

Report On
“Embark of Walton group of industries as a rising competitor for
domestic and global manufacturers of electronic appliances”

By

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

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I/We have acknowledged all main sources of help.

Student's Full Name & Signature:

A photograph of a handwritten signature in dark ink on a light-colored surface. The signature appears to be 'Rafat' with a stylized flourish underneath.

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Supervisor's Full Name & Signature:

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Letter of Transmittal

Dr. Syed Mahbubur Rahman

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66 Mohakhali, Dhaka-1212

Subject: An internship report on “Embark of Walton group of industries as a rising competitor for domestic and global manufacturers of electronic appliances”.

Dear Sir,

With due respect, I want to inform you that I have prepared a report on “Embark of Walton group of industries as a rising competitor for domestic and global manufacturers of electronic appliances” as per your instructions. This report helped me in identifying the contribution of Walton group towards the betterment of Bangladeshi citizens through the manufacturing of variety of electronic and electrical appliances at an affordable price compared to other competitors around the globe.

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I hope this report will provide you with sufficient information regarding my work.

Sincerely yours,

MD. Rafat – Ul - Alam

Student ID: - 19264023

Acknowledgement

At first I would like to thank my supervisor Dr. Syed Mahbubur Rahman and co-supervisor Dr. Ekramul Islam for their support for the purpose of completion of my report. Their guidance helped me all the way in identifying the key aspects in terms of researching and completion of my report. Their consistent support and supervision all through the period of this internship report have been most prominent prompting for me and specifically added to accomplishment of the report.

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Executive Summary

Walton group of companies is currently regarded as one of the leading manufacturers of electronic and electrical appliances from both domestic and international perspective. With their categorized product line along with affordable pricing and state of the art design, the company is fulfilling the demands of millions of people around the world. Not only is this group of company offering products and services that are affordable to the middle income people but also is developing infrastructure that are boosting certain economic factors such as lowering the unemployment rate, increasing the GDP and export tariffs of the country. Furthermore, with the award and certifications at hand, Walton Group has satisfied all of their consumers by offering durable products and top notch service as well. Moreover, the investment opportunities at the company are regarded as one of the secured form of investment in accordance with the assumptions of the management at Walton group. Finally, the company not only delivers product that are affordable towards the people around the globe but also the company ensures all their product development are on a sustainable basis ensuring a balance between Mother Nature and ecology as well.

Keywords: Affordable pricing, State of the art design, innovative quality, Effective and Efficient workforce, Strategy implementation, Sustainability.

Table of Contents

Declaration	ii
Letter of Transmittal	iii
Acknowledgement	iiv
Executive Summary	v
Chapter 1 [Introduction]	1
1.1 [Overview of the Company].....	1-6
Chapter 2 [Background of the Company].....	6-12
Chapter 3 [Evaluation of the Company]	12-15
Chapter 4 [List of Questions Central to the Case]	15-20
Chapter 5 [Proposed Solutions and Changes].....	20-21
Chapter 6 [Recommendations/Conclusion].....	21-22
References.....	23-24

Chapter 1

Introduction

1.1 Overview of the Company

People all around the world are continuously being surrounded with technological innovations and offerings. As a result, buyers are exposed with multiple varieties of products and services at different price ranges. Due to advancement in today's technological innovations and advertisement via social and other different platforms, buyers are often getting confused with the amount of information being offered at different platforms and of course the viability of this information. Buyers who are willing to purchase products at affordable prices which meet their expectations are being found hesitant to purchase due to remarks being passed on by affluent influencers. As a result, products produced domestically are being left out even being offered at reasonable prices due to lack of promotion and brand value. Though, Bangladesh is considered as one of the weakest countries in terms of economic and financial solvency, the skills necessary to rise in terms of GDP and growth rate are no more lacking behind due to opening of multiple of MNC's and rise of educational and polytechnic institutions. As technological innovation in recent years have shown significant development in terms of product development and its offerings at affordable price, Walton group of company, a leading conglomerate company of Bangladesh, are now a days, offering variety of product lines and mixes that are not only eye catching towards its domestic people but also from a global perspective as well. Walton had entered into the electronic appliances industry in the year of 1994 with the aim of manufacturing electronic and electrical appliances that aid almost every aspect of modern life Bangladeshi people desires.¹ The reason behind their recent success is primarily because of their categorized product line and most importantly that are being offered at affordable price range along with customized orientation of their products as per the demand of the customer. Currently, the company is manufacturing world class machineries like Thermoforming, Channel Extrusion, ABS/HIPS Sheet Extrusion, Auto insertion machine that are essential for Walton group for the purpose of manufacturing high quality and state of the art design products. Walton's variety in its product category has allowed the company to gather high percentage of market share in terms of selling of refrigerators, air conditioners, LED/LCD televisions, motorcycles and other forms of home appliances. Due to their continuous development in their manufactured

product category, many of the industries similar to Walton group operating abroad have praised Walton group highly because of their innovative quality and state of the art design. As a result, Japanese Ambassador to Bangladesh, Mr. Shiro Sadoshimo has expressed his gratitude positively in terms of exporting Walton's manufactured products in Japan.

According to Mr. Shiro Sadoshimo on his visit at the electronic and automobile factory Walton Hi-Tech Industries Ltd. at Chandra, Kaliakair in Gazipur, he stated:

“There are high possibilities for Walton group to export their manufactured products in Japan as both countries have maintained good relationship among them for a long period of time and if both countries co-operate with each other the economic expansion of these two countries will become more progressive.” ⁱⁱ

In addition to the above mentioned assurance, the Japanese Ambassador to Bangladesh, Mr. Shiro Sadoshimo have also ensured Walton group to provide all kinds of technical support to develop Walton's production facilities for the purpose of smooth promotion and export of their products into the Japanese market. Walton group has currently established significant landmark in becoming the highest exporting Bangladeshi enterprise in the field of electronics where the company has made global presence in more than 20 countries across the world.ⁱⁱⁱ

Moreover, not only products of Walton group are being offered at affordable prices to its customers and distribution panel but also acquiring global accreditation and certification for their innovation and quality as well. Couple of notable mentions in terms of recent prestigious and business awards are: The Golden Globe Tiger Award 2015 in the category of Excellence & Leadership Brand, Six times 1st Prize for Highest VAT Payer at DITF-2015, 2014, 2013, 2012, 2011 & 2010 respectively, ISO 14001:2004 Refrigerators & Air Conditioner Division, ISO 9001:2008 Refrigerators & Air Conditioner Division and many more.^{iv} Moreover, such remarkable achievements are not only surrounded within the local boundaries of the country but also are reaching global heights through the forms of exporting in Germany, Poland and Zimbabwe as well. With its current technology and machineries at hand, the company per annum is able to produce 3.00 million refrigerator, 0.30 million Air conditioners, 0.15 million Motorcycle and 1.5 million Television respectively.^v In terms of producing refrigerators and freezers, the company uses nanotechnology that keeps their foods fresh as well as silver Nano particles that keeps the bacteria and unpleasant odors away from the food along with 12 years guaranty on compressors of the fridges purchased locally and internationally. Due to its innovative quality, features and design Walton refrigerators have

acquired six-time ‘Best Brand Award’ winner organized by BBF in association with Nielsen Bangladesh and The Daily Star.

During the ceremony, Walton’s Deputy Executive Director Md. Firoj Alam, who stated:

“Along with latest technologies such as intelligent inverter, Nano-health care and anti-fungal door gasket are being used in Walton fridge, Walton group in terms of manufacturing refrigerators have acquired multiple certification that has smoothened the sale of Walton’s product not only from the local perspective but also from the perspective of international export and sale.”^{vi}

For the production of motorcycle the company offers varieties of motorcycle engines ranging from 100-140 cc respectively. All of the bikes are 4-stroked and a single cylinder engine with added features of enhances air cooling system installed. Similar to their refrigerators and motorcycles, the air conditioners and televisions manufactured at the plant of Walton are also enhanced with added features making them an exception from other domestically produced competitors within the country. Currently at Walton group, the company produces split type air conditioners weighing 1, 1.5 and 2 tons respectively which are available in different models and colors in addition with LED display and copper condensers.^{vii} Whereas, the television manufactured at the plant ensures clearer pictures and sharp contrasts ranging in width and length from 19”-55”. Moreover, due to affordable pricing along with innovative quality in terms of manufacturing Televisions, the electronic giant had acquired milestone of entering into the Greece and Germany market with the label of ‘Made in Bangladesh’ by dispatching consignment of its LED televisions.^{viii} During the event of ‘Expanding Export Market to Greece’ held at the Walton Corporate Office’s board room in the capital, the officials of Walton remarked such expansion of Walton will also allow the company to penetrate in other markets of the European counterpart of the world.

During the event, Walton’s Greek business partner Georgios Tziallas said:

“I am glad company such as Walton not only specializes in manufacturing electronic appliances that are of innovative quality and state of the art design but also delighted to see Walton group going beyond boundaries in order ensure an effective and efficient QC control as well.”^{ix}

Moreover, according to Walton’s European business head Mr. Tauseef Al Mahmud, penetrating the southeastern Europe will allow Walton group to yield great results as there

possess high potential of acquiring significant profit in the European counterpart during events such as Christmas sale and Black Friday occurring every year during the month of November.^x

Apart from these renowned appliances, the company produces laptops, PC's, mobile phones and microwave oven that are enhanced with added features as well innovative quality and state of the art design. Again, due to its continuous rise in terms of product offerings and customer services, Walton group is widely recognized for maintaining a manufacturing plant with more than 30000+ people working under for the continuous betterment of this organization, more than 4000 plazas of retail organs and more than 57 well equipped and modern after sale service points. Additionally, due to its remarkable achievements in terms of acquiring global recognition, even the brightest of graduates are seeking employment opportunities at Walton group due to their employee benefits and compensation packages. With the aim of offering a product line at affordable prices towards its people, Walton has reached global heights through its quality, innovation and design from the perspective of exporting to affluent nations throughout the world. Moreover, Walton group in order to satisfy all of their customer segment both internationally and domestically, the company have developed strategies that ensures affordable pricing, sustainable growth in all the markets they are operating and developing customized products that offers effective and efficient integration of hardware and software. Along with manufacture and product development, Walton group's management and employees have sincerely dedicated their hard work for the purpose of acquiring consumer confidence through delivering innovative quality product and top notch service centers. As a result, through years of hard work and sheer determination, Walton group has been honored by being awarded for 'Brand Excellence in Consumer Durables Sector' during at a gala event held at pan pacific in Singapore by the world brand congress.^{xi} The world brand congress each year conducts a research on identifying elite brands that serve their customers by ensuring affordable pricing, innovative quality and after sales service worldwide. Their research had identified among the 500 companies that participated for the purpose of acquiring this prestigious award, Walton group was able to satisfy all the attributes that are required for this prestigious award as Walton group's popularity with their product has reached its peak in the minds of both domestic and international consumers. Moreover, along with the above mentioned attributes, Walton group additionally fulfilled other important factors naming ISO standard service management, rapid market expansion and overall customer satisfaction.^{xii}

After acquiring this prestigious award, executive director of Public Relations and Media Department of Walton, Mr. Humayun Kabir stated:

“Acquisition of this prestigious award has proved the fact that Walton group is one of the top leading manufacturers of electronic appliances not only from a domestic perspective but also from an international perspective and the company now with their promising growth every year needs to strategize even harder in order to ensure such award is not a fluke or acquired by luck but through sheer determination and hard work.”^{xiii}

According to market research, Walton group currently has acquired 70% of the local market share through its offering of electrical and electronic appliances. The reason behind this success is due to its variety in product category, innovative quality and affordable pricing. However, management of Walton group knew acquisition of such market share was not only possible by delivering products that are of affordable pricing and innovative quality but needs to acquire the trust of their prospective customers and current customers by delivering both durable products and top notch after sales service as well. During a three day event of Bangladesh ICT Expo held at Bangabandhu International Conference Centre located in Dhaka, Bangladesh, one of the customer praised highly of Walton’s smartphones, tabs and power banks by stating prices of these products had never been found this cheap and of such added features in comparison with other smartphone manufacturer both domestically and internationally. In addition, the company also offered significant discount on the company’s entire product showcased at the fair.^{xiv} For the purpose of ensuring customer satisfaction and achieving customers trust, the company had initiated 24/7 hotline services, build an IP address that can run with low bandwidth for the purpose of video consultancy and developed a digital concierge that provide guidance and access to available resources. Due to its continual rise in the minds of the consumers, even at the industrial and educational level Walton’s product are being purchased on a whole sale basis and are being installed with

contracts being developed on the basis of product guarantee and after sale service of offering maintenance on a timely basis.

Chapter 2 [Background of the Company]

Bangladesh's history before the declaration of becoming an independent nation and resembling themselves as the people's republic of Bangladesh came after a long fought war which lasted more than 9 months and at the expense of millions of lives. Before becoming an independent nation the country was in partitioned with India and Pakistan. When the British colonial rule ended in 1947, Bengal was divided into two parts where west Bengal was incorporated into India and the east Bengal becoming East Pakistan. However, with lack of human rights and opportunities the people of East Pakistan declared a war named as the liberation war and eventually resulted in creating an independent nation naming Bangladesh. This newly developed nation due to lack of infrastructure development, poverty and negative GDP growth rate was seen by affluent nations as one of the least developed country around the world. Despite this devastating impact, one individual naming S.M Nazrul Islam, a visionary leader had forecasted the opportunities of developing Bangladesh as one of the top leaders of manufacturing electronic and electrical appliances not only with distinct innovation but also offering products at an affordable price towards the people of the country. Not only his vision enhanced the lifestyle of the people of Bangladesh but also contributed greatly towards the development of the country as well. Due to his industries named as Walton Group of Industries, Bangladesh is now regarded as having one of the robust economies in Asia.

According to one renowned author's observation:

"In the year 2019, the world economic forum cited Bangladesh acquiring annual GDP more than \$300 billion and growth rate of 8% compared to developed nation whose growth rate was 13%. Moreover, as the country shifted from an agricultural base to an industrial base, the manufacturing industries were able to provide 53% of the GDP which surprisingly exceeded the neighboring country India in terms of GDP per capita."^{xv}

The key behind such success of Bangladesh becoming a developed nation from a least developed nation is primarily due to the contribution of Walton Group of Bangladesh as the company continuously is impacting the economy of the country by developing infrastructure,

providing employment opportunity and bringing in foreign revenues via exporting to affluent nations. Before the inception of Walton group, people of the country had to pay higher prices in terms of purchasing electronic appliances from Philips, Siemens and Sharp. These purchases not only resulted in currencies going out of the country but also possessed limitations for the consumers of the country when they were seeking for lower prices of such products. Walton group has significantly revolutionized the electronic appliances industry by offering consumers variety of product categories as well as being offered toward them at prices the consumers are willing to pay. Moreover, this also resulted in currencies not going out of the country rather being imported into the country as other affluent nations find the pricing of Walton's product comparatively lower to other electronic appliances manufacturer.

Walton group Bangladesh started its venture at the hands of S.M Nazrul Islam who is the founder of Walton group. The chairman of the company, S.M Nazrul Islam was born in a Muslim oriented family in 1924 at Tangail Union of Bangladesh. During the preliminary stages of his business career he was involved in his father's small tin supplying business which is referred as the shed for households primarily constructed in the rural areas of Bangladesh. However, after independence, in 1977 he formed a new company named after his eldest son called Rezvi & Brothers, abbreviated as R.B. Group.^{xvi} The elder son of S.M Nazrul Islam, Mr. S M Nurul Alam Rezvi who is the current chairman of Walton group of industries was born on 5th April, 1958 and studied in Science and applied his knowledge thoroughly in the pursuit of making Walton group as one of the top leading company of the country through delivering innovative quality products towards the people of the country.^{xvii} Through sheer determination and commitment, the chairman of the company have placed Walton group as the largest and most popular electrical and electronics brand of Bangladesh.^{xviii} Apart from being the chairman of the company, Mr. S M Nurul Alam Rezvi is also a member of multiple associations for his kind hearted donations for the purpose of bettering off the community and society of the country. Mr. Rezvi has acquired membership of the following association naming Bangladesh Motorcycle Manufacturers & Exporters Association (BMMEA) and so on.^{xix} Despite this membership, the chairman of the has acquired accreditation by being selected as Commercially Important Person (CIP) by the Government of People's Republic of Bangladesh since 2013 (CIP Export No. E –125-61).^{xx} Furthermore, he has acquired directorship in multiple other entities of the company naming Chairman of Walton Chemical industries, director of Walton Motor Industries limited, managing partner of Walton Plaza and so on.^{xxi}

According to MR. S M Nurul Alam Rezvi, who is a true dreamer as well as a person enriched with knowledge, wisdom and efficiency have stated:

“My dream of making Walton group of industries as one of the top leading industries of the country was still a dream in my sleep. However, my dream became reality when I couldn’t sleep until I fulfill my dream”.^{xxii}

With the aim of adding refrigerator in Walton’s current product line, Mr. S M Shamsul Alam, born on 17th August 1963 joined their family business after completing his graduation. It was his vision to urge his brothers in manufacturing refrigerators as refrigerators manufactured by renowned companies consisted of high price and not all people of the country were able to purchase at such high price. His idea of incorporating refrigerators in the company’s product line eventually lead to establish a factory at Chandra, Gazipur which not only produced refrigerators that are of innovative quality and affordable price but provided the opportunity to employ several unemployed people into Walton group. With the courage to embrace challenges regardless of the difficulty level, the vice-chairman of the company had the vision and business mind to take forward Walton group as a company who can offer products with cutting-edge technologies and innovative quality. After incorporating refrigerators to Walton’s product line which has been a huge success for the company, under his leadership the company also manufactured Fan, cable and lift which was able to grab lion share of the market within a short period of time due to being offered at a reasonable price. Currently, the vice-chairman of the company is visualizing on manufacturing automobiles and entering into the furniture market under the guidance of Walton hi-tech industries limited.^{xxiii} Apart from his effective decision making, the vice-chairman of the company is engaged in CSR activities of developing a trust in the name of ‘Mahbub Alam Mridul Foundation’ where free food, education and medical facilities will be provided for the underprivileged people of the society.^{xxiv} Similar to his brother, the vice-chairman of the company member of multiple renowned association of the country as well as acquired directorship in other concerns naming Federation of Bangladesh Chamber of Commerce & Industries (FBCCI), Bangladesh Chamber of Industries (BCI), Bangladesh Refrigerator Manufacturers Association (BRMA) and so on.

Together with all the sons and daughters of S.M Nazrul Islam joining their father’s business, Walton Hi-Tech industries started its journey in 2002. Furthermore, consequently when 3rd and 4th son of S.M Nazrul Islam joined their father’s business, Walton industries expanded its

Dhaka office and in 1996 when S.M Nazrul Islam's 5th son joined his father's business, Walton group opened another branch in Chittagong as well. In 1997, in order to make significant contribution in the electronics industry, Walton group started their venture on manufacturing quality and affordable electrical and electronics goods. In 2007, in order to manufacture TV's, fridges, AC's and motorbikes, Walton group constructed a manufacturing plant in Gazipur with the surroundings of more than 700+ acres of factory area with a workforce of more than 30000+ with a capacity of yearly production is 10 million units based on market demands.^{xxv} In 2010, Walton started its venture in digital market after the launch of its smartphones in Bangladeshi markets. Within 2011, the company started to export TV's, AC's and other forms of electronic goods in foreign markets as well. In 2012, Walton brand's TV's were judged as the 2nd best in terms of best brand award which triggered Walton group to manufacture Walton micro-tech television for which they developed a plant in 2013. The revenue stream of the company between the years of 2013-2014 was allocated an astonishing figure of TK.314 crore. In 2014, the company started to manufacture kitchen appliances which eventually lead the company to generate revenue for that year a surprising amount of TK.502 crore. Within 2015, Walton had captured about 80% of the local refrigerator market in terms of unit sales and about 30% market share in the local television market. In 2016, with only seven prototypes and 1 million production capacities, Walton group started their venture in producing home appliances which eventually according to FY2016-17 generated a revenue stream of TK.726.45 crore. Additionally, Walton group was awarded a 5 – star energy rating by BSTI for the purpose of producing refrigerators on energy efficiency. Moreover, within the same year, Walton group in its Gazipur plant initiated manufacturing compressors and received orders of 4 million casting parts of Walton compressor units from a Germany based company. Within the same year the company initiated manufacturing smartphones where they would sell 12 million smartphones and 41 million feature phones within that year. In 2018, the company started manufacturing PC's, laptops and ICT materials which eventually awarded them with excellence award from HSBC in manufacturing computer appliances.

The organizational structure may create curiosity in one's mind on the fact that most of the top level positions upheld within the organization are occupied by family members of the organization. As a result, an individual seeking a prospective career at Walton group due to its good reputation in both domestic and international market may perceive the idea of not able to secure a position at the top level of Walton organization as its hierarchical structure

shows the positions are held by family members. Though, this idea is valid from an employee's perspective working at Walton and dedicating his time and hard works for the organization and desires to reach at the top level of the organization. However, at Walton group of company all employees has equal opportunities in terms of climbing up to the top level of company's management as the company's management believes in promoting the deserving candidates who had brought significant growth within all levels of the organization. For instance, Golam Murshed, who is the Managing Director (MD) and Chief Executive Officer (CEO) of Walton Hi-Tech Industries Limited is a visionary young business leader who had joined Walton group of industries as an assistant engineer in the R&D of air conditioner. With his excellent management skills, leadership ability and visionary thinking he significantly boosted the sale of AC's of Walton group when first was introduced into the market.^{xxvi} Later, he joined the manufacture department of refrigerators as it seemed more challenging and interesting to him. With the approval from the authorities he self-participated in understanding the complex components of the refrigerators and asked the engineers what will make the refrigerator work even better compared to now and the costing of such modification as well. Moreover, with his ability of understanding the consumers demand along with their purchasing power, he developed refrigerators that are of affordable pricing, innovative quality and state of the art design. As a result, the sale of the refrigerators was almost doubled in a year after he took charge of the production line of the refrigerator manufacturing plant.^{xxvii} For such tremendous performance and achievements and empowering consumers with unique products he later was appointed as the Managing Director and CEO of Walton group of industries.

Due to such accomplishments, today's youth want to follow his methods and reach at the top levels of organizations similar to Walton group. However, on this issue, Mr. Golam Murshed has stated:

“Any of my work, any of my word may provide guidance to acquire and secure a good respective position currently at your designated organization, but this doesn't necessarily mean to let go of your own identity and follow a certain individual.”^{xxviii}

Moreover, Walton group initiated their IPO offerings in both the stock exchanges of Bangladeshi stock market through the hands of Mr. Golam Murshed which within a few months resulted Walton group becoming second largest market capitalized company of Bangladesh.^{xxix} In 2020, Walton group made IPO in both DSE and CSE. At the beginning of

entering into the market of DSE and CSE, Mr. Golam Murshed organized a week long roadshow on investment in Bangladesh's capital market at the InterContinental New York Barclay's hotel in Manhattan, USA. ^{xxx} Where, during a press conference, the MD of the company made assurance on investment at Bangladesh is fully secured by stating:

“Since its inception in 2008, the company within its previous years of operations has currently reached a landmark towards the consumers on a global basis which would not have been possible if not backed up by the people and representatives of the government body of the country. With their assistance and knowledge, we can now proudly admit the scope and opportunities in the capital market of Bangladesh will certainly benefit all the parties participating in the forms of investing into the capital market as well as develop the infrastructure and economic condition of the country.”^{xxxi}

Currently, the mission of the CEO is to make Walton group a global brand across various parts of the world and developing Bangladesh as a hub of manufacturing products and services that will be appreciated not only from the perspective of local and global basis but also for different types of consumers with concerning factors such as their purchasing ability, taste and preferences. Moreover, the MD of the company believes in development of economic and financial condition of the country must be on a sustainable basis. As a result, the company uses the 3R system (Reuse, Reduce and Recycle) and uses approximately 51.16 tons of waste produced each day in their manufacturing and production process.^{xxxii} With his vision of going green for Bangladesh, Walton at all levels of its organizational hierarchy believes in developing innovative and quality products should be created by ensuring a harmony between human race and mother nature as well as maintaining a balance between the natural and industrial ecology.^{xxxiii} In order to ensure such initiatives are carried forward among all the levels of the employees, each and every employee of the organization have to go through sustainable training session program where the importance of resource usage the necessity of sustainable development is required in order to survive in the industry for a longer period of time.

Walton group of companies were the first manufacturer to manufacture smartphones with the tag of “Made in Bangladesh” to foreign markets. In order to ensure quality assurance towards its customer, management of Walton group ensures customer satisfaction by offering different categories of electronic appliances that are of top notch quality and state of the art

design. The top management of the company which is run by the sons and daughters of late S.M Nazrul Islam is responsible for the strategic direction in this case manufacturing locally and acquires global recognition that also enhances the GDP and revenue of the country. The middle management consists of executives and teams that overlook the factory level workers and production schedule.

Though, before Walton group, there were multiple industries in Bangladesh naming Singer, TCL and Konka who were sole distributors of electronic appliances started to fade away as Walton decided to develop their marketing strategy in producing quality products at affordable price which eventually gave them competitive advantage over their competitors. With the vision of becoming a global brand within 2021, Walton has established a milestone as the highest exporting Bangladeshi enterprise in the field of electronics, with a universal presence in over 20 countries. ^{xxxiv}

Chapter 3 [Evaluation of the Company]

From its inception, Walton group of companies have dedicated their industry life cycle from the perception of developing quality, innovative and affordable products to their customers from both local and global perspective. As a result, the company has developed multiple industries under which exists a different product line that assures their customers with reliable products and minimal costing compared to other competitors existing in the market. Nevertheless, because of their pricing strategy and offerings of state of the art products and services, Walton group has received awards and certificates that dignifies them in the category of excellence and leadership brand and a sense of corporate responsibility by engaging into extensive welfare program for the local community that eradicates poverty and provide opportunities such as education, empowerment and health care. Walton group has opened multiple educational institutes, Mosques, Madrasa's and orphanages in several locations of Bangladesh. In order to define the contributions of Walton group of companies for the betterment towards its economy and financial stability, the following represents an outline which defines the current and upcoming projects and proposals the company has strategically developed for the betterment of the nation as a whole are as follows:-

- Walton group of companies have been endorsing Bangladesh as one of the leading manufacturer of electronic appliances at affordable prices. With relatively lower materials and labor cost Walton group of companies have been continuously

developing electronic goods and services that are of lower cost compared to competitor's pricing and offerings of similar goods in the marketplace. Furthermore, Walton group has recognized the need to operate in the global market for the reason of promoting domestically manufactured products and better off the current economic and financial condition of the country as well. As a result, Walton group is operating in more than 20 countries around the globe which allows not only generating foreign earnings but also inheriting management strategies and principles that are of award winning which are being implemented in the domestic sector for better outcomes.

- After its inception in both DSE and CSE in 2020, investment opportunity at Walton group of industries has been being recognized as one of the secured form of investments in both of the stock market. ^{xxxv} With six panelists overlooking the investment poured in the company, Walton group assures their investors on the term that Walton similar to its product quality and reliability, the stocks and shares of Walton group are at of minimal of risk as the company has shifted its strategy from importing to manufacturing. Furthermore, due to worldwide recognition and achievements over the past years of its operations, Walton groups listing and pricing of shares are being backed up by Prime Minister Sheikh Hasina's private sector adviser Salman F Rahman, BSEC Chairman Shibli Rubayat-Ul-Islam, Commerce Secretary Tapan Kanti Ghosh, BIDA Executive Chairman Md Sirazul Islam, BEPZA Executive Chairman Major General Md Nazrul Islam, and BSEC Commissioner Dr. Mizanur Rahman. ^{xxxvi} All of them are currently working as guardian in terms of investments at Walton group assuring greater rates of return on investments at Walton group of industries.
- In order to ensure reliability and satisfaction to their customers and investors, management at Walton group of companies have been working immensely hard to strategize their plans and policies in accordance with the company's vision, mission and its corporate culture and values. With the aim Walton becoming a bold leader among the top five global electronic appliances manufacturer, the company has shifted from importing parts and skills to manufacture parts and educate their labor force. The company has developed infrastructure under which smartphones, refrigerators, televisions and other electronic appliances are being manufactured that are of state of the art design and ensures reliable quality. Moreover, as today's technology each and every moment are taking significant leap toward enhancements

and features, Walton group and their employees ensure that they are aligned with the current technology and develop products that the market is currently demanding. On top of developing quality products, Walton group ensures that their products are globally certified and ensures reliability. With the value upholding consumers are priority one, after sales of any Walton groups product they offer minimum of a year's warranty and guarantee depending on the type and price of the product.

- Apart from delivering affordable and reliable electronic products to their customers, Walton group of companies not only thrive for being the largest manufacturer of electronic appliances but also ensures all of its product are sustainable and are in accordance with the sound occupational health and safety management systems that other affluent manufacturers are currently adapting.^{xxxvii} As a result, Walton group has acquired 100% compliances since its inception and ISO 14001:2004 Refrigerators & Air Conditioner Division, ISO 9001:2008 Refrigerators & Air Conditioner Division and OHSAS 18001:2007 which represents that Walton group has achieved adequate corporate reputation ensuring the standard of products and controlling an efficient staff management to minimize the production cost and gain competitive advantage over their competitors. Furthermore, for smooth performance of operations in the global market and assuring the foreign customers and inventors in terms of the reliability and quality of Walton's product line, the management of the company has devoted their entire workforce in developing products that meets the global standards required for exporting and sales consequently. After years of hard work since its inception, Walton group now can export and sales in more than 20 countries across the globe after they have acquired globally achieved safety, energy and quality ensuring certificates such CB (Certification Body; Globally accepted for product safety), SASO (Saudi Arabia Standard Organization; Mandatory in KSA for product conformity) and so forth.^{xxxviii} Such achievements of certificates are not only enhancing the growth of the company but also are importing significant foreign reserves that ensures better growth in terms of GDP and financial solvency of the country as well.
- The rise and growth of Walton group are not only representing Bangladesh as one of the largest and No.1 manufacturer of electronic appliances through its state of the art design and innovative products but also are reducing the unemployment rate of the country through inception of several industries naming Walton Hi-tech industries

limited, Walton Micro-tech corporation, Walton chemical industries limited and so forth. On top of inception of these local industries within the country, for smooth global operations Walton maintains representative offices located throughout Qatar, China, Thailand, Nepal, India and USA. ^{xxxix} Due to Walton's expansion in the marketplace, almost each and every year the company is opening distribution and sales outlet within several locations of the country and appointing a generous number of qualified people into the outlets as well. Even at fair such as DITF held in Bangladesh at the end of each year, Walton group participates by opening number of stalls at those fairs and appoints several temporary employees to overlook the smooth performance of those stalls as well. Even though economy of boosting due to rise in its industrial sector, one can't deny the fact unemployment in Bangladesh is comparatively higher compared to other developed countries around the world due to lack of industrial infrastructure. With rise in Walton's operations and its expansion, Walton group is certainly reducing the unemployment rate by appointing engineers and assembly line workers. Such appointment of employees at low labor cost compared to wage rate in other developed countries, Walton group is certainly mouth feeding a wide number of people and their family as well as reducing the unemployment rate and importing foreign reserves into the country through its local manufacturing and global operations.

Chapter 4 [List of Questions Central to the Case]

- Will Walton group of industries be able to sustainably survive in the marketplace with the comparatively lower pricing strategy compared with other renowned competitors around the world?

Walton group of industries due to its rise in its industrial infrastructure and wide range of product line, the company is able to offer their customers with state of the art design and quality products is primarily due to low labor and materials cost. Furthermore, the government of Bangladesh imposes fewer taxes on industries as they generate significant revenue, GDP and growth which are essential for the development of the country. Whereas, in other developed countries around the world imposes high taxes on MNC's operations in terms of production and distribution of goods and services. According to (2011-12 FY), for industries tax rate in Bangladesh

varies between 10 - 25%, the rate of traded company is 27.5%, and for Non-publicly traded company the tax rate is 37.5%. Moreover, as Walton has shifted from importing to rather manufacturing the company has to pay significantly less compared to it had to pay earlier as there imposed higher import duty and interest rates. Moreover, as Walton group has grasped significant profit over the past years of its operations, the company is able to acquire economies of scale due to fall in their per unit production cost as workers become more efficient as they produce more of the same products and each year due to fall in materials price due to production the company is able to offer at even lower prices throughout their years of operations. As Walton group holds the belief of delivering their products at doorstep of Bangladeshi people, all the distribution centers and outlets responds extensively to customer queries and suggestions for the betterment of their organizations. Such responses have brought in positive response for the company as their existing customers are offering positive feedbacks to new customers. Moreover, Walton group serves different sets of customers at different age groups and preferences with their products and services. With satisfactory customers at different age groups being offered with quality and affordable products and the income range of Bangladeshi people are at a moderate level, the company is able to sustainably operate in the current market with its wide range of products and services.

- Would the management of Walton group in this competitive industry of manufacturing electronic appliances are more likely to engage in “socially conscious” practices?

Being the No.1 manufacturer of electronic appliances for Bangladesh, Walton group not only thrives for excellence in terms of manufacturing state of the art design and quality products but also participates in activities that resemble them as a good corporate citizen within the market they are operating. Walton groups CSR program involves extensive welfare program for the local community such as opening of educational institutes, mosques, madrasas and orphanage surrounded at various locations of the country with the aim of eradicating poverty and provide opportunities such as education, empowerment and health care. As a good corporate citizen Walton group is engaged in activities in which they are helping the society as well as the environment by using its geo-cycle program of converting waste materials into energy for operations such as manufacturing of electronic products. Walton group has

actively participated in several relief programs during the time of crisis such as COVID-19 implications and other forms of natural calamities as well. Moreover, as Walton group has always provided certain earnings of their profit for community services, they have also organized seminars, made promotion and sponsored for sports at the international level to eradicate drug abuse among young people and promote for healthier lifestyle. As most of the businesses today understand that going “Green” might be the first step toward developing a sustainable environment around the globe, Walton group has worked immensely hard to adopt green technology in their manufacturing plants as their number of industries are of large numbers and creates certain elements that are detrimental to the environment. Walton groups’ additional community services involve opening of co-operative bank and development of veterinary society in the urban areas of Bangladesh. From its inception, Walton group has always ensured occupational health and safety management systems, efficient staff management, minimizing the risk of accidents and achieving adequate corporate reputation ensuring the standard of products for which they were awarded OHSAS 18001:2007 Certificate representing one of the most prestigious certificate throughout the world.^{xl} With its people and community at the heart of Walton’s success, its core strategy is ensuring sustainability for their business operations as well as for the environment.

- What additional strategy has Walton group partake that has made significant boost in their sales of electronic appliances in comparison with the current sales figure?

Due to technological advancement and rise of globalization occurring throughout the world, industries manufacturing electronic appliances have found themselves being triggered with rise of small and medium sized industries and enterprises. As a result, consumers are being offered with several of choices regarding price and quality of electronic appliances by multiple electronic appliances manufacturer operating in the current marketplace. For which, small and medium sized industries who used to have monopolistic market environment before the rise of large industries are being thrown out due to lack of capital and infrastructure. As a result, in order to ensure their current customers satisfaction with quality and affordable products, the management of Walton group of industries had developed extensive long term strategic plan that has allowed the company to be the first choice of purchase of electronic appliances in terms of affordable pricing and quality assurance. Almost every outlet and distribution

center of Walton group of industries customers are greeted with ambience and are provided with adequate knowledge about the product they are making enquiry about. Walton group on almost its entire manufactured product offer 5-10 years of guarantee after sales and offer lucrative discount offers during the time of purchase as well. Furthermore, Walton group does extensive surveys regarding the development of their current product line with customers' suggestion and feedbacks. Walton group has appointed positions in their company regarding customer service and respond to those queries are made on immediate basis depending on the situation the customer is currently experiencing with. Furthermore, sales team at the Walton group of industries is being with benefits packages and compensation regarding achieving the targeted sales figure. Moreover, each sales man of the company has to go through extensive training regarding their behavior with their customers and respond to customer queries.

- What are the economic and financial benefits for Bangladesh as Walton group of industries decides to manufacture electronic appliances locally and export globally?

With the amount of product variances and diversified customer segment, Walton group has already established a market stature that dignifies them in manufacturing multiple categories of electronic appliances at an affordable price range. Though, over the past years of its operations Walton group has shown significant revenue growth through its manufacturing and assembling of products. However, as for Walton group it cost them significantly in higher number as they had to import parts and skills from foreign parties which not only cost them higher as there were import duty and tax implications but also required higher lead time in terms of their assembling and manufacturing of products primarily due to shipping and receiving of those parts and materials required for production. As a result, the company had to impose higher prices on its product categories and customers were reluctant to purchase as the cost structure of Walton's product were of similar pricing compared to other competitors existing in the market. As Walton group made its industrial growth from its operations, the management of the company decided to locally manufacture the parts and materials as it reduces the cost of importing and tax implications. From an economic point of view, it allows the benefit of not only from the perspective of overcoming higher trade barriers but also allows a nation to improve their per capita GDP. Consequently, such economic growth has allowed Walton group to relocate

their production bases in other developed countries around the world which has attracted not only influential investors but also address different customer tastes and tougher competition in international market as well. Moreover, due to rise in its industrial infrastructure, Walton group frequently requires competent employees and assembly line workers for smooth operations in terms of manufacturing of electronic appliances. Similarly, as Walton group's primary manufacturing plant is located in Bangladesh where labor cost and materials pricing are comparatively cheaper to other nations around the world and due to WTO's initiative to promote export and reduce tariffs and tax implications, the company was able to produce significant growth in terms of revenue each year from its operations. Moreover, due to export Walton group has been able to generate a large number of FDI inflows which had allowed Walton group to attract new sources of demand, enter profitable markets and exploit monopolistic advantages. Though exporting not only possess beneficial factors that offers significant boost in economic and financial growth for a nation due to trade barriers, quota restrictions and tax implications but it certainly enhances the brand of a company as they are exposed to foreign technologies that are eye-catching to interested parties around the world.

- What additional measurements must the Walton group take in order to achieve the trust of the consumers?

Walton group of industries due its rise in industrial infrastructure though its operations has achieved recognition of becoming the No.1 manufacturer and country's leading brand of electrical, electronics, automobiles, telecommunications, and home appliances, the company is still in certain perspective failing to acquire relative high market growth rate and market share due to lack of promotion of its products. Even now consumers are paying higher prices for electronic goods due to their brand names and quality of their products. As a result, domestically manufactured appliances within the country are failing to acquire significant revenue stream as well as are being thrown out of the market due to competitors offering. In order to resolve this issue, Walton group can take initiative of being more active on social media and other platforms of advertisement such as print media and newspaper advertisement to make sure that customer are being exposed with the company's

offering and to respond quickly to customer queries the company is required to enhance their customer service centers and open virtual chat box that responds quickly to customer queries and suggestions. Moreover, in order to make customer realize the affordable offering the company is providing, Walton group should participate and offer at a discount during the festive seasons and other forms of world tournaments. Customers of Walton group must be satisfied enough to offer feedbacks to prospective customers and must offer after sales service even at the end of the products warranty and guarantee period. The inventory of the company must be sufficient enough to offer their customers with warranty claims even at the time the products value starts to diminish. Apart from discount offerings, Walton must negotiate with banks and other credit lending company with certain terms and conditions that will allow buyers to purchase product on credit terms as well because a current customer swaying away from purchase might have the possibility of not returning or shift to competitor's product. A satisfied customer offers positive feedbacks to other customers about the purchase and quality of the product after using for a while and with a dissatisfied customer whether at the sales outlet or after sales will offer negative feedback that significantly damages the reputation of the company.

Chapter 5 [Proposed Solutions and Changes]

Even though Walton group has achieved remarkable achievements through its industrial growth and exporting of its products in other developed countries around the world, there are still instances where the company struggling to keep in line with other competitors manufacturing electronic goods. In order resolve this issue, here are a list of proposed solutions and changes that can overcome the gap of market share between Walton group and other competitors in the same industry:-

- Firstly, Walton group needs to respond to prospective customers queries quicker than their competitors. In order to do so, the company is required to appoint an efficient and effective employee who is competent enough to identify and understand what prospective customers' desire and what steps are to be taken to make the sell to their customers. If the employee fails to understand the customer query, he/she must transfer it to an employee who has

experienced with similar query. The company needs to develop a database that gather similar queries together and transfer it to that person who is efficient in handling those queries as he/she has been exposed to it before.

- Secondly, for products that are failing to capture relative market share compared to other competitors are to develop strategic plan with the aid of employees from other departments of the organization that identifies the reason of low sale and necessary steps required to boost the sale of the failing product. One of the plausible ways is to conduct a market and customer survey asking them what additional feature they desire so that they might shift from competitors product to Walton's product.
- Finally, apart from affordable pricing, the company needs to ensure their customers that products of Walton group ensures longevity and enhanced performance compared to competitors' product. Walton's R&D is required to develop products that are in line with customers' preference not only from the perspective of pricing and quality but also ensures similar performance compared to competitors product. Without ensuring the customers that Walton's product offer similar performance compared to other competitors who are offering the similar products at relatively higher price, Walton group cannot attract those customers to sway away from competitors' product and purchase Walton's product.

Chapter 6 [Recommendations/Conclusion]

Walton, through its product offering has become as one of the leading manufacturer of electronic products but still is failing with other competitors due to industrial and brand recognition. In order to overcome this issue the company is required educate their customers about the performance and quality of Walton's product through advertising and promotional activities. With the level of income of Bangladeshi people are relatively moderate compared to other developed nation, Walton needs to appropriately strategize its business plan on what additional offerings and specifications it needs to enhance so that customers sway away from competitors and adopt their product. And, to ensure full customer satisfaction the R&D of the company

must make sure products are not only constructed based on low price but meets the expectation of the customer as well from both local and global perspective. Employees at all the outlet of Walton group must ensure positive relationship with their customers via phone call or e-mail or any other method customers feel easy to communicate with. With the above mentioned suggestion being applied, Walton group certainly has all the necessary elements to become as one of the rising competitor of electronic appliances both locally and globally.

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