and Deliver which defines their mission statement. To ensure owning the company lives their purpose, fight and compasses to know the business and make decisions. To accomplish "Care" leaders actively listen, learn and include, speak directly with respect and act to unleash potential. To acknowledge "Create" leaders spot for opportunities, innovate, iterate and scale along with relentlessly building better. Lastly to "Deliver" they focus on what matters, move boldly and at pace also join forces to win bigger.

2.2.3 Cultural Values and Policies:

Our culture and values define the way that Reckitt does business. Our code of conduct reinforces our principles of business conduct and is communicated to all employees each year with mandatory training. Reckitt's values underpin our code of conduct and were further enhanced in early 2020 with our renewed purpose, fight and compass. It also sets out the level of conduct expected from all Reckitt employees, contractors, outsourced personnel and joint ventures and the Board of directors, as accountable, ethical and compliant owners of our business.

Firstly, Reckitt's policies include anti bribery and corruption policy. This policy forces the directors and managers to make sure the company policy allows all the employees and contractual to know and maintain the company policy. Secondly, employee policy is another policy which ensures that every employee has the equal opportunity to ensure the performance monitoring, investigating the violation of code of conduct. Additionally, it ensures product safety policy to all the stakeholders so that our products do not harm them. Finally, it also encourages responsible sourcing policy for safeguarding health and safety, Environmental policy for better environment performance and Human rights following ILO's and OECD's declaration.

2.3. Management Practices:

2.3.1 Leadership and Organogram:

There exists a highest level of management committee practices in Reckitt Benckiser Bangladesh for making key decisions under the supervision of RB Bangladesh's top management. The Managing director position (MD) is the highest position available under the Board of Directors. He is the chief decision maker of the organization. The managing directors consider the department heads or the other directors and controllers who make their choices to make the informed decisions. Other directors include finance director, human resource director, marketing director, sales director and supply director. Although there is some support for the chain of command, all opinions are heard and considered when decisions are being made. This suggests that the practical contributions from every level of the workforce are considered before making any final decisions and are then put into practice.

Reckitt Benckiser Bangladesh PLC depicts a democratic leadership principle to ensure the engagement of all the employees and stakeholders. While following this democratic leadership the team is directed by the respected leader or director. This leader can be replaced by a designated alternative. This director ensures all the employees participate in key decision making and sharing their valuable opinions. In this way there exists a peaceful culture in RB Bangladesh.

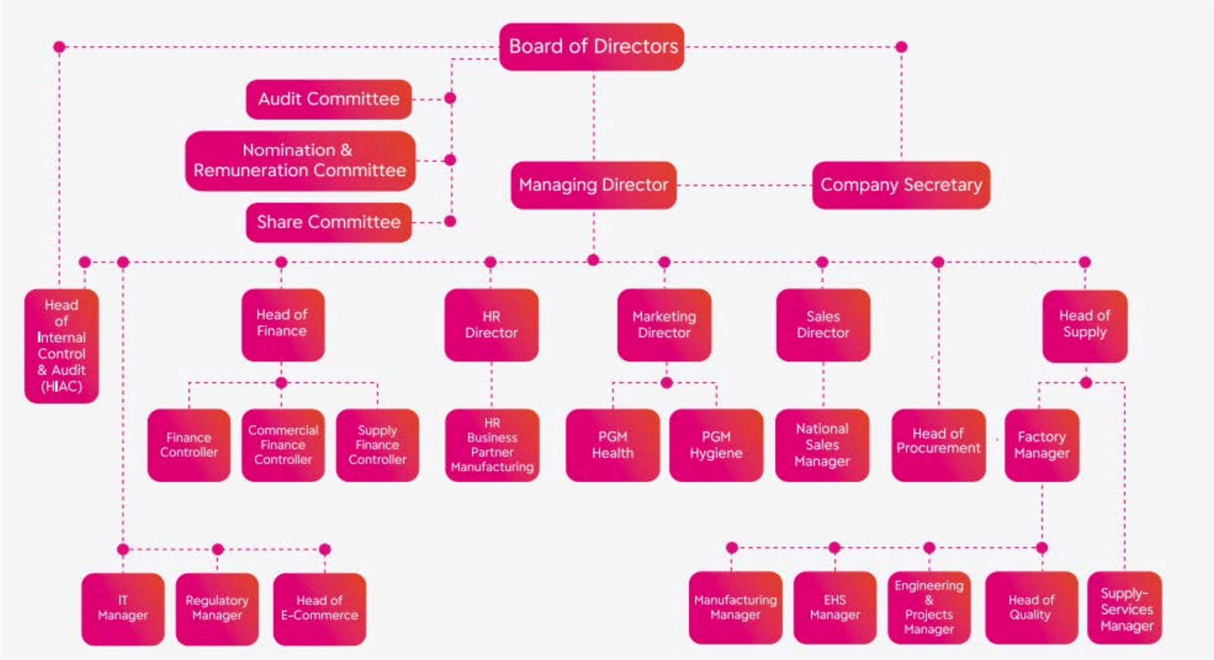


Figure 02: Organogram of Reckitt Benckiser Bangladesh PLC

2.3.2 HR Practices:

The human resource department plays a very vital role when it comes to employee branding and compensation processes. The HR employees and officials are dedicated to screen out the best employees for different roles and posts. As well as employee training and development by upholding the company ethos. They also ensure compensation and benefits along with introducing company information to different newly recruited employees. Last but not the least they ensure workplace safety and a disciplined work environment. Ensuring employees' needs and well-being are top priorities at Reckitt Benckiser (Bangladesh) PLC. Now let's scrutinize their practices.

Recruitment and Selection Process:

The recruitment and selection process of Rb Bangladesh is designed under several steps. The first step is to inform the candidates or job seekers about the available post and vacancy. Reckitt Bangladesh usually posts about the vacancy in their LinkedIn and official Facebook page named Discover Reckitt Bangladesh. Here they give all the information related to vacancy. Later, based on the qualifications they screen out the candidates that best suits the position. After selecting the candidates, they try to take written or verbal assessments based on the role. For example, if they want to hire anyone for a factory, a written assessment would be preferred. Whereas, for corporate office recruitments they prefer online verbal assessment. After the assessment they are invited to the office and are given ideas and insights about their responsibilities further assessed. Lastly, candidates get their offer letters.

Training and Development:

For training and developing the employees RB Bangladesh prefers both online and offline training sessions. Since most of the work is technology driven so to make the employees updated training sessions are arranged in their respective learning academies. Along with this departmental training is also arranged. Recently it has launched their 'Digital Learning Challenge' to elevate employee's skills and knowledge through fun learning. Here the top scorers are also appreciated with some gifts and presents.

Employee Appraisal:

In recent time, Rb Bangladesh has launched a compass award to appraise the best performers in the past half of the year. As shown at the beginning of this part Reckitt has a five-segment compass. Each year based on the segments such as doing the right thing always, seeking for new opportunities etc. are scrutinized and awarded. For example, recently Dettol has a new product variation which is Dettol neem soap. Rb Bangladesh presented a certificate to the team of those who innovated this variation under seeking for new opportunities. Also, they organize monthly birthday for their respective employees.

2.4.1. Marketing Practices:

Team marketing has its focus on reaching our products to the doorstep of everyone. Whenever we hear the word Dettol what comes into our mind is 'Dettol Be 100% sure'. Reckitt's product has made a good placement on our mind. So, the marketing department is in the focal point of Reckitt Benckiser Bangladesh. This department is responsible for overall brands' annual planning. In this department the advertising office determines how their plans will be carried out after gaining clearance from the province and the international central station accordingly. The general marketing activities include determining overall brand operations, counting the selling price and discount for each brand and products, deciding the level of investment for each brand, enhancing product life cycle theory along with conformed marketing strategy to fit accordingly and other prominent marketing decisions. The prominent marketing practices includes:

- Keeping in track with the new products offer in which they show what products are available in the market.
- Media management for advertising or promotion for instance the marketing team of Reckitt has recently launched Dettol hygiene curriculum for children's which is available in Tv advertisement as well as social media advertisements.
- Coordinating marketing operations with wholesalers, retailers and sales workers. Reckitt has sales executives and sales workers in different districts like Gazipur, Faridpur, Raj Shahi etc.
- Directing the promotional activities on social media platforms, TV channels etc. to get more attention of the actual and potential customers. Here they focus on educational, emotional as well as funny contents to influence the customers. For example, actress Nusrat Imrose Tisha being the first Bangladeshi female model to promote the "Harpic Shomvhabonay Eksathe" campaign.
- Enhancing the products according to the product life cycle theory, marketing mix and market demand. For example, Reckitt has recently launched mini packs of Harpic toilet cleaner to meet the newly rising market demand.

2.4.2. Marketing Strategies:

RB Bangladesh focuses on 4p marketing strategy to make the marketing strategies. The marketing mix includes product, price, place and promotion. This marketing mix helps Rb Bangladesh to attract the target audience and increase their profitability and acceptability. Below are the details of all the components of the marketing mix.

Product: RB Bangladesh provides a wide range of product variation and product line to cover the demands. Under the umbrella of health and hygiene RB provides a proper home care solution to all their respective customers. Starting from toilet cleaner Harpic, antiseptic liquid and sanitizer Dettol, dishwasher Trix, fabric cleaner Vanish, glass cleaner Mr. Brasso to personal care products Veet and Dettol soap with body washes, Reckitt has proved its worth to be accepted and used regularly. That is why each of these products comes under different sizes. While having its manufacturing office at Chattogram it also has a global R&D laboratory to make and test the products for safety. The recently launched product of Rb Bangladesh is Harpic Toilet Sanitizer. Prior to that it launched Dettol neem soap and so on according to the market demand. Reckitt's product is widely accessible which comes under different sizes and variations.

Reckitt Benckiser Brands:

Under the category health and hygiene brands Reckitt has the subcategory brands in home care, surface care, health & personal Care, dishwashing fabric care etc.

Home Care: For home care, the following two products categories are offered: Major Brands are:

- Air Wick
- Mortein
- Mr. Brasso

Fabric Care: Their slogan for the products in their fabric care line is "Keep your garments looking like new." Thanks to this unique set of components, RB is the market leader in home care, and this specific type of care ensures a 28% net profit.

Major RB fabric brands are:

- Calgon
- Vanish
- Spray 'n' Wash
- Woolite

Surface Care: With 20% of all income coming from this classification, it is the most profitable in the entire globe. The Surface Care brands include:

- Cillit bang
- Lysol
- Dettol
- Harpic

Health and Personal Care: These products for personal care and health account for 15% of RB's net profits. The following list of popular personal and health care brands:

- Strepsils
- Veet
- Cherry
- Dettol

Dishwashing: Dishwashing goods account for 14% of Reckitt Benckiser's overall sales. The things listed below are used in automatic dishwashing:

- Finish
- Calgonit

Out of all the products listed above Reckitt Benckiser Bangladesh manufactures some of the most renowned and beloved brands. These brands have secular identities in the consumer's mind.

Figure 03: Brands of Reckitt Benckiser Bangladesh PLC.

Price: Price is a very crucial factor of marketing strategy. Reckitt Benckiser being an MNC always sets their prices by following value-based pricing method. You may find the price of Reckitt's products are higher than the competitor but being a trusted brand and an MNC it has tried to provide a value in their products. The respective team never compromises with quality. For this reason, they charge higher prices than competitors to ensure research and development. To enhance their pricing strategies, they provide discounts on price, bundled packages, promotional offers etc. For example, buyers used to get a bath mug free by purchasing Harpic large bottles.

Place: Reckitt's products are available in every store. Starting from supermarkets like Agora and Unimart to normal grocery stores, consumers may find it in every changing lane. Reckitt's sales department is a proactive team of the organization. Almost in every district the sales team tries to supply their products. Such as Dhaka, Gazipur, Raj Shahi, Chattogram etc. According to the annual report of 2023 Reckitt Bangladesh has been spread by 80% of the places of Bangladesh. Products are well positioned in both rural and urban areas along with visionary practices.

Promotion: Being an FMCG, Reckitt is available in every promotional or media channel. We may find Reckitt's promotional advertisements in print media, social media and digital media. It also launches media campaigns like 'Harpic Shovhabonay Bangladesh', 'Dettol hygiene curriculum' etc. Also, Reckitt has been the hygiene partner of Amar Ekushe book fair in the year 2023. Also, in official brand pages the advertisements have its regular updates sharing their contents as photo, video and so on. As well as digital and print billboards are found in many busy roads to get consumer's maximum attention. Also, they focus on ensuring health and cleanliness through the taglines like Dettol- Be 100% sure, Veet- Salon like smoothness at home, Lysol- Triple germ action etc.

2.4.3. Segmenting, Targeting and Positioning:

Reckitt Bangladesh has successfully segmented their products in different categories like health and hygiene. Under health there is personal care and under hygiene there is surface cleaner, pest control, personal hygiene etc. Product segmentation has been discussed in detail above. Reckitt's products are widely used in both urban and rural areas. Reckitt has successfully targeted all its needed customers. This includes individuals from households, hospitals and clinics. Because almost all the products of Reckitt concentrate on health and hygiene or in other words to ensure the better version of cleanliness and spreading all around. With their all-successful marketing strategy, they have done a praiseworthy job to target the right consumers.

After segmenting and targeting Reckitt focuses on poisoning well in their consumer's mind. When the positioning is successful it can be assumed that consumers will turn into a loyal one and would not switch. Reckitt has come across various positioning techniques that best suit the market. By categorizing their positioning techniques, Reckitt has come up with Point of Parity (POP) and Point of Difference (POD) techniques. With POP techniques they provide the same type of products which are given by other market leaders. While with POD technique Reckitt tries to come up with something new or different which no one introduces before. With their POD techniques they became the market leader of hygiene products. Being one of the largest FMCG of Bangladesh, Reckitt Benckiser tries to do "Customer Centric Innovation" in manufacturing and positioning their goods for their target audiences.

Now to ensure marketing STP strategies Reckitt follows some visionary initiatives. These initiatives include

- Gondola
- Category shelf
- Sales practices

To ensure gondola representation a leasing of maximum six feet ceiling height and two feet width leasing area is used. Each Gondola includes five to Six shelves. It represented Reckitt's varied offerings. This takes a monthly payment in accordance with the terms and conditions of the outlet. Negotiable prices can start with BDT 15000 and can go up as many grocery chains as possible. To position the gondola properly, there is also tremendous competition among all sellers of the same category product because of its popularity to showcase the products. Reckitt always opts to enter their gondola from the front of the outlet so that it can be seen plainly from the doorway.

A category shelf is meant to use any public area to display the products without cost. Here all the vendors are called to display their products based on their category like home care, toiletries, groceries, snacks item etc. Based on this category all the vendors can showcase their products without any additional fee. Reckitt Benckiser Bangladesh always aims to keep its products on the third self to gain the best attention of the customer than the best of rival products.

Lastly, their large sales team plays a vital role to ensure visibility of the products. They are responsible for making everything accessible to the customer in the retail mall. They also focus on construction, keeping up and growth of the in-mall sales. Every month's target is being set for them so that products are available to the consumers.

2.4.4. Digital Marketing Branding Activities:

Digital marketing is an integral part for a business in the current day and age as digital presence attracts the new generation audience. Some of the strategies which Reckitt uses are producing content which are dispersed across social media. To enhance the reach of the business to new potential consumers. They have brand specific social media appearances in Face book and Instagram. It includes recent advertisements, short videos and contents. All the respective brands of Reckitt are shown in social media platforms.

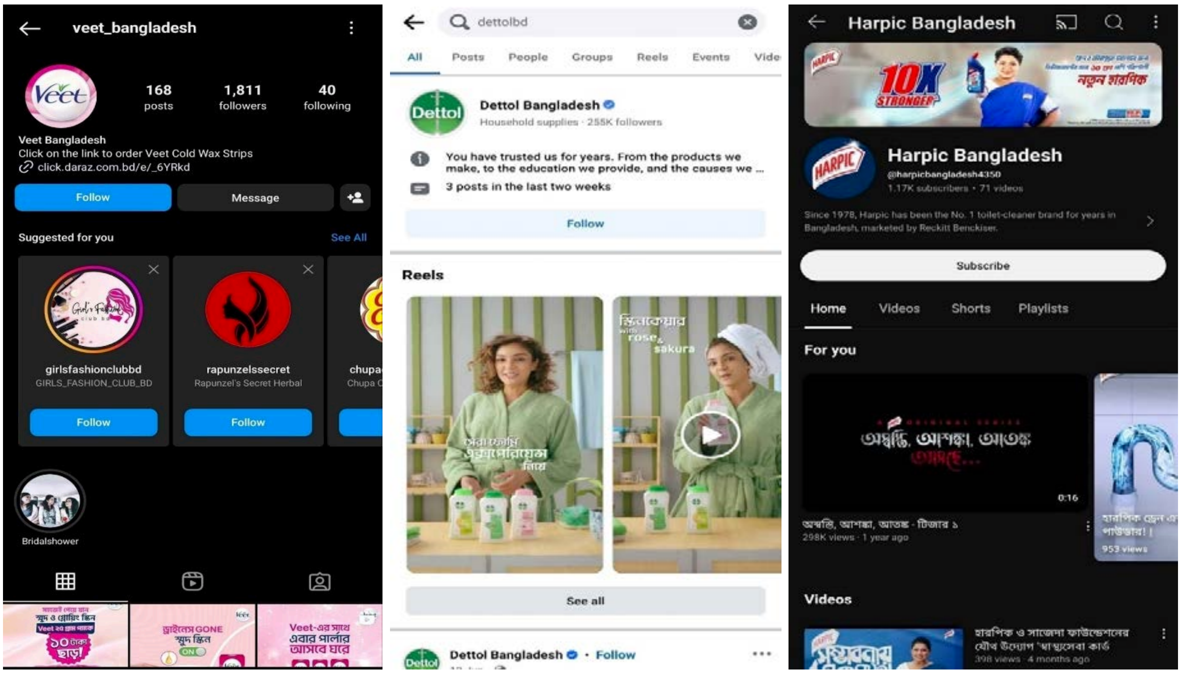


Figure 4: Official social media pages of Reckitt's brand

Reckitt has made the online presence for the product lines throughout various social medias to keep up with the trends which can create bonds with the young people. It also serves a means to track the customers and understand the preference they require. This can be later used to make necessary changes to meet the customers' expectations. For branding activity Reckitt recently welcomed two brand ambassadors for Dettol and Harpic. For Dettol they welcome Cricketer Litton Das and for Harpic actress Nusrat Imrose Tisha. Both the stars have a clean and famous media image in consumers' mind. They have recently been introduced as a brand ambassador. Also, the advertisement and presence of them is different from other competitors.

2.4.5. SEO Setting Optimization:

Optimizing SEO which has led to better traffic control, this also led to a better quality of image on the website. It has led to more organic views, which means there is a lower percentage of the views which stem from advertisements. Furthermore, optimizing the SEO has led to showing the actual website of Reckitt Benckiser. Reckitt has their own global website for their consumers where consumers can get all the information related to all the subsidiaries of Reckitt.

2.4.6. Marketing Gap and Solution:

One of the gaps which was quite apparent, was the unavailability of brand ambassadors which is quite common for similar sized companies. A group of people who are widely known and trusted can create a great reputation for the line of products of Reckitt. Ambassadors have a substantial follower base which allows them to change or reassure the quality and trust of a business and its products. This will give a significantly better boost in the brand images which should be leveraged. Another aspect which was noticed, the content which are usually circulated throughout the social media are mostly Indian advertisements which are dubbed in Bangla. This might be quite popular in India; however, it might not work the same as the content which is made to cater the Bangladeshi audience. Producing content which are for the local audience can create a connection and can have better product placement in the minds of the consumers.

2.5.1. Financial Performance and Accounting Practices:

Reckitt Benckiser Bangladesh PLC has a very crucial role in maintaining the finance team. The finance team has three different sectors. This includes core finance, commercial finance and supply chain finance accordingly. The structure of the finance team starts with the finance director and then comes the three individual department heads. At the same time there are managers and officers of different sectors of the finance such as payroll officer, internal audit officer, commercial manager etc. Reckitt has been successfully representing all financial data in their financial statement. Below is the detailed financial performance of Reckitt Benckiser Bangladesh PLC from the year 2019 to 2023.

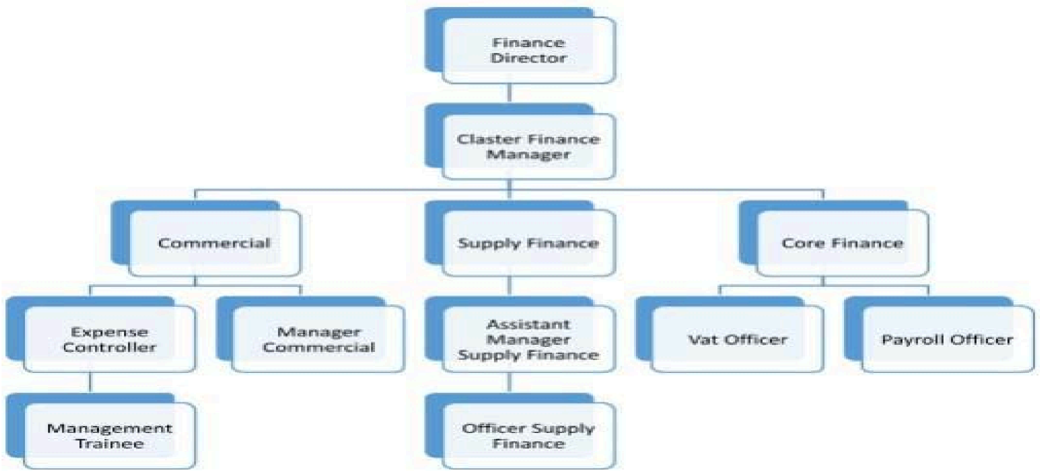
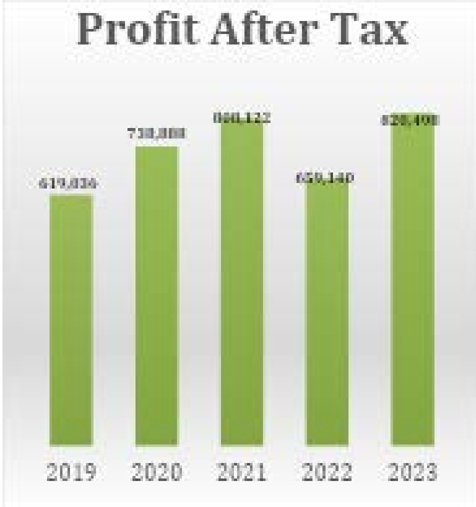


Figure 05: Finance department structure of RB Bangladesh**.**

2.5.2. Financial Performance: (2019-2023)

Financial performance of Reckitt Benckiser has always been praiseworthy for investors due to their net profit and dividend performance over the years. Investing on Reckitt has always been a good choice. All information drawn below is taken from Reckitt Benckiser's annual report 2023 which is available on the DSE website. Below is the financial performance of



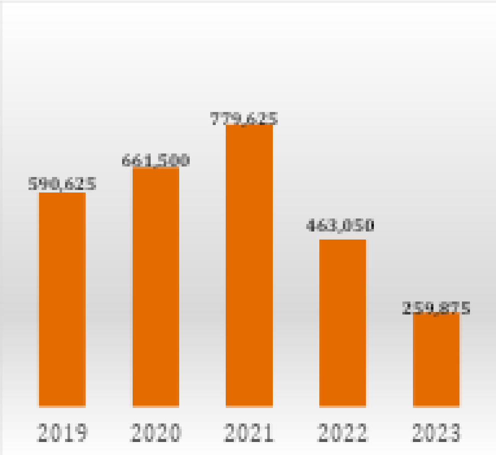
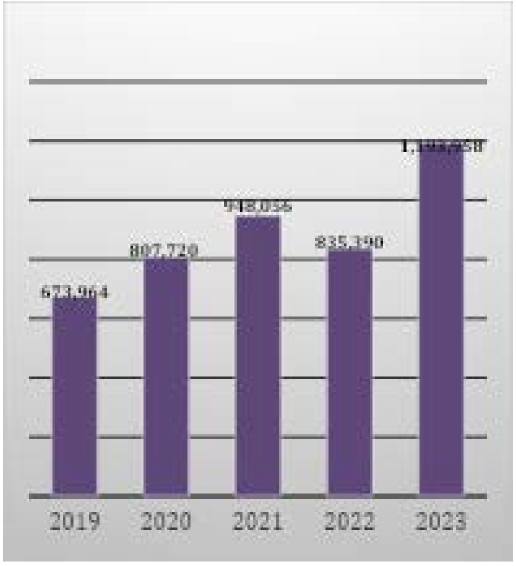
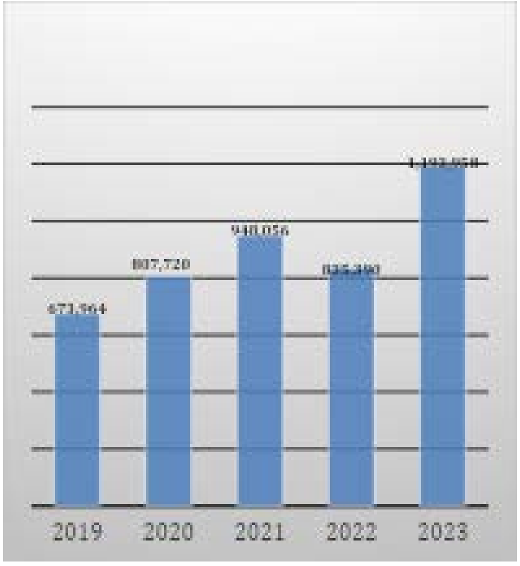


Figure 06: Components of income statement summary in BDT thousand amount

Summarizing the core income statement elements, all the elements have been upward sloping except for the year 2022. Even in the massive pandemic Reckitt has managed to increase its revenue and dividend in the year 2020. Starting from 2019 to 2021 the overall income statement elements look increasing due to the higher demand of health and hygiene products in Bangladesh. But in the year 2022 the situation got back to its original phase which shows a decrease in demand for these products. Also, in that year the dollar value appreciated against Taka and supplies were not adequate (Report, 2023). But the dividend declaration for shareholders was not stable over the past 2 years. In comparison with the profit that Reckitt has generated they have declared less dividend to the shareholders since they want to boost their financial ability for further resilience. Details of the income statement summary is attached in the appendix.





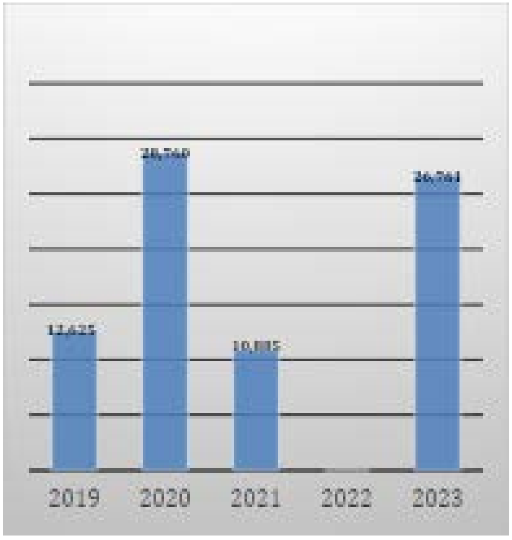


Figure 07: Component of balance sheet summary in BDT thousand in amount.

The balance sheet seems quite impressive for the 2019-2021 which shows all their assets and equity to be increasing at a pace. But their liability seems quite unstable especially in the year 2020. Because the demand for their products increased in that year which results in increasing liability to meet the demand. For an uninterrupted business operation, they took UPAS loan.

This level of leverage has become stable in upcoming years. For instance, we may see their deferred tax payment position which was very high in 2020 but came to 0 in 2022.

Ratio Performance Summary					
Years	**2019**	**2020**	**2021**	**2022**	**2023**
NAV Per share (Taka)	142.64	170.95	200.65	176.8	252.69
NOCF Per share (Taka)	176.55	290.57	134.9	271.66	247.41
Earnings per share (Taka)	131.06	156.38	171.03	139.5	173.65
Dividend per share (Taka)	125	140	165	98	55
Dividend yield (%)	3.91	3.46	2.88	2.06	1.16
Profit before taxation as % of sale	21.32	20.21	22.29	17.97	20.85
Return on capital employed (%)	1.07	0.97	0.95	0.91	0.83
Current ratio (Times)	1.19	1.18	1.23	1.1	1.19
Quick ratio (Times)	0.91	0.88	0.92	0.86	1
Debt equity ratio (Times)	2.54	3.04	2.23	3.07	2.76
Debt ratio (Times)	0.72	0.75	0.69	0.75	0.73
Interest coverage ratio (Times)	407.2	98.29	99.66	15.74	27.38

Table 01: Ratio performance of Rb Bangladesh PLC

Comments on key Ratios:

Reckitt's overall ratio performance has been reflected as the same as the income statement or balance sheet summary mentioned above. But some discrepancy arrived in the recent 2-3 years. Here the first half of the table shows the ratios regarding income statement elements whereas the rest half shows ratio performance of balance sheet.

Interpreting the income statement summary, dividend payout ratio for the latest period has been declared low in comparison to its EPS and profit generation in last 2 years. As a reason to strengthen the company's financial resilience and preserve funds to navigate potential business challenges. As a result, the dividend yields also decreased in 2022 and 2023. Considering its profit return as percentage of sales it has also decreased in the recent time. This indicates their profit growth is not in an upward slopping manner. As a reason they have declared less dividend for financial stability.

Focusing on their balance sheet ratio summary their return on capital employed in 2023 has been declined by 8% in comparison with the previous year. As per the report the reason behind this was company’s decision to increase their distributable fund for financial stability. But the interest coverage ratio and debt ratio becomes undependable as a matter of fact that UPAS increases significantly. The company regulatory body forced Rb Bangladesh to take UPAS and provide interest accordingly. UPAS or Unsence payable loan is one kind of letter of credit that is taken for smooth import of raw materials and goods. Since in this recent time the inflation rate of Bangladesh is unstable and may become a concern for them to operate uninterruptedly.

Comparative Assessment:

Reckitt is an MNC which works in FMCG industry. So, to compare Reckitt’s performance similar type of MNCS include Marico, Unilever, Nestle, BAT, Arla etc. But out of them Marico and Unilever’s data was available to use.

Companies	**Reckitt Benckiser**			**Average**	**Marico**			**Average**	**Unilever**			**Average**
Years	**2020**	**2021**	**2022**		**2020**	**2021**	**2022**		**2020**	**2021**	**2022**	
Net profit ratio	13.90%	16.40%	13.30%	14.53%	27.01%	27.50%	26.70%	27.07%	19.20%	17.30%	23.90%	20.13%
Gross profit margin	56.50%	54.60%	45.00%	52.03%	57.81%	54.30%	58.90%	57.00%	45.90%	46.40%	47.50%	4 6.60%
Current ratio	1.18	1.23	1.1	1.17	1.23	1.1	1.34	1.22	1.45	1.42	1.56	1.47
ROA	22.60%	26.40%	19.40%	22.80%	53.22%	53.70%	49.50%	52.14%	10.80%	10.90%	15.70%	12.47%

Table 02: Comparative assessment of top FMCG companies.

Briefly it can be said that in terms of profitability out of the three companies Unilever is performing satisfactorily. It has a steady growth in both net and gross profit margin, whereas its competitors have a deviation ranging from 3%-5% thus not being consistent. A key point which can be observed is that three of the companies have similar levels of Gross profit ratio, however Reckitt has the lowest net profit margin, which means operation expenses are excessive leading to a lower net profit. The liquidity of the companies ranged from 1.1:1 - 1:56 throughout the year which suggest that they have adequate liquid assets for their short-term liability. The return on assets of Marico is the highest suggesting better utilization of their assets to generate returns. Overall Unilever is doing better than Reckitt and Marico. The reason behind Unilever's best performance would be their customer centric approach. For instance, in FMCG industry Unilever provides a soap named Lux and Reckitt competes with Dettol in same market. But Lux is the market leader. The reason is their competitive pricing of the products and the availability of the products in both rural and urban areas. Lux also has enriched product line like their mini soap, family soap, lux body wash etc. This is best suited for all the consumers regardless of their income. On the other hand, Reckitt does value based pricing. As a result, when in the recent times disposable income has declined, Reckitt faced a threat to cope it up. However, they launched Dettol body wash but could not grab the market well.

Du-Pont Analysis:

A five step DuPont analysis is considered as ROE, but it is more detailed way to evaluate the return on equity. These details are broken down in different components. Main three components are revenue, share equity and asset. Further it includes net profit margin, asset turnover, financial leverage, tax burden and interest. The formula is

$$\text{ROE} = \frac{Net\ Income}{Pretax\ Income} * \frac{Revenue}{Assets} * \frac{Total\ Assets}{Shareholders\ Equity} * \frac{Pré\ Tax\ Income}{Operating\ Income} * \frac{OperatingIncome}{Revenue}$$

	Net Profit Margin	Asset Turnover	Leverage	Tax Effect	Operating Profit Margin
2021	0.73	1.61	3.23	0.80	0.28
2022	0.74	1.46	4.07	0.76	0.24

2023	0.75	0.12	37.62	0.94	0.22

Table 03: Component wise value of DuPont analysis.

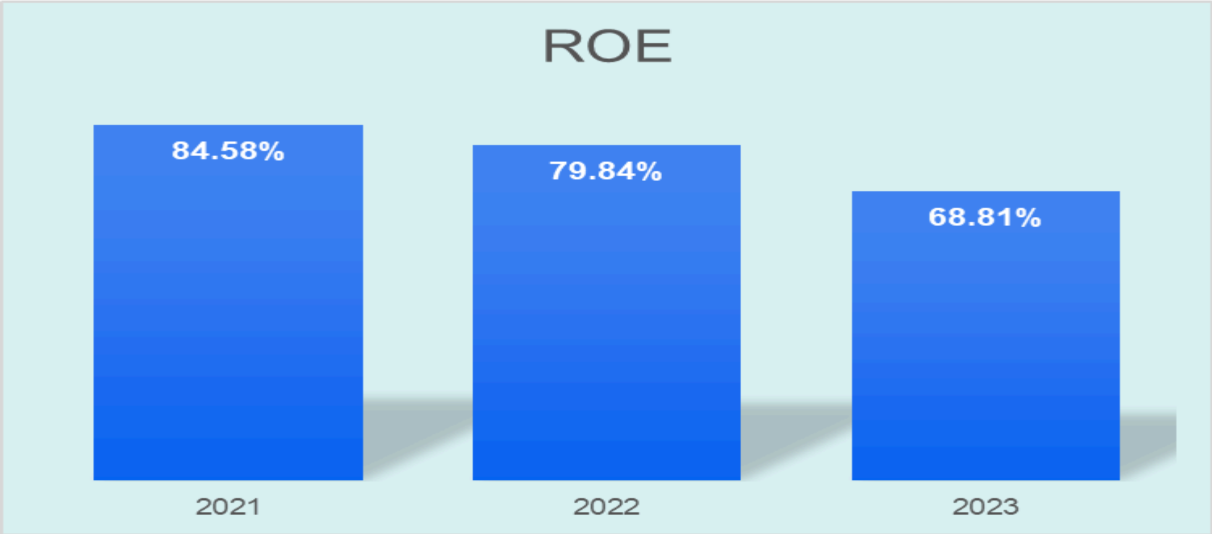


Figure 08: The DuPont analysis of past three years.

It results in ROE while considering profit margin, asset turnover and leverage components. The ROE has been downward sloping for the past three years. The company has been a bit inconsistent to manage their leverage. For instance, they have taken higher debt in 2023 in comparison with the other two years. In 2021 they were indebted less which results in higher ROE. When a company has higher ROE, it attracts shareholders to invest more. Higher ROE indicates strong business performance and less chance of getting obligated. To recover this position Reckitt has declared less dividend this year. If they continue in this direction, it will create a bad impression for potential and actual inventors.

Accounting Practices:

Reckitt changed its name to Reckitt Benckiser Bangladesh PLC as per the requirement of the Companies Act 1994 as amended in 2020 which had been granted by RJSC. Hence it is a public limited company, and its shares are listed on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). Therefore, under this reporting entity they follow different accounting policies to keep it up. As per the annual report published in the financial year 2023, they follow going concern policy to avoid the concern related to the continuity of the organization, foreign currency policy as a basis of exchange rate since it is an MNC, revenue recognition policy to follow a five step process to ensure identifying the customer to recognizing revenue as when the entity satisfies a performance obligation, employee benefits policy to benefit employees in short time period along with defined contribution plans as provident fund and defined benefit plans as gratuity along with workers profit participation fund according to Bangladesh Labor Act 2006 , finance income policy is recognized as it accrues in profit or loss using the effective interest method, income tax policy to comprise current tax and deferred tax also they follows various accounting policies related to share capital, inventories, property plant and equipment to focus on straight line depreciation method, reporting, leases and earning per share etc. Below are the details of some accounting performance provided with numerical data.

Inventory Turnover:

Inventory Turnover In days	**Amount**				
Years	**2019**	**2020**	**2021**	**2022**	**2023**
Opening inventory	301,129,697	451,118,392	621,618,191	584,823,587	580,077,952
Closing inventory	451,118,392	621,618,191	584,823,587	580,077,952	590,999,610
Average inventory	376,124,045	536,368,292	603,220,889	582,450,770	585,538,781
Cost of sales	1,878,203,439	2,317,707,737	2,244,863,313	2,731,870,761	2,317,707,737
Inventory turnover ratio (Days)	4.99	4.32	3.72	4.69	3.96

Table 04: Inventory practice of Reckitt Benckiser Bangladesh PLC.

The inventories are measured at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the ordinary course of business, less estimated cost to completion and selling expense. The inventory turnover in days reflects their inventory management is doing better since it takes less time to sell it off.

Accounts Receivable Turnover:

Accounts Receivable Turnover In days	Amount				
Years	**2019**	**2020**	**2021**	**2022**	**2023**
Opening receivable	84,863,618	43,905,926	25,500,945	69,006,591	60,207,313
Closing receivable	43,905,926	25,500,945	69,006,591	60,207,313	135,556,087
Average receivable	64,384,772	34,703,436	47,253,768	64,606,952	97,881,700
Revenue	4,126,150,222	533,883,576	4,942,046,045	4,969,364,802	5,281,570,038
AR turnover ratio (Days)	64.08	15.38	104.58	76.91	53.95

Table 05: Accounts receivables practice of Reckitt Benckiser Bangladesh PLC.

Accounts receivable being their current asset has been given a higher credit limit. Since their demand became higher after the pandemic, they gave a flexible time to their receivables to pay but not seems to be a stable one. Whereas they paid their payables within a specific time as pictured below. Reckitt's payable payment date timing is stable and noteworthy. Even in recent times it has become 0.94 days which is less than 1 day. This truly reflects how well they have managed their relationship with payables which is their core strength to meet customer demand.

Accounts Payable Turnover:

Accounts Payable Turnover In days	Amount in Thousand				
Years	**2019**	**2020**	**2021**	**2022**	**2023**
Opening payable	1,190,014,485	1,353,377,352	1,859,728,536	1,665,931,472	2,186,139,227
Closing payable	1,353,377,352	1,859,728,536	1,665,931,472	2,186,139,227	2,479,237,884

Average payable	1,271,695,919	1,606,552,944	1,762,830,004	1,926,035,350	2,332,688,556
Purchase	1,465,819,872	1,633,500,304	1,970,044,467	2,185,264,672	2,185,264,672
AP turnover ratio (Days)	1.15	1.02	1.12	1.13	0.94

Table 06: Accounts payables practice of Reckitt Benckiser Bangladesh PLC.

2.6. Operations Management and Information System Practices:

The operation management and information department play a crucial role in order to maintain the day-to-day operation of Rb Bangladesh. Rb has a separate IT department to ensure all the technological needs. To provide top notch quality IT experience the entire team works hard. Since Reckitt Benckiser PLC is a multinational company the application software is used globally. Meaning that both RB Worldwide and RB Bangladesh utilize the same platform. This software is used to manage the correspondence, information and documentation of all the stakeholders of Rb. For example, NEWS PAGE is one the most used system software of the sales team which includes the daily update of all the sales records, stocking and billing. Also, there are various distributors of Rb who have a financial transaction with Rb. All these data are secured in Reckitt's designated software starting from their challan no, number of deals, dealing amount and so on. For example, the finance team uses BTS or Bill Tracking System to keep records for vendors and distributors. Every day a respected employee keeps a daily update to keep track of them. Also, they use VRS which means Vat Reconciliation System. By using this the VAT amount is reconciled monthly. Moreover, they count digital attendance using fingerprint and face biometrics. To prevent phishing attempts, the RB IT team updates employee information frequently. Also, none can use the printer or scanner until their employee identification is not updated in the system server. Even me being an intern also got a personal laptop without which I cannot connect with any of the official tools that Reckitt follows to work daily.

2.7. Industry and Competitive Analysis:

In Reckitt Benckiser Bangladesh, they conduct PESTEL and Porter’s Five Forces model is followed in order to get a thorough insight of what changes may come in the upcoming days. They belong to the FMCG industry. Below is the detailed analysis of the FMCG industry.

2.7.1. PESTEL Analysis:

Factors	**Current Scenario**	**Reckitt’s Role**
1. Political and Legal	In 2023 the political dynamics were disturbed due to the election. As a result, there was a high level of inflation. Hence the central bank took a policy to settle the economic situation too. Also, there were direct and indirect tax compliances issued by Bangladesh Bank (Mustafa, 2023)	Even If there was a high-level inflation, Reckitt delivered its health and hygiene products to the customer by relying on the supplier relationship they have. They also have an unwavering commitment to always do the right thing.
0. Economic	Compared to the GDP of the previous year, the GDP is expected to increase by 6% (Ralph, 2024). But the Taka value decreases against the dollar.	Reckitt in this scenario worked very closely with the raw material suppliers and financial suppliers such as banks to have good coordination and continuity of business to mitigate the risk.
0. Social	The demand for health and hygiene products during the pandemic period. Starting from then till now people are concerned with their personal hygiene. It has become a norm for now. The using	Making the profit out of this learning Reckitt has come up with various differentiated products such as Dettol body wash and different curriculum

	of soap to wash hands has increased by 72% after covid worldwide (Ali et al., 2023)	like Dettol Hygiene Curriculum for kids.
0. Technological	The technological factor is always changing. In recent times the government has taken digital solutions for Vat, custom and payment to the national exchequer. Also, the demand for purchasing online has increased. Along with this the use of generative AI has taken the platform to a different level.	Reckitt has successfully taken all the digital initiatives with sincerity. Along with this they have ensured the availability of all their products in trending websites like Shajgoj, Daaraz. Also, they have initialized the early stage of generative AI to simplify their operations.
0. Environmental	The extreme heat wave in recent times showed an adverse environmental situation which we used to face. Also, the winter has become colder than before. All these result in increasing global warming.	Rb Bangladesh has always tried to create a healthier and cleaner world. For ensuring this they take sustainability initiatives like E-BSO, ZLD, Exhaust Gas Boiler Project proper waste, water and carbon emission.

2.7.2. Porter's Five Forces Model:

Forces	Industry Overview
1. Competitive Rivalry	The threat level from competitors are high since in the post pandemic era consumers demand for more health and hygiene products. For this reason, competitive rivalry has increased.

	Unilever, ACI, Square has been competing with Reckitt in case of soap and antiseptic products. They are the market dominant. To avoid this Reckitt has recalibrated their product portfolio. For example, Dettol hand sanitizer, body wash etc. But still they are lagging behind.
0. Bargaining power of Supplies	The threat from the suppliers is also higher because the Russia-Ukraine war coupled with the situation in the Middle East has led to widespread disruption in the supply chain. Now the industry has limited supplier's comparison to earlier which has led to higher bargaining power of suppliers. Reckitt previously made a contingency plan to mitigate this threat but could not help facing it.
0. Threat of new entrant	Threat of new entrant is moderate to low. Since consumers are getting used to with using the ongoing soap, toilet cleaner and home cleaner, new comers may not make an effective positioning. In Bangladesh there exists ample growth in new brands and competing with the dominant. But replicated product packaging of Chamak, Clean master, Akij etc. are widespread that may cause threat for Reckitt.
0. Bargaining power of customers	Following this inflationary situation consumer are seeking out for more value and quality products at competitive pricing. Since the demand is high after pandemic they may bargain more. Bargaining power of customer is higher since they have more available products in the market.

0. Threat of substitute	Health and hygiene products are used decades after decades without any change. Now there is some innovation in their usage pattern. Now products that have a quick fix solution to the problems have more demand. For instance, sanitizer spray for toilet. But most of the products that are available in the market are still same in category and growth is slow. So the threat level is relatively low.

2.8. Summary and Conclusion:

To sum it all up Reckitt Benckiser Bangladesh PLC being an MNC proved its worth by successfully doing its business for so long. In fact, it was operating in Bangladesh before Bangladesh got its independence. The way they have operated their operation is truly praiseworthy as well as the changing demand for health and hygiene has added extra features to it. Observing this demand, it can be easily anticipated that in the upcoming year Reckitt will do even better than last year. Although the competitors of Rb have increased a lot such as Unilever, Square, Marico etc., it took initiatives to overcome this situation. It has undergone more technological advancement and is working with efficiency. Since it has been working for decades, it created a special place in consumers' minds which cannot be eradicated easily. Overall, because we have seen so much in a short amount of time, traveling with RB has been great thus far. Given how things are predicted to develop in the ensuing years, we might anticipate seeing RB at the peak of the leaderboard in both market share and brand acceptability. RB's hopes and goals are for it to continue doing a good job, to carry out the CSR efforts it has planned, and to help the general population in the event of any pandemic. The strengths and weaknesses are listed below:

Findings of the HR Department:

The HR department is good and friendly towards the entire office. Their core strength is their ability to accomplish all its tasks timely and showing responsibility to their job. Coming up with my own experience I observed the HR team very welcoming and open minded to solve all the problems I faced. For recruiting me and other interns they maintained a very professional environment along with friendly behavior. But the weakness is that the team is very small in comparison to other departments. Also, all the recruitments that has been done for both the factory and head quarter are done by the head quarter professionals. The factory recruitment which is situated in Chittagong is done from headquarter. If the team is expanded more proficiency would increase significantly.

Findings of the Marketing and Sales Department:

The marketing and sales team work hard to innovate new and updated works and techniques. The core strength of this department is their strong brand portfolio. Since Dettol, Harpic, Veet etc. brand has almost a worldwide recognition and trust, it allows them for effective marketing campaigns. Moreover, adaptability to adapt the market change. For the recent time when health products of Reckitt are doing less than hygiene one, they launched a new product in the portfolio as Dettol neem. Also, effective use of customer data is another strength of them which allows them to design their marketing campaign and media management accordingly as mentioned above. Shedding light on their weaknesses as mentioned they did not have any spokespersons or influencer until 2024 which results in limited localized marketing. Along with this they may face stiff competition from the local and international brands like Unilever and Square since they are renowned to know the similar kinds of products to sell at a lower price. As a result, competitor brands are producing more profit than Reckitt. Since Reckitt does not compromise with the quality of the brands, they must show this as a highlight of their marketing campaigning. But Reckitt in this recent time never talked about it widely.

Findings of the Finance and Accounting Department:

Assessing the recent 5 years of Reckitt's performance, it reveals that the profitability and growth of the business are growing consistently, during Covid 19 where most of the business were in the decline, FMCG companies such as Reckitt were in the rise. Reckitt has been maintaining the accounting rules and regulations, with the positive trend in the financial performance, Reckitt should capitalize now to further grow and keep up the momentum. As per the scenario says after pandemic Reckitt's brands are getting used more than before which is their biggest strength. But if they cannot keep it up likewise in 2022 it will be their weakness to face. So, overall their performance is good but needs to be constant.

Findings of the IT Department:

The information and technology department itself works as an operation team in order to ensure collecting, sorting and processing the data. They come up with new software and systems to keep track all the necessary data important for all the respective department. The key strength of them is they always try to cope up with global practices of IT that Reckitt UK does. But they still do manual work to ensure that. For example, to ensure tax certificate of all the shareholders tey still manually match the Challan and overleap to provide.

2.9. Recommendation:

In these three months of internship, I have enjoyed a lot but have come up with some recommendations which they may follow. First, we all are familiar with the brands of Reckitt. However, from my personal experience I have seen most of us do not know these brands are regulated under Reckitt Benckiser Bangladesh PLC. So, on this note may recommend them to increase their awareness as Reckitt. Investing more funds into advertising campaigns aimed at both consumers and businesses can assist RB in attracting a larger customer base for their specific product category. By allocating additional resources towards advertising, RB can effectively promote their products to the target market and enhance brand awareness among consumers and businesses. This can ultimately lead to increased sales and revenue, as well as a greater market share for the company. Also doing a successful university awareness program such as campus elevating program, business case competition, business idea generation, marketing campaign design etc. would work more effectively to attract the young talent. At the same time, they can collaborate with hospitals, clinics and pharmacies for a better reach. At hospitals health and hygiene are given the highest priority so it would really influence the consumer to purchase. Also, they need to be technologically updated. The IT practices should be updated since AI is taking over. Still, they are following the excel based or office suit to manage the data. Rather than excel they may set SQL and Power BI based work system. Moreover, factory-based HR team would really help them to recruit the right and perfect match for their team. Also having financial stability is a must for Reckitt y managing its debt.

Chapter 3: Project Part

A Comparative Financial Analysis of Health and Hygiene Products: Study on Reckitt Benckiser Bangladesh PLC.

3.1. Introduction:

According to WHO in the year 2023's survey among 570 million people in the world - 1 in 14 has a decent toilet and must share it with outsiders. This hampers the safety, privacy and dignity of girls. As we already know Bangladesh lacks a lot to give proper health and sanitation facilities. poor-quality toilets continue to pose a threat to the health of millions of Bangladeshi children. In rural areas such as Satkhira, Khulna only one third of households dispose of child feces safely (UNICEF Bangladesh, 2022). There are some local and multinational companies which provide hygiene and health products to mitigate this problem all the time. It is suggested that investments in health hygiene contribute positively to economic development by reducing healthcare costs and improving productivity ("Monitoring Health for SDGs," 2020) Among them Reckitt Benckiser is one which has a global reach to all over the world. In Bangladesh along with Reckitt there are Square, ACI, Procter & Gamble, Kohinoor, Kumarika etc. companies to work hand in hand. Therefore, the goal of this project is to compare Reckitt's financial data while focusing on their health and hygiene products separately to evaluate their performance and customer acceptability along with expected recommendation for further improvement and wellbeing. The manufacturing, operating and marketing data will be evaluated financially. So, for evaluating the financial performance ratio analysis will be required such as profit margin, ROA and ROE impact, gross profit margin and Dupont analysis etc. separately for both health and hygiene products. By evaluating all these financial data readers may get an idea of how well the leading health and hygiene company is performing and reaching out to the product seeker.

3.1.2. Project Objectives:

The report has broader and specific objectives to work towards collecting the data and findings.

Broader Report Objectives: To compare and recommend financial performance of health and hygiene products of Reckitt Benckiser Bangladesh PLC.

Specific Report Objectives:

- The first objective would be to evaluate the profit performance through ratio analysis of health and hygiene products to find out which segment of products the organization has better reach by doing gross and operating profit margin ratio of past three years.
- Evaluating asset and equity return based on the two segment through ROA and ROE would be another objective.
- Identifying the key drivers of financial efficiency between health and hygiene products by doing five step DuPont analysis would be the third report objective.

3.1.3. Significance of the Report Work:

The significance of the report work has many aspects. First, it will be helpful to understand the current market conditions and dynamics of health and hygiene products that Reckitt is serving.

Moreover, it will be significant to know the product performance for existing as well as newly launched ones. Also, it finds out the strategic planning and investment decisions making. Additionally, it will find out their competitive advantage through product line extension for Reckitt Benckiser Bangladesh. This will give the potential reader a clear idea about practices of an MNC. Also, it will be beneficial to analyze the effectiveness of health and hygiene products in Bangladesh financially and how an MNC managed to face a strong market position or weak position to be improved.

3.2. Methodology:

The research methodology of this report focuses on both primary and secondary data. The primary data includes interview of financial employees to know the segregation of all the products followed by segment wise practices. As well as the secondary data were also collected from respective company websites, annual reports, scholarly articles from google scholar, emerald etc. Also, information from websites of UNICEF Bangladesh, UNDP Bangladesh and WHO etc. will be taken too. Specifically, for the evaluation part of the report, the secondary data is going to be evaluated. For instance, the financial data and numbers of Reckitt from 2021 to 2023 are taken to evaluate segment wise performance. The previous data which is before 2021 may be misleading because due to the pandemic impact the demand was high. This does not rely on natural case but a best-case scenario to operate. The financial details and data are taken from the annual reports of the company since it is easily accessible.

3.3. Findings and Analysis:

The company has two operating segments based on two business segments namely as health and hygiene. Health products can further be segmented as household and pharmaceuticals. Previously Reckitt used to work on three segments such as health, hygiene and pharmaceutical. In Bangladesh they operate in the health and hygiene sector through renowned health brands like Dettol and Veet as well as hygiene brands like Airwick, Harpic, Lysol, Mortein, Vanish and Cherry. After 2021 the pharma and households are accumulated under health segment. The pharma products include Gaviscon, Strep sills and Durex. These segments are evaluated individually since it takes different strategy and technology into account to operate smoothly. In Reckitt they focused on before tax profit to measure each one of them. Below the evaluation related to the segment will be provided year on year.

3.3.1. Overall Segment Wise Financial Performance of RB Bangladesh:

Whether a segment or company is doing well or not we find it out through its profit earning ability. To evaluate a profit generation-oriented company's performance their profitability index may give the most accurate result of their performance. Along with profit performance, asset and debt management is also evaluated. Now to evaluate, assess and recommend that below is the past three years' profitability performance of segment base financial data being presented. To check their profitability ratio analysis has been done.

Years	2023		2022		2021	
Segment	Hygiene	Health	Hygiene	Health	Hygiene	Health
Gross Profit Margin	52%	48%	48%	44%	55%	55%
Operating Profit Margin	23%	18%	23%	26%	28%	28%
ROA	10%	13%	13%	23%	43%	2%
ROE	39%	50%	51%	94%	140%	6%

Table 07: Rb Bangladesh's segment wise performance in past 3 years

3.3.2. Profitability Evaluation

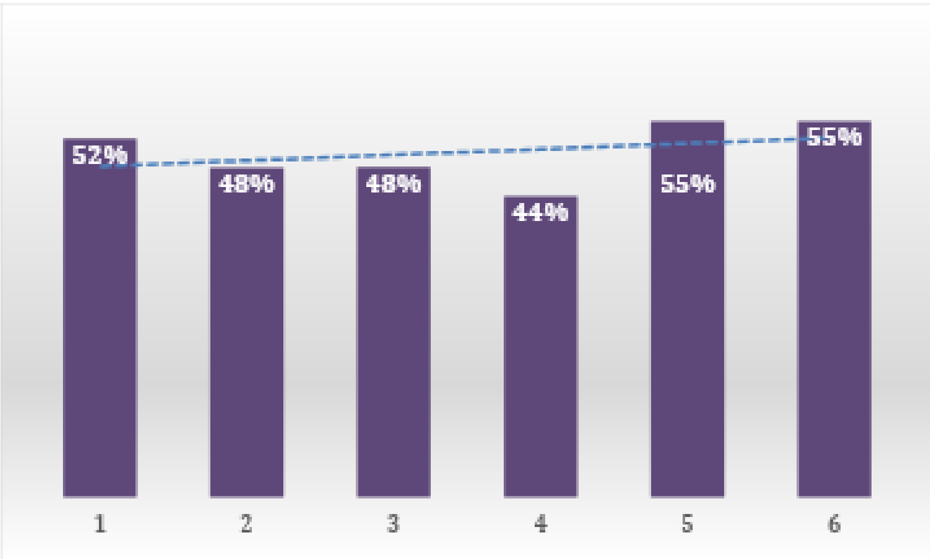


Figure 09: Gross profit margin of health and hygiene products of Rb Bangladesh.

Gross profit margin focuses on the factor of total revenue the company has generated through different selling of their products and the cost the products incur in order to make them as finished goods. If we see on the different years' performance, the health products manufacturing charge is higher or equal than the hygiene one. But overall performance of gross profit is similar like one another. For instance, in the year 2021 the gross profit margin is same for both the segments which is 55%. Even in the later years the difference is not that huge. In recent years the difference is only 4%. So, the raw material and inventories with transportations are same for the products of both health and hygiene. So, from this ratio performance it can be acknowledged that both health and hygiene segments go hand in hand in terms of gross profit. But over the past three years the GM profit is declining in the year 2022. This ensures an inefficiency in lowering its sales value to increase the profit margin.

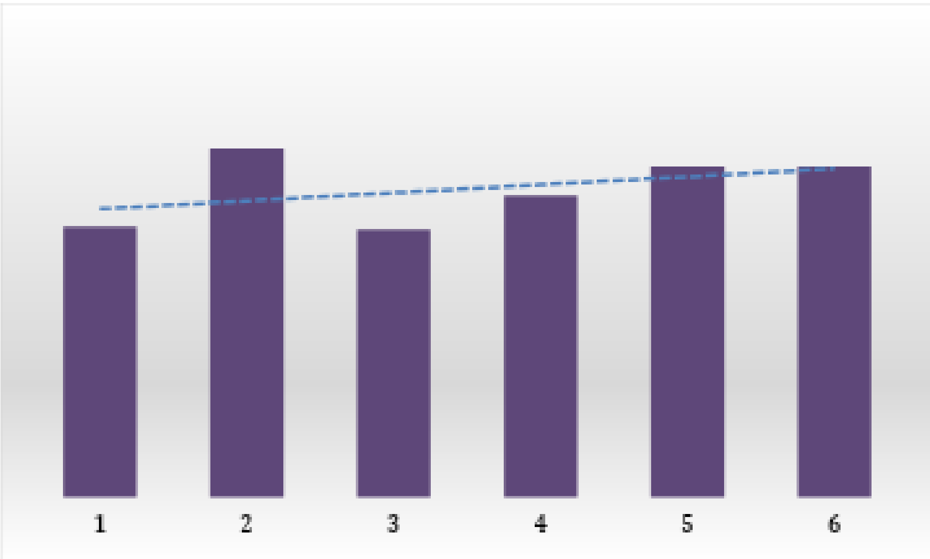


Figure 10: Operating profit margin of health and hygiene products of Rb Bangladesh**.**

Operating profit is measured by dealing with profit from operation and the revenue. Here the pie chart above shows the last three years operating profit performance. The operating profit margin provides the findings and insights to reduce the cost of promotional and administrative costs. When it comes to operating profit, Reckitt puts extra care into it since they mostly follow-on operating profit and analyze their segment wise performance. Looking at the operating profit of the last three years the hygiene sector gives more color to its performance. In all the three years the hygiene operating profit is more than the health one. The operational profit is the core component in case of increasing share performance. The more operating profit the company acquires the more dividends they can declare. Hence their hygiene brands are making more profit than the health one. The health operating profit is the same in recent two years 2022 and 2023. Whereas the hygiene one is gradually increasing. So, in comparison with the GM ratio OP ratio is more favorable towards the hygiene products.

Figure 11: ROA of health and hygiene products of RB Bangladesh

The return on assets eradicates how profitable a company is in terms of generating profit by employing its assets. In other words, how much profit is generated if 100% of the asset is employed. While focusing on the total number of assets in the last three years in every year, Reckitt's hygiene segment proved its worth to generate the highest amount of profit for the company. The best performance can be indicated in the year 2021. The hygiene is operating at 43% while the health is at 2%. Subsequently in the later years the health segment increased while the hygiene one decreased. The reason that best suits here is the pandemic effect. In the year 2021 the pandemic was going on while in 2022 and onwards the situation was getting better. This may cause a collapse in their performance. But overall, the ratio is downward sloping. To increase the health performance, the respective marketing team took various steps like new product alignment in the product portfolio, new campaigning focusing on different target audiences and by introducing new variation in the existing product. The is why the health ROE is upward sloping in the past three subsequent years. From 2% it increased to 10% from the year 2021 to 2023.

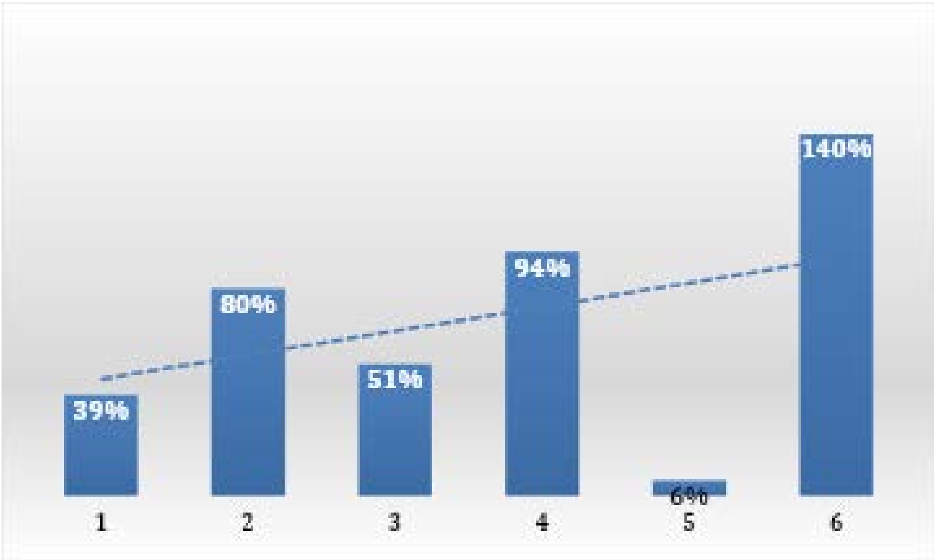


Figure 12: ROE of health and hygiene products of RB Bangladesh

Return on equity focuses on the return the company got by measuring with the equity invested by the shareholders. The company here measures how much return or profit it generates while solely depending on their equity. Here we see in the last three consecutive years the hygiene segment is responsible to generate more profit to cover its equity employed. In 2023 hygiene is operating at 80% while health at 39%. The same adverse relation is seen every year. Likewise, in the year 2021 the health segment is operating at only 6% while the hygiene one is at 140%. By analyzing these, the hygiene sector here is also booming.

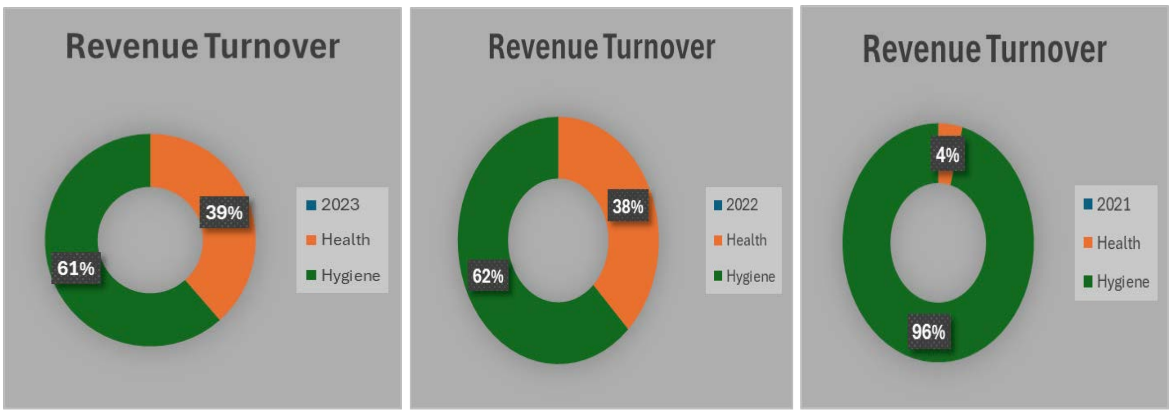


Figure 13: Revenue turnover of health and hygiene products of RB Bangladesh

In the year 2021 health segment consisted of pharmaceuticals while 2022 and 2023 health segment consist of pharma and household. The revenue turnover that Reckitt has over time shows their hygiene one contributes more than the health one in terms of revenue generation and if we compare in recent times revenue generation, we may acknowledge that the hygiene segment has been consistent over time. Also, the like any other analysis criteria hygiene is doing better than health.

Estimated Segment Wise Profit:

At Reckitt the segment wise financial statement is available till the profit from the operation. The later components are quite uncountable according to the segments. For example, we cannot calculate the segment wise financial income or loss separately. For this reason, an estimated income statement is calculated. By logically assuming the turnover rate as contributed to each segment. For example, in the year 2023 the financial loss impaired was BDT 14368703. By multiplying it with the turnover rate of both the segments, the segment wise financial loss is calculated. Same assumption has been made for workers' profit participation fund calculation. However, the tax rate is 20% fixed for both the segments. Below is the 3 years' estimated net profit calculation:

2023	Health	Hygiene
Operating Profit before tax	466,183,567	957,974,016
Financial loss	(5,603,794)	(8,764,909)
Profit Before WPPF	460,579,773	949,209,107
Contribution to WPPF	21,468,537	33,578,993
Profit Before Tax	439,111,236	915,630,114
Tax	87,822,247	183,126,023
Net profit	351,288,989	732,504,091

Table No 08: Estimated financial data of 2023

2022	Health	Hygiene
Operating Profit before tax	425,467,016	789,364,594
Financial loss	19,004,632	31,007,558
Profit Before WPPF	406,462,384	758,357,036
Contribution to WPPF	16,964,351	27,678,678
Profit Before Tax	389,498,033	730,678,358

Tax	77,899,607	146,135,672
Net profit	311,598,426	584,542,687

Table No 09: Estimated segment wise financial data of 2022.

2021	Health	Hygiene
Operating Profit before tax	56,766,824	1,327,620,079
Financial Income	133,026	3,192,618
Profit Before WPPF	56,633,798	1,324,427,461
Contribution to WPPF	2,202,963	52,871,112
Profit Before Tax	54,430,835	1,271,556,349
Tax	10,886,167	254,311,270
Net profit	43,544,668	1,017,245,079

Table No 10: Estimated segment wise financial data of 2021.

DuPont Analysis of Reckitt:

The DuPont analysis consist of a detailed ROE which reflects key components and drivers of a company. By interpreting this company, shareholders and investors may find out the co relation of revenue earning, debt management and equity position. The Formula of a 5 step DuPont analysis is ROE = $\frac{Net\ Income}{Pretax\ Income} * \frac{Revenue}{Assets} * \frac{Total\ Assets}{Shareholders\ Equity} * \frac{Pré\ Tax\ Income}{Operating\ Income} * \frac{OperatingIncome}{Revenue}$

Years	2023		2022		2021	
Segment	Health	Hygiene	Health	Hygiene	Health	Hygiene
Tax Burden	0.80	0.8	0.8	0.8	0.8	0.8
Asset Turnover	0.45	0.72	0.42	0.69	0.05	1.06
Equity Margin	3.76	3.76	4.07	4.07	3.23	3.23
Interest & WPPF	0.94	0.96	0.92	0.93	0.96	0.96
Operating Profit	0.23	0.30	0.23	0.26	0.28	0.28
ROE	29%	61%	28%	53%	3%	73%

Table 13: Segment and component wise ROE of past three Years.

Through DuPont analysis we find out the return on asset or ROE. This roe indicates how well a company manages its tax burden, asset turnover, equity management and operating profit. By managing all its components how much return it is generating for its shareholders. A higher ROE represents a well determination of profit generation. So, by interpreting the table above it can be acknowledged that the hygiene segment is contributing more to comparison with the health one. As seen in the year 2023 the hygiene segment has generated 32% more than health one. In the 2021 the hygiene sector has generated 70% more than what the health one has generated. Also, the roe is not stable either. The return on asset and tax burden with other financial loss is the game changer here. Apart from these two components all other components seem quite similar in both the segment.

3.4. Summary and Conclusion:

To sum it all up, overall Reckitt's performance is going well. The organization has maintained a strong position in the FMCG market. It may earn more by following the recent trends. For now, the health and hygiene sector is making profit but with time it may become obsolete. Durex was one of the products of Reckitt which was available in Bangladesh but with time it lost its demand and now it is unavailable. So, using the correct initiative they may overcome this situation.

The overall profitability index of segmented reports shows the health segment has more or equal gross profit margin while hygiene contributes more in terms of operating profit, ROA and ROE generation. Taking all four indexes we may anticipate that hygiene products require greater COGS compared to health products. However, the hygiene segment generates more profit and turnover by focusing on asset and equity employed. Firstly, after pandemic the disposable income rate has been decreased while the inflation rate increased over time, Also the Russia and Ukraine war made it very uncertain for them to operate smoothly. Moreover, the competition has risen as consumers are heading towards cheap products rather than quality one. Also, in this down warded economic position Reckitt came up with products like Dettol neem and Dettol hand wash but could not make it a market leader. The reason behind this situation also would be less product variation in the health sector. The health sector consists of Dettol, Veet and Pharma products while hygiene has more variants like Harpic, Lysol, Mr. Brasso and many more. Also, Dettol brands best seller is their antiseptic soap, but the soap market is dominated by Lux and Lifebuoy. Although the Dettol brand is increasing their product line, it did not reach sufficient customer awareness. For example, Dettol neem and body washes did not make its positioning stronger in the market. That is why the company is lacking behind in proving its worth due to the competitors. Whereas hygiene products like Harpic, Lysol and Mr. Brasso have been the market leader for a very long time. From my personal experience in my own home, we do not say toilet cleaner is finished rather we say Harpic is finished. So, it has made their positioning very strong in consumers' minds. Also, there is no floor cleaner acceptance other than Lysol.

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3.5. Recommendation:

Therefore, Reckitt Benckiser Bangladesh is doing great to reach out to their target audience in every sphere of Bangladesh. But Reckitt is lagging to perform equally in both the health and hygiene sector. This may be a concern for them. Since shareholders or any third-party investor may grant these as a problem to invest. If there is no proper balance between these two segments, this may result in underperforming scenarios. Although health products are also generating adequate profit but lagging to beat hygiene one which may result in demeaning the goodwill. So, the recommendation would be to

- Focusing on high profit margin products of the health sector would best fit here. Firstly, they may identify those product variations which have a higher profit margin and then promote those products. The usage of body wash won't be regular as it is in the urban. So, launching body wash may not be a good idea.
- Moreover, exposure to new product opportunities would fit here to improve their product line through research and development. For example, coming up with sachets and family packs.
- Also collaborating with healthcare providers like Astha, Maya and hospitals would help to recover this loss to a profitable one along with influencing the consumers with a spokesperson.

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Appendix

Income Statement Summary	**Amount in Thousand**				
Years	**2019**	**2020**	**2021**	**2022**	**2023**
Revenue	4,126,150	5,333,884	4,942,046	4,969,365	5,281,570
Profit before tax	879,563	1,077,842	1,101,501	892,861	1,100,951
Taxation	260,302	338,954	293,380	233,721	280,453
Profit after tax	619,036	738,888	808,122	659,140	820,498
Dividend	590,625	661,500	779,625	463,050	259,875

Balance Sheet Summary	**Amount in Thousand**				
Years	**2019**	**2020**	**2021**	**2022**	**2023**
Property, plant & equipment	470,887	548,079	571,184	577,880	607,331
Right of use asset	38,458	177,140	155,426	167,880	142,738
Deferred tax	12,625	28,760	10,885	0	26,761
Net current assets	303,114	374,414	434,527	273,067	594,117
Non-current liabilities	151,119	320,673	223,967	183,437	176,988
Net assets	673,964	807,720	948,056	835,390	1,193,958
Share capital	47,250	47,250	47,250	47,250	47,250

General reserves & retained earnings	626,714	760,470	900,806	788,140	1,146,708
Shareholders' funds	673,964	807,720	948,056	835,390	1,193,958