Report on

ERP-Driven Financial Operations: A Case of Accounts and Credit Control at Aqua Paints

By

Mohammad Minhazul Hoque

21204090

An internship report submitted to the Department of Business Administration in partial fulfillment of the requirements for the degree of

Bachelor of Business Administration

Brac Business School

BRAC University

October 2025

Declaration

I hereby declare that this internship report entitled *"ERP-Driven Financial Operations: A Case of Accounts and Credit Control at Aqua Paints"* has been prepared based on my practical observations and analyses during my internship at Octagon Fibres and Chemicals Ltd. (Aqua Paints).

The report is entirely original and has not been submitted to any other university, institution, or organization for academic or professional purposes. All sources of information used in the preparation of this report have been properly acknowledged.

Mohammad Minhazul Hoque
ID: 21204090
Program: BRAC Business School
Date: 10/10/2025

Supervisor's Signature: …………………

Name: Saif Hossain

Date: ___________________

Letter of Transmittal

To
Saif Hossain
Assistant Professor & Director (BBA Program)
BRAC Business School, BRAC University

Subject: Submission of Internship Report

Dear Sir,

I am pleased to submit my internship report titled *"ERP-Driven Financial Operations: A Case of Accounts and Credit Control at Aqua Paints"*, prepared as a partial fulfillment of the requirements for the Bachelor of Business Administration (BBA) degree at BRAC University.

The report provides an analytical overview of ERP-driven financial operations, highlighting how ERP systems support invoice processing, credit control, receivables management, and financial reporting in Aqua Paints. The report also evaluates the practical outcomes, efficiency gains, and operational challenges associated with ERP usage in a manufacturing context.

I sincerely appreciate your guidance, support, and feedback throughout the preparation of this report and hope it meets your expectations.

Sincerely,
Mohammad Minhazul Hoque
ID: 21204090
BBA Program, BRAC Business School
BRAC University

Non-Disclosure Agreement (NDA)

This report, entitled *"ERP-Driven Financial Operations: A Case of Accounts and Credit Control at Aqua Paints"*, has been prepared by Mohammad Minhazul Hoque under the supervision of Tofael Ahmed, Manager of the Accounts & Finance Department.

The data, documents, and information used in this report are strictly confidential and have been analyzed solely for academic purposes. While the report may be uploaded to the BRAC University library for academic use, any company-specific financial or operational data has been anonymized or generalized to protect confidentiality.

Authorized Signature (Company Supervisor): ………………………..

Name: Tofael Ahmed

Designation: Manager, Accounts & Finance Department

Date: _______10/10/2025____________

Student's Signature: ……………………..

Name: Mohammad Minhazul Hoque

Date: ______10/10/2025_____________

Acknowledgement

I am grateful to Almighty Allah for giving me the strength and patience to complete this report successfully.

I sincerely thank my academic supervisor, Saif Hossain, Assistant Professor & Director (BBA Program), BRAC Business School, for his continuous guidance, constructive feedback, and support throughout this project.

I am also thankful to the management and staff of Aqua Paints, particularly my on-site supervisor, Tofael Ahmed, and the Accounts & Finance team, for their cooperation and mentorship, which provided me with the necessary insights into ERP-driven financial operations.

Finally, I would like to express my gratitude to my family, friends, and colleagues for their encouragement and support throughout this academic endeavor.

Executive Summary

This report analyzes *ERP-driven financial operations* at Aqua Paints, focusing specifically on accounts management and credit control. The study examines how ERP systems facilitate invoice processing and adjustments, generate aging reports to manage credit risk, evaluate sales team performance, and enhance financial transparency and reporting efficiency.

The primary objectives of the report are to understand ERP's role in invoice processing, analyze ERP-generated aging reports for customer receivables, evaluate sales performance through ERP data, and explore how ERP ensures accurate financial reporting.

The methodology primarily employs observation, supported by secondary data from corporate documents, ERP modules, and financial reports. Observation was selected as it provides direct insight into operational workflows and tacit processes, which cannot be fully captured through surveys, interviews, or document analysis.

Findings indicate that ERP systems significantly improve efficiency, accuracy, and transparency in financial operations, support credit control, and facilitate performance evaluation across sales territories. The report highlights practical applications of ERP, operational benefits, and areas for further optimization, providing insights for both academic and professional audiences interested in ERP-enabled financial management.

Keywords: ERP; Accounts Adjustment; Invoice Processing; Credit Control; Bank Reconciliation; Financial Reporting.

List of Acronyms

Acronym	Full Form
AR	Accounts Receivable
AP	Accounts Payable
BBS	BRAC Business School
BBA	Bachelor of Business Administration
ERP	Enterprise Resource Planning
F&A	Finance and Accounts
HR	Human Resources
ICT	Information and Communication Technology
MIS	Management Information System
NDA	Non-Disclosure Agreement
SOP	Standard Operating Procedure

Glossary

Term	Definition
Accounts Payable (AP)	The amount a company owes to suppliers or vendors for goods and services received but not yet paid for.
Accounts Receivable (AR)	The amount owed to a company by its customers for goods or services delivered on credit.
Credit Control	The process of managing and monitoring customer credit to minimize the risk of bad debts.
Enterprise Resource Planning (ERP)	A software system that integrates core business processes such as finance, accounting, procurement, and supply chain into a unified platform.
Financial Transparency	The clear and accurate presentation of a company's financial activities and reports to stakeholders.
Invoice Processing	The procedure of receiving, verifying, recording, and approving supplier invoices for payment.
Reconciliation	The process of comparing two sets of records (such as bank statements and internal ledgers) to ensure accuracy and consistency.
Receivables Aging Report	A financial document that categorizes unpaid customer invoices based on the length of time they have been outstanding.
Reporting Efficiency	The ability of a system to produce timely and accurate financial reports for managerial decision-making.
Transaction Posting	Recording financial transactions into the appropriate ledger accounts in an ERP system.

Table of Contents

List of Figures

Chapter 1: Introduction

1.1 Student Information

Name: Mohammad Minhazul Hoque

Student ID: 21204090

Program: Bachelor of Business Administration (BBA), BRAC Business School

Major: Accounting

1.2 Internship Information

1.2.1 Period, Company Name, Department, and Address

The internship was undertaken at Aqua Paints, operating under the parent company Octagon Fibres and Chemicals Ltd., a well-known national paint and chemical manufacturer in Bangladesh. The internship period extended from July 1, 2025, to October 1, 2025, during which I was assigned to the Accounts and Finance Department at the company's head office located in Gulshan, Dhaka, with periodic exposure to data operations linked to the Tongi manufacturing plant.

1.2.2 Internship Company Supervisor's Information

Supervisor's Name: Tofael Ahmed

Designation: Manager

Department: Accounts and Finance, Aqua Paints

1.2.3 Job Scope – Job Description/Duties/Responsibilities

The internship at Aqua Paints provided me with wide-ranging exposure to financial and accounting functions within the Accounts and Finance department. Rather than being confined to a single repetitive task, the role was deliberately broad in scope, allowing me to participate in various aspects of financial management that were driven and supported by the company's Enterprise Resource Planning (ERP) system. These tasks included invoice processing, financial adjustments, journal entries, bank reconciliations, credit control, and financial reporting. Collectively, this engagement offered me a holistic overview of how the finance function operates in a large-scale manufacturing organization, while also highlighting how ERP systems play a critical role in ensuring efficiency, transparency, and traceability across all financial operations.

One of my major tasks was to handle the invoice entries within the ERP system. This was done by closely matching every bill with the internal sales documentation to ensure that it is accurate before entering it into the database. It was through this process that the value of accuracy in the entries of the financial data was highlighted because the slightest of differences would misrepresent the financial statement of a company or even cause its relationship with customers to suffer. The experience confirmed the argument of Kanellou and Spathis (2013), who highlight that, despite the fact that ERP systems contribute greatly to increasing the accuracy and promptness of invoicing, the ultimate success of using such a system will be determined by the attentiveness and accounting savvy of the user.

The repetition in work with the invoice processing did not only give me more technical understanding of how ERP is manipulated, but also offered me more insight in the role of invoices as the foundation of revenue recognition in corporate finance. Besides invoicing, I also participated in and worked on the preparation of financial adjustments and journal entries. These activities entailed corrections of ledger balances, accruals and legality of recording of adjustments would be involved in the end-of-period financial reporting. Any reclassifications or rearrangements were actually made within the ERP environment which would ensure that the entries would not only be traceable comprehensively, but also adhered to the policies of internal organization and generally accepted accounting principles. This is in line with the findings of Suraweera et al. (2010) who argue that the accounting systems on ERP contribute towards accountability (because they create audit paths), and increase financial transparency.

The work has contributed to my knowledge of the relevance of journal entries in the creation of the accuracy of the financial statements and accountability in organizations. The other key task that was assigned to me was the one of bank reconciliation. This required me to align internal records of transacting in Aqua Paints with external records of bank account to determine and remove any discrepancies such as late clearances or duplicates and unrecorded expenses. The reconciliation of such differences did not only assist in improving the quality of financial records but also improved the internal controls of the company. This practice helped me understand that financial integrity is based on such a simple procedure as bank reconciliation as one of its foundations. Horngren et al. (2014) point out that credit control and receivables management is another field of finance that exposed me to during the internship that has a direct bearing on the management of liquidity and working capital in manufacturing companies by minimizing the risk of fraud and error. I was required to go through aging reports that were created through the ERP system at Aqua Paints to determine overdue accounts and evaluate high-risk customers. Without this, such reports cannot be prepared in the management of credit risk and healthy cash flow (Chen & Zhu, 2004). I had to work at the sales department to pursue invoices which were over 30 days old. This assignment has revealed how significant coordination of operations of the finance, sales, and customer relationship management (CRM) teams is in ensuring healthy business operations. These follow-ups have given me the first-hand experience of the cross over point between financial monitoring and customer management to reduce risk and therefore guarantee liquidity. In addition to the fundamental functions of the internship in the context of field of finance, certain degree of interdepartmental cooperation was there. Another activity I would engage in frequently was to ensure that the financial information was integrated with the procurement, sales and operational department so that all the records in the ERP system were relevant and accurate. This coordination was required in order to ensure that the reliability of management reports and integrity of financial statements were established. Bradford (2015) further notes that the smooth coordination of the departments is essential to the success of ERP system since financial information is connected with almost all processes of a company.

Under this cross-function work, I understood that the effective financial management cannot operate independently since it requires continuous coordination and integration with other business functions. It provided, throughout, the type of informative experience that a finance intern at a med/large enterprise business would otherwise only have an opportunity to observe in practice - how finance is practiced, and how effective businesses are dependent on ERP to control and FFAR. Everything involved in keying in invoices to reconciliations and credit control meant to me a better understanding of what the world of accounting would resemble in a technology enhanced world

1.3 Internship Outcome

1.3.1 Student's Contribution to the Company

My time at Aqua Paints has been an invaluable developmental journey, allowing me to translate the theoretical concepts and frameworks learned in my academic studies into the realities of a professional work environment. Working in the Accounts and Finance department, and having 3 direct reports in addition to reporting to the Department Manager and communicating with the senior level of management provided me with first-hand experience to the duties and obligations of a corporate finance environment. During three months, I received a large range of assignments, most of which were directly related to standard accounting processes and significantly dependent on the Enterprise Resource Planning (ERP) program of the company. This experience has not only contributed to my technical skills but it has also expanded my knowledge concerning the workings of financial systems in a manufacturing firm. One of my tasks was most often the preparation and verification of invoices. My responsibilities included entering invoices of customers into the ERP system and making sure that the purchase order and delivery note were properly matched with the transaction.

The exercise enhanced my keenness of observation and the need to be accurate and timely in the entry of financial information. I also learned to value the fact that minor mistakes may jeopardize records of accounts receivable, cause manipulation of financial statements or hurt the cash flow of the company. In this process, I learnt the discipline of maintaining financial integrity and comprehended how accuracy at the micro-level leads to the stability at the macro-level of corporate finance. The other primary aspect of my position was to assist in the bank reconciliation. I had the responsibility of verifying daily bank statements and weekly bank statements with internal cash ledger of the company under the supervision of my supervisor. Any variances that occurred such as tardy clearances, duplicated posting, or uninformed expenses were properly investigated, reconciled and adjusted by making journal entries that were processed using the ERP system. This task gave me hands-on experience on how changes are implemented and how entries are recorded in a journal using electronic means. It reaffirmed to me that reconciliation is one of the most important processes in ensuring accuracy, transparency, and accountability in the financial reporting despite being routine.

Another more analytical part of my internship was credit monitoring, which I was also engaged in. Aqua Paints also provides credit to a big percentage of the clients and therefore, the company must always monitor the extent of outstanding dues. I would frequently help with the creation and analysis of aging reports using the ERP system. Such reports included the classification of unpaid invoices in time periods of 0-30 days, 31-60 days, and above. Reviewing these schedules, I managed to discover the possible credit risks and assist sales teams and 4 finance teams to track up clients with outstanding accounts. This experience also taught me the practical significance of managing credit, not only to ensure the safety of liquidity, but also to ensure good relations with the customers. A significant amount of cross-functional work was also part of my internship, especially with the sales department. The sales performance was closely associated with collections and that is why finance and sales needed to work in sync with each other in order to provide effective receivables management. I was often engaged in collaboration with sales-officers and assistant-managers to check the discrepancies, settle the business with customers and track the trends in the receivable at the country-wide level with the help of ERP generated reports. This collaboration allowed the importance of interdepartmental communication and coordination and it is apparent that financial and operational functions must be in-check to ensure organization performance and profitability. In addition to these operating and analysis functions, I also got exposed to the internal control and auditing areas. With my involvement, I was able to observe the manner in which financial information is reviewed as being compliant, how approvals are processed on the ERP system, and how data encryption controls are undertaken in financial reporting. The experience has helped me in the realization of the role of internal controls in the minimization of risks, adherence to regulatory standards, and integrity of financial information. These contributions were minimal however they benefited the team in the area of efficiency and precision of operations.

In addition, I helped in keeping records to facilitate audit and assisted in closing financial records at the end of the month. I have been very keen in accuracy and on-time delivery, which provoked a lot of appreciation among my supervisors who highly valued the quality of the entire financial information of the department.

1.3.2 Benefits to the Student

The internship provided a special chance to fill the gap between the theoretical part of the study gained in BBA program and the accounting practice. The experience of working with the ERP system of Aqua Paints helped me gain technical skills in financial data processing, journal entries management and fiscally reconciling. This gave me a good idea of the importance of integrated systems in making organizational processes smooth and having transparency in the data. Further, the internship sharpened my soft skills, that is, the ability to communicate, work in a team, and manage time. The experience has also inspired me to be confident in my ability to deal with professional duties and my interest in working in a career related to finance combining accounting and technology. It also allowed a good exposure to the culture of corporations, professional ethics and the need to stay on track amid pressure. Altogether, this internship helped to form my analytical thinking and made me ready to work in any of the financial and business realms in the future.

1.3.3 Problems/Difficulties Faced During the Internship Period

Although the internship was very enriching, a number of challenges were experienced. One of the biggest challenges was the limited access to confidential ERP modules and this was a limiting factor on my capability to search some financial dashboards and advanced reporting tools. Also, the amount of transactions being done in the department daily tended to put time pressure in ensuring that tasks were done correctly within the stipulated deadlines. Initially, during the internship, I had to go an extra mile and learn how to operate the interface of the ERP and how the company functions to accustom to the work environment. Also, there were occasional communication failures between the finance and sales teams during the process of reconciling collection data. Nevertheless, I overcame these difficulties with the support of my supervisors and became able to get practical experience of dealing with real organizational constraints. The other problem was the synchronization of the academic knowledge and the practical financial activity since some of the processes in the industry are not similar to textbook applications. All these experiences eventually taught me to be flexible, patient and problem solving within a work setting.

1.3.4 Recommendations to the Company on Future Internships

Based on my experience, I would like to suggest several improvements for future internship programs at Aqua Paints:

Structured Training: Introducing a short orientation or ERP training session for interns at the start of the program would help them adapt faster to system operations.

Enhanced Access: Providing controlled access to selected non-sensitive ERP modules would allow interns to gain deeper insights into organizational reporting and data management.

Dedicated Mentorship: Assigning a specific mentor to each intern could improve learning outcomes and ensure continuous guidance throughout the internship period.

Cross-Departmental Exposure: Allowing interns to observe coordination between departments such as sales, supply chain, and operations would provide a more holistic understanding of business processes.

Feedback System: A structured feedback mechanism between interns and supervisors could help both parties evaluate progress and improve the overall internship experience.

Implementing these recommendations would not only enhance the learning experience for interns but also increase the effectiveness of their contributions to Aqua Paints. Furthermore, establishing a standardized internship framework across departments could create consistency in evaluation and ensure that all interns receive balanced exposure. Such initiatives would strengthen the company’s reputation as a learning-oriented organization and attract more talented interns in the future.

Chapter 2: Organization Part

2.1 Introduction

This chapter provides an in-depth overview of Aqua Paints, the host organization for my internship. It presents insights into the company's background, management and marketing practices, financial and accounting systems, and operational management. The chapter also includes an analysis of the company's position within the Bangladeshi paint industry through the application of Porter's Five Forces Model and a SWOT analysis. Understanding these aspects offers valuable context for how Aqua Paints maintains its competitive advantage and operates efficiently within a rapidly evolving industrial environment.

2.2 Overview of the Company

2.2.1 Company Background

Octagon Fibres and Chemicals Ltd., widely recognized through its flagship brand Aqua Paints, stands as one of Bangladesh's most distinguished and trusted names in the paints, coatings, and specialty chemicals industry. Over the decades, the company has earned an exceptional reputation for innovation, reliability, and quality craftsmanship, positioning itself as a frontrunner in the nation's industrial paint and chemical sector. The organization was originally established in 1952 by Late Serajuddin Ahmed, a visionary entrepreneur who was instrumental in shaping Bangladesh's post-independence industrial growth. In addition to founding Aqua Paints, he contributed significantly to the development of multiple sectors including banking, garments, construction, and insurance, demonstrating a deep commitment to national industrialization and sustainable economic advancement (Aqua Paints, 2025).

After the founder's passing, his eldest and youngest sons revitalized and restructured the organization to ensure continuity of their father's legacy while modernizing the business in line with 21st-century technological and branding standards. This transformation marked a turning point for the company, leading to enhanced product diversification, technological integration, and greater alignment with international quality benchmarks. The renewed focus on research and development (R&D) enabled Aqua Paints to innovate across multiple paint categories—ranging from decorative and architectural coatings to high-performance industrial finishes—meeting the evolving needs of both domestic and corporate clients.

Today, Aqua Paints operates as a nationally recognized paint manufacturer serving residential, commercial, and industrial sectors across Bangladesh. The company's extensive product portfolio caters to different customer segments, ensuring that both premium and value-conscious consumers have access to superior, long-lasting paint solutions. Its emphasis on maintaining stringent quality control and leveraging modern manufacturing systems has allowed Aqua Paints to achieve operational excellence and environmental responsibility simultaneously.

Furthermore, the company continues to play a pivotal role in Bangladesh's economic and infrastructural development through its contribution to local employment generation, backward integration in raw material production, and consistent reinvestment in technology. By blending traditional business values with a forward-looking mindset, Aqua Paints has successfully built a sustainable growth model that reflects both heritage and innovation—two pillars that continue to define its brand identity and market leadership.

2.2.2 Mission and Vision

According to the company's official website, Aqua Paints defines its corporate philosophy through a clear mission, vision, and set of guiding principles:

Mission:

"Using a rich family legacy born in paint, our mission is to use the experiences of the past, human capital of the present, and technology of the future to create world-class paint for Bangladesh and its people." (*Aqua Paints, 2025*)

Vision:

"High-quality products at competitive prices without sacrificing quality." (*Aqua Paints, 2025*)

Core Values:

Aqua Paints is guided by six core values that influence its organizational culture and strategic decisions:

- **Accountability:** Taking responsibility for delivering results with honesty and integrity.
- **Quality:** Maintaining the highest standards in both products and customer service.
- **Innovation:** Continuously seeking improvement through new ideas, technologies, and methods.
- **Collaboration:** Encouraging teamwork and open communication across all levels of the company.
- **Initiative:** Empowering employees to take proactive actions that drive meaningful results.
- **Respect:** Promoting fairness, diversity, and a positive work environment.

These principles collectively shape Aqua Paints' identity as a forward-thinking, value-driven organization that prioritizes excellence and ethical business conduct.

2.2.3 Product Range and Brand Portfolio

Aqua Paints offers a diverse range of decorative, industrial, and protective coatings designed to meet the needs of both retail and institutional customers. The company emphasizes value-driven manufacturing, ensuring competitive pricing without compromising on durability or finish.

To cater to different segments of the Bangladeshi market, Aqua Paints has introduced multiple product lines. Among them, "Rangila" stands out as a value-based sub-brand targeting rural and semi-urban consumers. This initiative was launched to make high-quality paint accessible to more than 70% of the Bangladeshi population residing outside major cities (Aqua Paints, 2025). The brand's commitment to affordability, combined with quality assurance, helps Aqua Paints maintain a strong foothold across both premium and value markets.

2.2.4 Manufacturing and Operations

The company's manufacturing and administrative operations are strategically located in two key areas:

- Head Office: Situated in Gulshan, Dhaka, the commercial center of Bangladesh, where core business and financial functions are managed.

- Manufacturing Plant: Located in Tongi, equipped with modern machinery and quality control systems to ensure consistent product standards.

Aqua Paints employs over 150 skilled professionals across production, finance, marketing, logistics, and R&D departments. The company uses raw materials sourced from world-renowned suppliers based in Germany, Spain, and Taiwan, ensuring top-tier quality and consistency (Aqua Paints, 2025). Moreover, Aqua Paints maintains backward integration by producing several key raw materials in-house, including acrylic and oil-based resins and other chemical agents. This integration provides greater control over cost, quality, and supply reliability.

2.2.5 Technology and ERP Integration

To ensure smooth coordination across its business units, Aqua Paints uses a modern Enterprise Resource Planning (ERP) system that integrates all major functions, including accounting, HR, warehouse management, procurement, and production. This ERP framework enhances data accuracy, process transparency, and real-time monitoring of business performance. The integration has significantly improved efficiency, minimized redundancy, and allowed management to make more informed, data-driven decisions (Aqua Paints, 2025).

2.2.6 Contribution to the National Economy

As a local manufacturer committed to sustainability and innovation, Aqua Paints contributes to Bangladesh's industrial development by promoting domestic production, reducing import dependency, and generating employment opportunities. The company's continuous investment in research, local talent development, and quality control not only strengthens its competitive position but also supports the "Made in Bangladesh" initiative, aligning with the country's long-term vision for industrial self-reliance.

In summary, Aqua Paints has established itself as a trusted name in the Bangladeshi paint and coatings industry through its unwavering focus on quality, innovation, and customer satisfaction. Its strong leadership, advanced ERP integration, and backward-linked production capabilities have enabled it to maintain cost efficiency and product consistency. Guided by its mission and values, Aqua Paints continues to contribute to national growth while ensuring value creation for customers, employees, and stakeholders.

2.3 Management Practices

2.3.1 Leadership Style

Aqua Paints follows a participative leadership style, where departmental heads actively engage with their teams in decision-making processes. Employees are encouraged to share feedback and suggestions, fostering a culture of collaboration and continuous improvement. During my internship, I observed that supervisors often involved junior staff in discussions about financial reporting and ERP operations, which motivated employees to take ownership of their work. This participative approach enhances employee morale and promotes accountability, contributing to the company's long-term stability. Such leadership aligns with contemporary organizational practices where employee engagement and empowerment drive innovation and efficiency (Northouse, 2018).

2.3.2 Human Resource Planning and Recruitment

The Human Resource Department at Aqua Paints maintains a structured human resource planning process that aligns workforce needs with the organization's growth strategy. Recruitment and selection are conducted through both internal references and external job postings. For technical and managerial roles, candidates typically undergo written assessments and interviews, ensuring competency and cultural fit. The HR department prioritizes merit and ethical values in its hiring process, reflecting the company's commitment to professionalism and inclusivity.

2.3.3 Compensation and Benefits

Aqua Paints offers a competitive compensation package that includes a fixed salary, performance-based incentives, and annual bonuses. Additional benefits include health insurance, provident funds, and paid leave entitlements. The company emphasizes equity in its reward system, aligning financial incentives with employee performance and departmental outcomes. According to Dessler (2020), such performance-based compensation systems enhance motivation and foster long-term retention, both of which are evident in Aqua Paints' HR practices.

2.3.4 Training and Development

The company regularly organizes on-the-job training, particularly for technical staff and ERP users. Employees are encouraged to participate in workshops and refresher sessions on safety, software, and quality assurance. During my internship, I noticed that the Accounts Department frequently conducted short internal sessions to familiarize new team members with ERP modules and reporting formats. These initiatives reflect Aqua Paints' focus on skill development and continuous learning.

2.3.5 Performance Appraisal

Aqua Paints follows an annual performance evaluation system where employee achievements are measured against key performance indicators (KPIs) and departmental goals. Supervisors provide feedback to employees to help them identify areas of improvement. This process supports transparency and aligns personal objectives with the company's strategic goals. Performance appraisals are also linked to promotion and compensation decisions, ensuring fairness and accountability.

2.4 Marketing Practices

2.4.1 Marketing Strategy and Target Customers

Aqua Paints employs a differentiation strategy, focusing on product quality, color variety, and long-lasting performance to attract a broad customer base. The company targets both retail consumers and institutional clients, including real estate developers and construction firms. Its value brand "Rangila" caters to cost-sensitive rural markets, while premium products serve urban and industrial customers.

2.4.2 Market Positioning and Channels

The company positions itself as a value-driven, quality-focused paint brand. Products are distributed through an extensive dealer network across Bangladesh. Aqua Paints leverages multi-channel distribution, combining retail outlets, wholesale distributors, and direct sales to institutional clients.

2.4.3 Branding, Promotion, and Digital Marketing

Branding efforts emphasize trust, durability, and innovation. Aqua Paints invests in both traditional media advertising and digital platforms. The company's social media presence—especially on Facebook and YouTube—plays a crucial role in promoting new products, color palettes, and customer engagement campaigns. This digital approach reflects the growing trend of using online marketing to enhance brand visibility and reach (Kotler & Keller, 2022).

2.4.4 Critical Marketing Gaps

While Aqua Paints maintains strong brand recognition, digital marketing analytics and customer feedback tracking could be improved. The company could benefit from adopting data-driven marketing tools to better measure campaign performance and target customer preferences.

2.5 Financial Performance and Accounting Practices

2.5.1 Financial Performance

Due to confidentiality constraints, detailed financial statements were not accessible during the internship. However, based on publicly available information and discussions with the Finance Department, Aqua Paints maintains steady growth in sales revenue and profitability. The company's liquidity position remains sound, supported by disciplined credit control and timely receivable collection through ERP systems. The use of ERP also minimizes manual accounting errors, ensuring consistent cash flow and operational efficiency.

Key indicators such as accounts receivable turnover and collection efficiency are regularly monitored, which contributes to strong financial health and improved working capital management. This proactive monitoring reflects effective use of financial ratios in managerial decision-making (Brigham & Ehrhardt, 2022).

2.5.2 Accounting Practices

Aqua Paints follows accrual-based accounting, consistent with international accounting standards. The organization uses ERP-integrated systems for financial entries, ensuring that transactions are automatically recorded and synchronized with the general ledger. Depreciation is calculated using the straight-line method, providing consistency and transparency in asset management. Accounting disclosures are made in accordance with local regulatory requirements and international reporting frameworks. Regular internal audits are conducted to verify data accuracy and compliance.

2.6 Operations Management and Information System Practices

Aqua Paints employs an integrated ERP (Enterprise Resource Planning) system across all departments. The system facilitates data entry, verification, and reporting for activities such as sales, procurement, and finance. The ERP system ensures real-time synchronization of financial and operational information, thereby reducing redundancy and improving decision-making.

The company uses ERP-generated aging reports, sales dashboards, and financial summaries to monitor performance across territories. This system enhances quality management, resource allocation, and operational efficiency. In addition, the company's IT infrastructure ensures data security, backup management, and controlled access to sensitive information.

2.7 Industry and Competitive Analysis

2.7.1 Porter's Five Forces Analysis

Threat of New Entrants: Moderate. Although the paint industry requires significant capital investment, emerging local brands continue to enter the market with low-cost strategies.

Bargaining Power of Suppliers: Low to moderate. Aqua Paints sources raw materials globally, giving it multiple supplier options and negotiation leverage.

Bargaining Power of Buyers: High. Customers in Bangladesh have multiple alternatives among domestic and international paint brands such as Berger, Asian Paints, and Roxy.

Threat of Substitutes: Low. Paints have limited substitutes, though cheaper local alternatives may affect pricing strategies.

Competitive Rivalry: High. The market is dominated by strong competitors, requiring Aqua Paints to maintain product innovation, pricing efficiency, and superior customer service.

2.7.2 SWOT Analysis

The adoption of an Enterprise Resource Planning (ERP) system at Aqua Paints will be a strategic move, one that will have a significant impact on its long-term viability and financial functionality, as well as, its competitiveness. SWOT analysis presents a fair picture of the strengths weaknesses opportunities and threats linked to ERP adoption. The integration of the core business functions to one unified platform is one of the major strengths of ERP implementation.

Strengths: ERP systems bring finance, procurement, inventory and production into one central database and increase information accuracy and consistency among departments. This reduces the repetition of work and helps in making decisions in a timely fashion (Monk and Wagner, 2012). At Integration of Aqua Paints, the management control was ensured by integrating good reporting and financial tracking in real time. The other worthwhile strength is increased efficiency and productivity. ERP systems replace manual administrative work and financial activities and drastically reduce the number of mistakes made by manual employees and enhances workflow (Aloini, Dulmin, and Mininno, 2007). This de-bureaucratization enables the staff to concentrate on more valuable activities which eventually increases productivity. In addition, ERP provides managers with high-level analytical and decision-making tools that allow them to assess financial performance, predict trends, and allocate resources more efficiently. This will lead to the better strategic thinking and business development (Hitt, Wu, and Zhou, 2002). Moreover, the ERP system assists in compliance with the regulations, and integrates the financial reporting standards and tax laws into the ERP system, therefore, eliminating the risks of fine and strengthening the corporate governance.

Weakness: The most obvious challenge is the high cost of implementation that covers the cost of software, hardware, consultancy, and training of employees. This type of investment can put a financial burden on Aqua Paints (Davenport, 1998). The other weakness is the intricacy of ERP systems and employee opposition to change. Unless trained and implemented with change management strategies, then employees can fail to leverage ERP functionalities and make the entire system less effective (Markus & Tanis, 2000). It is also a matter of customization as an ERP module is a potentially costly and time-consuming project that requires customization to meet the needs of Aqua Paints. Additionally, ERP systems are closely dependent on a well-developed IT infrastructure, and any disruption or systems failure can affect the workflow, slow down a financial report, and interfere with the continuity of operations.

Opportunities: It is scalable and enables the company to meet future business growth either in terms of new lines of products, or extended operations in new regions, or diversified business processes. Besides, predicted analytics based on ERP-generated data can be used to assist Aqua Paints in maximizing pricing, minimizing cost and improving customer satisfaction. It can also be a point of greater digital transformation efforts, such as the addition of artificial intelligence, machine learning, and the Internet of Things (IoT), which can positively affect manufacturing and financial operations. In addition, the ERP can also improve the supply chain management through improving the visibility of procurement and inventory, removing wastage and enhancing relations with suppliers.

Threats: A major issue, and one of the most critical, is the danger of cybersecurity as ERP systems are prone to attacks since these systems contain confidential financial and operating information. Data breaches are potentially very costly and reputational (Soomro, Shah, and Ahmed, 2016). Moreover, due to the high rates of technology changes, ERP software might quickly become obsolete, and additional investments in upgrade will be needed. There is also a competitor risk, as competitors, who adopt more modernized ERP or analytics-driven applications, may have an operational advantage that may diminish the role of Aqua Paints in the market. Finally, there are implementation risks, which may cause the failure of the ERP through poor project management or insufficient training causing financial losses and interruptions in workflow.

Finally, the strengths of ERP implementation in Aqua Paints include: integration, efficiency, decision-making, and compliance. These, however, need to be balanced out with the weaknesses like expensive costs and resistance of employees. Scalability, potential to optimize data, potential to operate, and potential to supply chain are good enough and the threat factors including cybersecurity and technology obsolescence need to be added. The benefits of ERP could be maximized and risks could be reduced by a well-thought-out ERP plan involving ongoing training and infrastructure development.

2.8 Summary and Conclusions

Aqua Paints has established itself as a reliable and quality-driven paint manufacturer in Bangladesh. Its participative management approach, ERP-driven operations, and focus on innovation contribute to its competitive advantage. The company’s integrated structure and adherence to ethical business practices ensure operational stability and customer trust. However, to sustain growth, Aqua Paints must enhance its digital marketing, expand its market presence, and continue investing in workforce development and technology.

2.9 Recommendations and Implications

Strengthen digital marketing analytics for customer engagement and brand monitoring.

- Expand R&D investment to develop eco-friendly paint solutions aligned with environmental sustainability.
- Introduce leadership and management development programs to nurture internal talent.

- Continue upgrading ERP systems for predictive analytics and advanced reporting.
- Explore partnerships or exports to regional markets to enhance growth potential.

These initiatives will not only enhance operational performance but also reinforce Aqua Paints' position as a leading innovator in Bangladesh's paint and coatings industry.

Chapter 3: Project Part

3.1 Introduction

3.1.1 Background of the Report

Enterprise Resource Planning (ERP) systems have also become a vital instrument of integration of financial activities within organizations. ERP systems assist organizations to increase the efficiency of their operations, improve the accuracy of their data and ensure financial transparency by consolidating the different financial operations through various means into a singular platform, including accounts management, invoice processing, credit control, and performance monitoring (Aloini, Dulmin, and Mininno, 2007; Mabert, Soni, and Venkataraman, 2003). These systems enable monitoring of the financial transactions in real-time and provide data to decision-makers with high degree of reliability, which is essential in maintaining a smooth financial management as well as adhering to the organizational policies. In financial operations, some of the important roles of ERP are invoice management, credit control, and tracking performance. The ERP simplifies invoice processing through the automation of its processes which include invoice creation, verification and changes thereby minimizing chances of mistakes that are very common in manual systems.

Besides improving the processing of transactions, the automation will also enable the records to be accurate and easily available in order to conduct audits and financial statements (Helo and Szekely, 2005). On the same note, credit control is an important aspect of the ERP systems. Aspects like aging reports enable organizations to track the customer receivables, gauge the credit risk and focus on the collection. This feature assists companies to keep afloat, reduce the number of outstanding debts and financial risks, especially within the businesses with high credit turnover. Besides operational advantages, ERP has also helped in performance tracking whereby organizations are able to measure the performance of their sales and finance departments.

By consolidating data on sales performance, collections, and account management across different territories, ERP provides managers with actionable insights to optimize team performance, allocate resources effectively, and implement performance-based strategies (Hitt, Wu, & Zhou, 2002).

Despite the widespread adoption of ERP systems globally, research specifically examining the impact of ERP on accounts and credit operations in manufacturing firms, particularly in developing economies, remains limited. Most existing studies focus on general ERP benefits or enterprise-wide adoption rather than its targeted application in financial operations (Gattiker & Goodhue, 2005). Aqua Paints, a leading paint and specialty chemicals manufacturer in Bangladesh, offers a relevant case for studying ERP implementation in a real-world setting. Its ERP-enabled financial systems provide an opportunity to examine practical outcomes, identify efficiency gains, and understand operational challenges associated with ERP-driven financial processes. Insights from this case can inform both academic understanding and managerial practice, offering guidance on optimizing financial operations through ERP in similar organizational contexts.

3.1.2 Objective of the Report

The primary objectives of this report are:

- To understand how ERP facilitates invoice processing and adjustments
- To examine the role of ERP-generated aging reports in managing credit risk and customer receivables
- To analyze how ERP data assists in evaluating sales team performance across different territories
- To explore how ERP ensures financial transparency and reporting efficiency in Aqua Paints

3.1.3 Significance

The study of ERP-driven financial operations at Aqua Paints is significant for both academic and practical reasons. Academically, it contributes to the growing body of literature on ERP adoption and its impact on financial management in developing countries. While previous research highlights ERP benefits in general, limited studies examine its specific role in accounts processing, credit control, and performance monitoring in manufacturing firms (Gattiker & Goodhue, 2005; Mabert, Soni, & Venkataramanan, 2003). By focusing on a real-world case, this study provides empirical insights into the operational efficiency, accuracy, and transparency achieved through ERP, filling an important research gap.

From a practical perspective, the findings can guide managers in optimizing ERP use for critical financial functions. Understanding how ERP facilitates invoice processing, generates aging reports for credit risk management, evaluates sales performance, and ensures timely financial reporting enables organizations to streamline processes, reduce errors, and enhance decision-making (Helo & Szekely, 2005). Furthermore, insights from Aqua Paints' experience can inform similar manufacturing firms seeking to implement or improve ERP systems, highlighting best practices and potential challenges. Overall, this study underscores the strategic value of ERP in enhancing financial operations, supporting sustainable growth, and improving organizational performance in competitive markets.

3.2 Methodology

This study is primarily based on the practical experience gained during my internship at Aqua Paints, where I was engaged in financial and ERP-driven activities within the Accounts and Finance Department. Daily tasks such as invoice processing, bank reconciliation, posting journal adjustments, and tracking receivables provided firsthand exposure to the workflow of ERP-driven financial operations (Gattiker & Goodhue, 2005).

Observation was selected as the primary data collection method because it allows for direct, real-time insight into how ERP supports invoice processing, credit control through aging reports, sales team performance evaluation, and financial reporting transparency (Hitt, Wu, & Zhou, 2002). Observing these processes enabled documentation of operational practices, identification of tacit procedures, and understanding of workflow efficiency—elements that cannot be fully captured through interviews, surveys, or document analysis. Interviews rely on self-reported data, which can be subjective, while surveys and questionnaires lack the depth to capture detailed ERP interactions (Creswell & Creswell, 2018). Document analysis alone provides limited insight into actual task execution and decision-making (Yin, 2018).

To supplement practical observations, secondary sources such as supervised access to corporate documents, ERP modules, and financial reports were used. Continuous guidance from supervisors ensured accuracy and alignment with organizational practices, while systematic recording of daily observations and reflections allowed for a rigorous analytical evaluation of ERP-driven financial operations.

3.3 Findings and Analysis

This chapter presents an in-depth analysis of the key objectives outlined earlier in Section 1.2 – Objective of the Report. These objectives guided the scope of my internship and formed the basis of the practical experiences and observations I acquired during my time at Aqua Paints. Each objective focuses on a specific functional area within the company's ERP-driven financial operations, particularly in the context of the Accounts and Finance Department.

To provide a structured and comprehensive overview, each objective is accompanied by the corresponding method of data collection, justification of the chosen method, and highlighted findings (to be completed upon evaluation). These sections are designed to demonstrate how theoretical understanding and real-world ERP application intersect to support informed financial decision-making within the organization.

3.3.1 ERP facilitates invoice processing and adjustments

Enterprise resource planning (ERP) systems developed as the significant attribute of the contemporary businesses particularly in the financial management practices like the issue of invoices and amendments. In the past, manual processing had been used as far as invoices are concerned. It required the employees to format invoices in spreadsheets, reconcile them with purchase or sales orders, submit them to various departments to be approved and then make entries of them to the accounting books of the business. All this would be done by hand in a long chain and would bring bottlenecks that created delays in approvals, billing errors, misplaced records and high administration expenses. These inefficiencies not only increased the workload in big organizations, but also financial transparency in large organizations where the number of invoices processed every month is in the hundreds or even thousands. This is made a lot easier by ERP systems since invoice creating, approving, posting, and adjusting are automated. Once the sales order, purchase order or service confirmation has been logged in the ERP, an invoice will be automatically generated in the system related to the sales order or purchase order. This will help to reduce redundancy and offer accuracy in billing. Critical invoice information such as customer names, description, quantity and unit prices, applicable taxes and discounts is accessed in central ERP database directly.

The other clear advantage is the facility where the ERP deals with the adjustments. Due to numerous reasons (e.g. wrong pricing, tax mistakes, post-sale discounts) that a customer agreed to, invoices have to be changed. Under the old manual system, you need to extend things, you need to write a new journal entry up, you need to go back and revise three or four records and, in certain cases, even cut and print a new invoice. This was also a waste of time and would most likely cause accounting mistakes. The ERP seeks to do this process more efficiently through the avenues it offers authorized users to rectify the error on contact. Once any change occurs in the ERP, it is reconciled to the general ledger, customer balances, and related financial reporting in real time. This will enable to ensure that all the records are in sync and are open, thus significantly improving the credibility of the financial report.

Regarding Aqua Paints, the ERP has transformed the invoicing functions performed by the Account and Finance Department. Each month the company receives a large number of invoices of paint products by the software program worth of the suppliers of the raw materials. ERP enables Aqua Paints to simplify the processing of invoices, reduce administrative costs and receive payments in time. This has in effect, increased the capacity to control cash flow both in terms of collecting payments promptly on customers and also making payments to suppliers in time. In addition, effective work maintains the customer relationship at a positive level, responding to conflicts instantly or invoicing mistakes.

Besides being always Excel based, BOSS ERP is fully compatible with Microsoft Excel. The finances team regularly exports the invoice and adjustment data to Excel to analyze it. As an example, the exported invoice registers will help track the unpaid invoices, and the adjustment sheets will allow the department to track the type and frequency of adjustments. The ability to export this data also allows you to develop management reports and visual dashboards to make decisions based on data. With this information including patterns of trends, like how many invoice corrections are being made each month, or common causes of corrections, the company can identify areas where process improvements can be made to minimize future mistakes.

Generally, the invoice procedure and real-time modifications of ERP system capability is helping Aqua Paints gain greater insight into finances, operational effectiveness and decision making. It doesn't only save you money and time, but also, leaves your customers content, having the means to provide them with what they need, when they need it and without any hassles. In this cut throat world of today, the financial management cost efficiency is a way to help Aqua Paints stand on its credibility and grow in the long run.

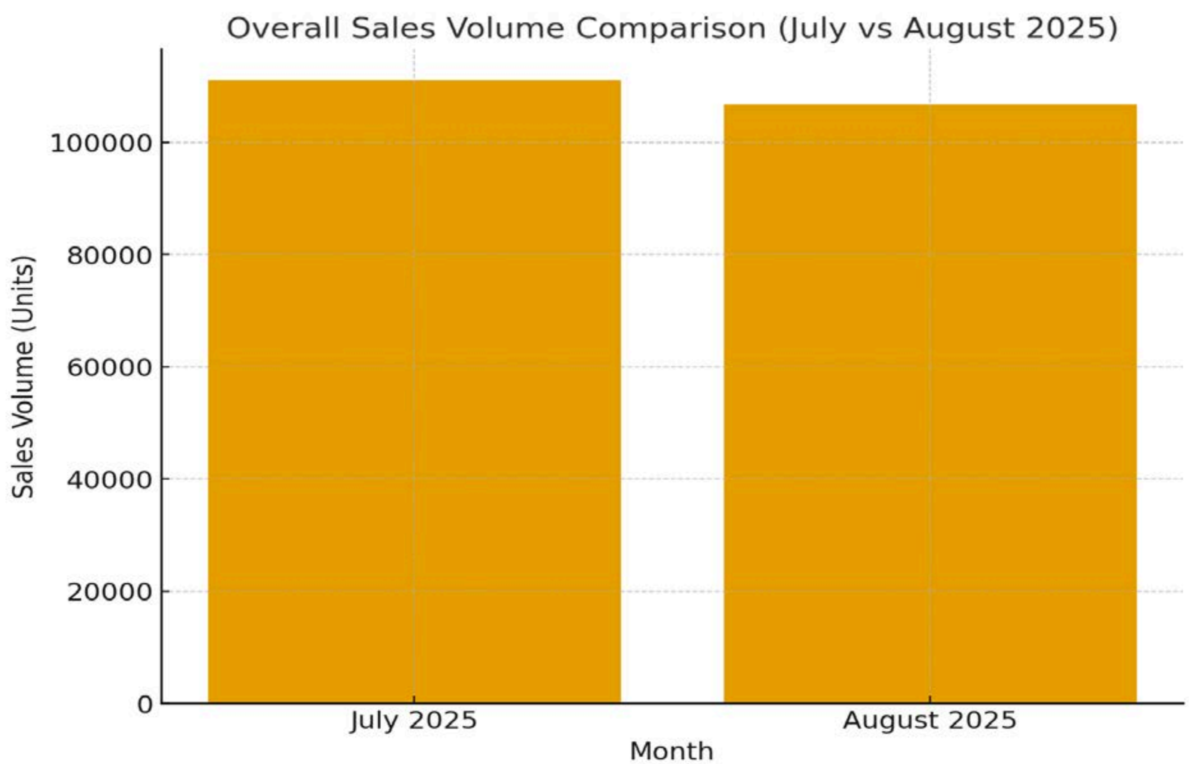

Figure 1: The comparison of sales volume of July and august month

The ERP system at Aqua Paints played a vital role in enhancing the accuracy and timeliness of invoice processing. Automated checks within the system helped flag errors such as duplicate entries and incorrect account codes, which minimized the need for manual corrections and improved overall data reliability. A comparison of sales data between July and August shows a noticeable improvement in efficiency, as employees became more adept at using the ERP platform. This learning curve reduced processing delays, streamlined financial workflows, and ensured greater consistency in maintaining accurate records, ultimately strengthening the company's financial control and operational effectiveness.

3.3.2 How Aging Reports generated by ERP can be used to manage credit risk and customer receivables

Customer receivables management is an important aspect of financial operations in any business and ERP systems are key to achieving accuracy, transparency and efficiency in customer receivables management. Credit sales constitute a large part of revenues in Aqua Paints, so it is necessary to track the outstanding invoices and unpaid balances to minimize the risk of non-payment and ensure continuous cash flows.

One of the most effective tools that the ERP system creates in the context of receivables management is an aging report. Aging report classifies outstanding invoices according to the duration of outstanding time, which is generally broken down into categories like 0-30 days, 31-60 days, 61-90 days and more than 90 days. The categorization will enable the Accounts and Finance Department to soon identify customers who are slow on their payments, to determine their credit worthiness and to act accordingly in time.

M Hasan Traders (Customer Code: CUS-000049) case illustrates the issue of outstanding receivables and the importance of the ERP system in dealing with outstanding receivables. The exported unpaid invoice history out of the ERP indicates a list of outstanding transactions many of which are still yet to be settled months after being issued. The records indicate that the customer has taken more than 212 days to pay up, hence he owes about 1,729,387 BDT. Of this amount, almost 1,642,559 BDT are in the 91 Days and Above aging category. This accumulation of outstanding invoices is an indicator of delinquency and is very likely to result in bad debts to the business. The ERP system does not only help to bring this exposure into focus by providing an automated aging report but also provides the assurance that any future payment is properly and effectively distributed. In the example above, when M Hasan Traders pays, the ERP will automatically charge the payment to be received by the first invoices outstanding, usually on a First In, First Out (FIFO) basis or policy. This automatic adjustment implies that once a customer makes a payment of 200,000 BDT, the system will automatically shrink the balance of the oldest invoices first. An invoice is settled as soon as it is cleared fully and the aging report is automatically revised to indicate the smaller overdue balance.

Customer Unpaid Invoice List

Voucher Date	Voucher No.	Invoice Amt	Challan No.	Balance	Days
CUS-000049 Credit Limit: 1,500,000.00 M Hasan Traders					
01/22/2025	INOP017062	173,146.68	CHL-016227	62,352.14	212
01/29/2025	INOP017178	191,334.60	CHL-016322	191,334.60	205
02/12/2025	INOP017553	320,425.80	CHL-016651	320,425.80	191
02/13/2025	INOP017570	9,126.00	CHL-016659	9,126.00	190
02/16/2025	INOP017620	41,244.00	CHL-016709	41,244.00	187
02/19/2025	INOP017718	56,268.00	CHL-016790	56,268.00	184
02/23/2025	INOP017786	99,450.00	CHL-016849	99,450.00	180
02/26/2025	INOP017863	68,548.80	CHL-016914	68,548.80	177
03/01/2025	JV--000061	6,350.00	stment February 2025	6,350.00	174
03/04/2025	INOP017978	50,562.00	CHL-017011	50,562.00	171
03/08/2025	INOP018061	21,336.00	CHL-017093	21,336.00	167
03/27/2025	JV--000062	6,350.00	djustment March 2025	6,350.00	148
03/27/2025	INOP018566	222,618.00	CHL-017539	222,618.00	148
03/27/2025	INOP018567	9,612.00	CHL-017543	9,612.00	148
04/09/2025	INOP018679	73,952.40	CHL-017632	73,952.40	135
04/13/2025	INOP018776	23,481.00	CHL-017707	23,481.00	131
04/13/2025	INOP018763	49,995.00	CHL-017684	49,995.00	131
05/05/2025	INOP019274	155,924.40	CHL-018143	155,924.40	109
05/06/2025	INOP019314	60,606.00	CHL-018182	60,606.00	108
05/08/2025	INOP019364	9,744.00	CHL-018229	9,744.00	106
05/08/2025	INOP019365	21,336.00	CHL-018228	21,336.00	106
05/17/2025	INOP019556	81,942.60	CHL-018399	81,942.60	97
05/26/2025	JV--000063	6,350.00	Adjustment May 2025	6,350.00	88
05/27/2025	INOP019777	61,428.00	CHL-018584	61,428.00	87
05/31/2025	JV--000064	6,350.00	Adjustment May 2025	6,350.00	83
06/25/2025	JV--000065	6,350.00	Adjustment June 2025	6,350.00	58
07/29/2025	JV--000090	6,350.00	Adjustment July 2025	6,350.00	24

Powered By: Arefeen Software Ltd. Print Date: August 22, 2025 Time: 9:31 pm PageNo.:Page 1 of 1

Figure 2: The unpaid invoice list of M Hasan

Such overdue accounts might not be detected promptly in a traditional manual system, exposing it to additional financial risk. But this analysis is automated by the ERP system. This is a way of reducing the risk of manual errors as well as the time-wasting process of reconciliation. In addition, it also improves financial transparency as it gives the management a true picture of receivables which are current. The ERP system allows the company to control the credit efficiently and make a high-quality decision regarding the follow-up actions, the strategy of its collections, and the management of risks with the customers due to the dynamical adjustments of the outstanding balances and updating of the aging structure with each transaction.

Client Wise Aging Report

Date : **22-August-2025**

From Customer CUS-000049 To Customer CUS-000049

SLN	Client Code	Name	Outstanding Amount				
			30 Days	31 To 60 Days	61 To 90 Days	91 Days and Above	Balance
1	CUS-000049	M Hasan Traders	6,350	6,350	74,128	1,642,559	1,729,387
		Total :	**6,350**	**6,350**	**74,128**	**1,642,559**	**1,729,387**

Figure 3: The aging report of M Hasan

After invoices exceed their due dates, the ERP flags them into the correct aging category and in real time the current outstanding balance is updated. This intelligence will enable the Finance department at Aqua Paints to act in alignment with it. As in the case of M Hasan Traders, the capability of the system to indicate the overdue balance will enable the company to assess whether credit sales must be limited, whether more vigorous collection must be instituted, or whether a doubtful debt provision must be recorded in financial statements.

The role of the ERP in this case is more than mere reporting to the company-it is an active monitoring program that renders the management of the receivable department transparent to the rest of the departments. On the side of sales teams, the same aging data can be viewed and immediately the sales team knows the risks of providing further credit to this client. In this way, ERP prevents future losses and introduces improved financial discipline throughout the organization.

Rang Bahar (Customer Code: CUS-000790) is another eloquent example of the alternative yet equally valuable approach to the utility of ERP-generated aging reports. Rang Bahar unpaid invoice list has a few large entries, although, unlike M Hasan Traders, they are not very old. As an example, a single invoice worth more than 567,915 BDT has been outstanding 52 days, and another for 60,080 BDT has been outstanding 48 days. Newer invoices like 584,915 BDT are still only 20 days outstanding and a small balance of 20,370 BDT is only 3 days outstanding.

Once summed into the aging report generated by the ERP, the outstanding balance of 3,195,267 BDT of Rang Bahar is allocated primarily in the age category of 0-30 days and 31-60 days with none of the invoices falling under the 91+ days category. This will give a very different picture when viewed through the lens of receivables management than M Hasan Traders. Even though Rang Bahar owes more in total, since most of the dues are still in its early stages of delay, this client is not considered a critical credit risk as yet. Rather, the ERP report re-classifies Rang Bahar as a client, whose bills should be chased in an orderly fashion but without the fear that the business is going into receivership.

Customer Unpaid Invoice List

Voucher Date	Voucher No.	Invoice Amt	Challan No.	Balance	Days
CUS-000790 Credit Limit: 1,700,000.00 Rang Bahar					
07/01/2025	INOP020237	727,200.60	CHL-018956	567,915.58	52
07/05/2025	INOP020305	60,080.70	CHL-019017	60,080.70	48
07/07/2025	INOP020328	21,330.00	CHL-019051	21,330.00	46
07/09/2025	INOP020391	103,497.30	CHL-019099	103,497.30	44
07/09/2025	INOP020403	21,330.00	CHL-019116	21,330.00	44
07/09/2025	INOP020410	64,258.40	CHL-019118	64,258.40	44
07/09/2025	INOP020411	132,407.20	CHL-019119	132,407.20	44
07/09/2025	INOP020412	39,743.20	CHL-019120	39,743.20	44
07/10/2025	INOP020423	43,390.20	CHL-019127	43,390.20	43
07/12/2025	INOP020448	38,187.00	CHL-019153	38,187.00	41
07/12/2025	INOP020447	19,110.00	CHL-019150	19,110.00	41
07/12/2025	INOP020449	48,586.80	CHL-019149	48,586.80	41
07/13/2025	INOP020471	19,401.60	CHL-019173	19,401.60	40
07/13/2025	INOP020491	96,441.60	CHL-019186	96,441.60	40
07/15/2025	INOP020541	40,189.20	CHL-019230	40,189.20	38
07/20/2025	INOP020607	11,390.40	CHL-019284	11,390.40	33
07/23/2025	INOP020664	40,384.80	CHL-019333	40,384.80	30
07/23/2025	INOP020663	67,606.20	CHL-019330	67,606.20	30
07/24/2025	INOP020677	41,904.00	CHL-019337	41,904.00	29
07/27/2025	INOP020716	27,027.60	CHL-019371	27,027.60	26
07/27/2025	INOP020721	20,610.00	CHL-019377	20,610.00	26
08/02/2025	INOP020775	584,915.70	CHL-019410	584,915.70	20
08/04/2025	INOP020835	83,145.60	CHL-019458	83,145.60	18
08/06/2025	INOP020850	46,516.00	CHL-019474	46,516.00	16
08/06/2025	INOP020873	41,481.30	CHL-019488	41,481.30	16
08/09/2025	INOP020925	12,375.00	CHL-019536	12,375.00	13
08/10/2025	INOP020947	33,408.00	CHL-019550	33,408.00	12
08/11/2025	INOP020962	110,017.20	CHL-019568	110,017.20	11

Powered By: Arefeen Software Ltd. Print Date: August 22, 2025 Time: 9:31 pm Page No.:Page 1 of 2

Figure 4: The unpaid invoice list of Rang Bahar

In this case, the value of the ERP is in context. Lacking any classification, the total amount outstanding in Rang Bahar would alarm the Accounts Department since it is in excess of three million BDT.

Client Wise Aging Report

Date : **22-August-2025**

From Customer CUS-000790 To Customer CUS-000790

SLN	Client Code	Name	Outstanding Amount				
			30 Days	31 To 60 Days	61 To 90 Days	91 Days and Above	Balance
1	CUS-000790	Rang Bahar	1,868,008	1,327,259	0	0	3,195,267
		Total :	**1,868,008**	**1,327,259**	**0**	**0**	**3,195,267**

Figure 5: The aging report of Rang Bahar

The aging analysis, however, shows that the client is merely settling new dealings most of which are on normal credit terms. This understanding will avoid unnecessary growth and allow the management to implement subtle credit policies. Aqua Paints can come to the conclusion that it is better to continue selling Rang Bahar on credit, but with frequent control. Meanwhile, the ERP also makes sure that once these balances start to creep into the 61-90 days group and 91+ days group, the records will be automatically changed and the shift will be identified, so the Finance Department can take necessary measures before the situation deteriorates.

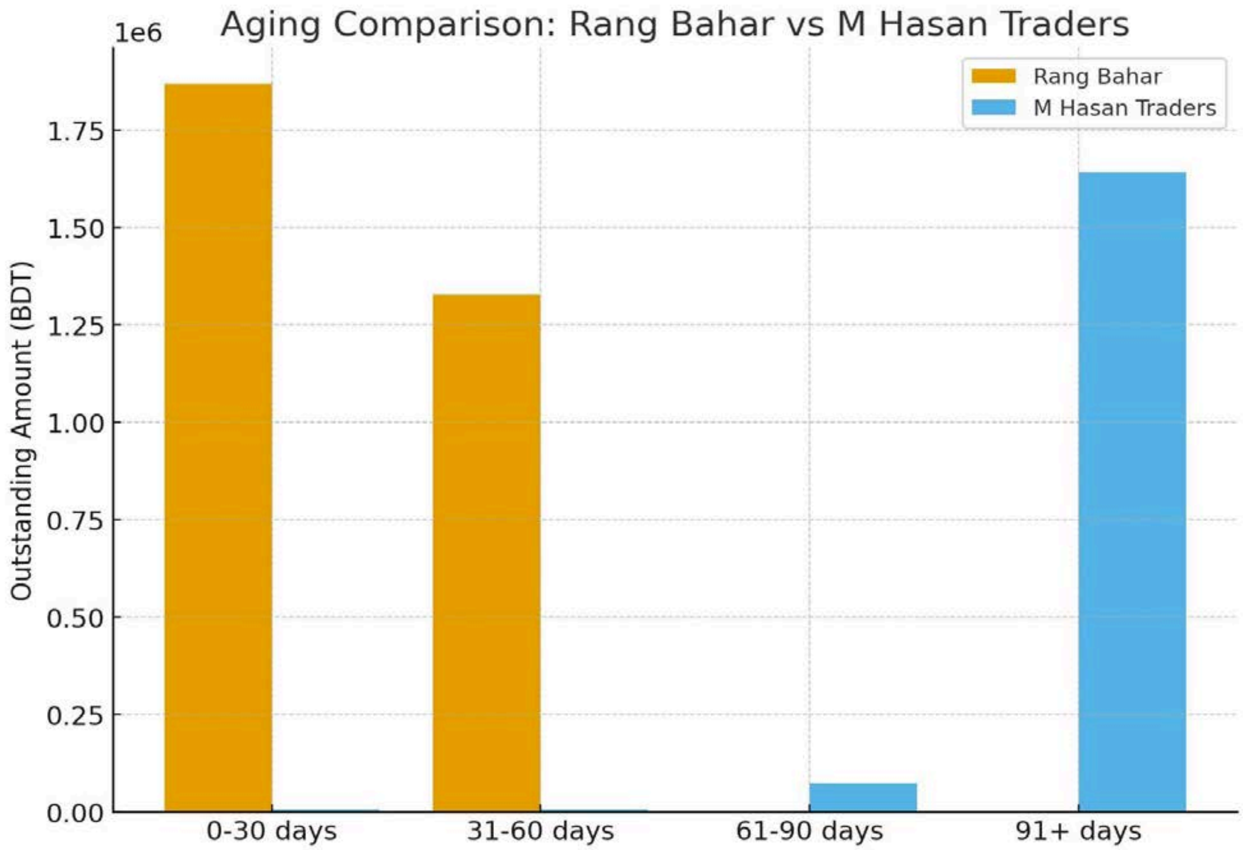

Figure 6: The comparison of aging report between M Hasan and Rang Bahar

Both cases exemplify how the aging report generated by ERP can be incorporated as a direct part of the goal to control credit risk and customer receivables. Under M Hasan Traders, the ERP indicated the seriousness of a delinquency problem of almost the whole balance being overdue above 91 days, and that corrective measures are urgently required, and the balance may be classified as bad debt. As with Rang Bahar, ERP provided comfort that, even with such high balance, the invoices were mostly recent, and follow-ups were necessary, but not the level of intervention that would qualify as a crisis.

In a nutshell, ERP-created aging reports are not only records but dynamic and real-time financial control instruments. They convert raw invoice data to actable insights that enable Aqua Paints to differentiate between actual credit risk and usual delay to payments. This will not only ensure the company is not at risk of incurring financial losses but also facilitates the process of decision-making, cash flow planning, and enhanced relationships with customers. Combined with exported Excel reports, the aging data will be even more useful, providing an opportunity to obtain a clear and professional background to analyze, audit and develop long-term credit policies.

3.3.3 Analysis of Sales and Collection Performance

To measure the effectiveness of the area managers in the company and their contribution to the total cash flow of the company, it is necessary to consider not only the achievement of the sales by the area managers but also the cash collection of the sales made by the area managers against the sales. Aqua Paints has come up with a clear system requirement according to which, at least 85 percent of the total sales should be collected in a month. This is a very important benchmark as it ensures that there is liquidity maintained, credit sales are not built into overdue accounts and that the working capital requirements of the company are met.

In order to determine how the system requirement is performing in practice, the sales and collection figures of chosen areas within the month of July and August 2025 have been studied, with particular reference to the performance of Sylhet Central and Sylhet South. It starts with the comparison of the sales target of each area against the actual sales of each area. This will aid in knowing whether the managers can produce the business amount required of them. But the success of sales is not a complete picture. Accordingly, the second point of analysis is to see the extent to which those sales have effectively been translated into cash collections. With a comparison of cash collection to actual sales, the ratio of collection can be determined and this ratio can be compared with the policy requirement of 85 percent by Aqua Paints.

MTD PERFORMANCE - July'25																Collection Target	Collection Ach
SO NAME	TERRITORY/ AREA	ASM/RM	VOLUME BASE July'24	VALUE BASE July'24	VALUE TARGET July'25	VOLUME SALES July'25	VALUE SALES July'25	DELIVERY PENDING VALUE July'25	REMAINING VALUE	Target ACV %	MTD GR%	WASP	COLLECTION July'25	COLLECTION% AGAINST VALUE SALES	REMAINING COLLECTION	85% Trade _90% Project	Gap vs Actuals
Azizur Rahman+Deluar Hussain	Sylhet Central	Vacant	11,976	2523,041	2800,000	9,708	1,855,110	-	944,890	66%	-26%	191	2,492,600	134%	(637,490)	1,576,843	(915,757)
Rasel Mondol+Dipak Talukder	Habiganj	Vacant	10,016	2,247,433	3,500,000	14,354	3,264,074	59,722	235,926	93%	45%	227	3,143,140	96%	120,934	2,774,463	(368,677)
Faysal Ahmed	Sylhet South	Vacant	2,044	482,253	1,200,000	7,119	1,669,995	21,320	(469,995)	139%	246%	235	631,800	38%	1,038,195	1,419,495	787,695
Sylhet- Habiganj: Area	Sylhet- Habiganj: Area	Vacant	24,036	5,252,726	7,500,000	31,177	6,789,178	81,042	710,822	91%	29%	218	6,267,540	92%	521,638	5,770,802	(496,738)
Vacant	Ashulia	Vacant	5,988	1,360,735	1,600,000	2,399	568,885	4,176	1,031,115	36%	-58%	237	596,000	105%	(27,115)	483,553	(112,447)
Mehedi Hasan	Savar	Vacant	5,263	1,201,597	1,800,000	3,727	918,557	-	881,443	51%	-24%	246	731,660	80%	186,897	780,773	49,113
Md Rafiqul Islam+Mizanur Rahman	Tongi	Vacant	9,937	2172,033	2600,000	6,259	1,418,348	25,894	1,181,652	55%	-35%	227	1,160,600	82%	257,748	1,205,596	44,996
Savar-Ashulia-Tongi: Area	Savar-Ashulia-Tongi: Area	Vacant	21,189	4,734,365	6,000,000	12,385	2,905,791	30,070	3,094,209	48%	-39%	235	2,488,260	86%	417,531	2,469,922	(18,338)
Md Mijanour Rahman	Comilla-2+ Comilla(Central)	Vacant	4,958	1,162,552	800,000	1,459	527,637	35,584	272,363	66%	-55%	362	71,500	14%	456,137	448,492	376,992
Omor Faruk	Comilla(South)	Vacant	2,052	355,874	1,400,000	4,789	1,071,420	4,072	328,580	77%	201%	224	1,160,500	108%	(89,080)	910,707	(249,793)
Cumilla- Area	Cumilla- Area	Vacant	7,010	1,518,427	2,200,000	6,248	1,599,057	39,655	600,943	73%	5%	256	1,232,000	77%	367,057	1,359,199	127,199
Md Akbor	Rajshahi	Md Akbor Hossain Khan	3,139	554,964	800,000	3,073	650,895	-	149,105	81%	17%	212	1,125,300	173%	(474,405)	553,261	(572,039)
Md Sohel Rana	Rangpur	Md Akbor Hossain Khan	2,711	664,330	700,000	1,785	414,232	57,962	285,768	59%	-38%	232	391,845	95%	22,387	352,097	(39,748)
North Bengal: Area	North Bengal: Area	Md Akbor Hossien Khan	5,850	1,219,294	1,500,000	4,858	1,065,127	57,962	434,873	71%	-13%	219	1,517,145	142%	(452018)	905,358	(611,787)
Shoriful Islam	Pabna	Shahidulla Bachchu	6,761	1800,912	2400,000	5,840	1,634,110	19,368	765,890	68%	-9%	280	1,435,000	88%	199,110	1,388,993	(46,007)
Nazmul Hossain	Kushtia	Shahidulla Bachchu	2,499	700,267	900,000	1,937	540,157	8,248	359,843	60%	-23%	279	525,380	97%	14,777	459,133	(66,247)
Pabna : Area	Pabna : Area	Shahidulla Bachchu	9,260	2,501,178	3,300,000	7,777	2,174,266	27,616	1,125,734	66%	-13%	280	1,960,380	90%	213,886	1,848,126	(112,254)
Narayan Majumder	Mymensingh	Sydul Islam	3,019	768,413	1300,000	3,500	798,347	55,859	501,653	61%	4%	228	570,000	71%	228,347	678,595	108,595
Shah Faisal Kabir+Anisuzzaman Biswas	Kishoregonj	Sydul Islam	9,458	2475,484	2700,000	8,243	2042,166	-	657,834	76%	-18%	248	2014,500	99%	27,666	1,735,841	(278,659)
Mymensingh : Area	Mymensingh : Area	Sydul Islam	12,476	3,243,897	4,000,000	11,743	2,840,513	55,859	1,159,487	71%	-12%	242	2,584,500	91%	256,013	2,414,436	(170,064)
Maidul Islam	Narayanganj	Vacant	570	208,300	500,000	200	53,538	3,616	446,462	11%	-74%	268	350,300	654%	(296,762)	45,507	(304,793)
Narayanganj : Area	Narayanganj : Area	Vacant	570	208,300	500,000	200	53,538	3,616	446,462	11%	-74%	268	350,300	654%	(296,762)	45,507	(304,793)
Rasel Hossain	Khulna	Shahidul Islam	3,906	840,845	2000,000	4,183	869,826	5,916	1,130,174	43%	3%	208	1,161,300	134%	(291,474)	739,352	(421,948)
Khulna : Area	Khulna : Area	Shahidul Islam	3,906	840,845	2,000,000	4,183	869,826	5,916	1,130,174	43%	3%	208	1,161,300	134%	(291,474)	739,352	(421,948)
Vacant		Legal	-	-		-	-	-	-	0%	0%	-	-	0%	-	-	-
Vacant-Total		Legal	-	-		-	-	-	-	0%	0%	-	-	0%	-	-	-
TOTAL- TRADE	Md Minhaz Uddin Talukder		84,297	19,519,033	27,000,000	78,571	18,297,296	301,736	8,702,704	68%	-6%	233	17,561,425	96%	735,871	15,552,702	(2,008,723)
Md. Mizanur Rahman	Project 4 (Mirpur, Darus Salam, Adabor, Mohammadpur)		9,194	2573,538	2250,000	12,235	3,503,833	20,194	(1,253,833)	156%	36%	286	3,568,192	102%	(64,359)	3,153,450	(414,742)
Tanzida Akhter	Project 5 (Rampura, Khilgaon, Shabujbag)		2,186	637,731	1,850,000	4,009	1,111,283	-	738,717	60%	74%	277	724,115	65%	387,168	1,000,155	276,040
Mehedi Hassan	Project 6 (Uttara, Turag, Gazipur)		594	143,110	2150,000	3,557	1,384,947	-	765,053	64%	868%	389	1,423,087	103%	(38,140)	1,246,452	(176,635)
Anayath Hossain	Project 7 (Uttarkhan, Khilkhet Dakkhinkhan, Bashundhara)		5,790	1,428,751	2150,000	9,350	2161,054	7,625	(11,054)	101%	51%	231	2,216,717	103%	(55,663)	1,944,949	(271,768)
Shamim Ahmed	Project 8 (Motijheel, Paltan, Ramna, Kolabagan, Dhanmondi)		2,418	519,318	1,850,000	3,322	1,016,232	23,796	833,768	55%	96%	306	1,771,508	174%	(755,276)	914,609	(856,899)
TOTAL- PROJECT	Shafat Zameel		20,183	5,302,449	10,250,000	32,473	9,177,349	51,615	1,072,651	90%	73%	283	9,703,619	106%	(526,270)	8,259,614	(1,444,005)
Official			418	68,262		2,728	880,856	-	(880,856)	0%	1190%	323	616,130	70%	264,726		
GRAND TOTAL EXCEPT OFFICIAL			104,480	24,821,482	37,250,000	111,043	27,474,645	353,351	9,775,355	74%	11%	247	27,265,044	99%	209,601	23,812,316	(3,452,728)

Figure 7: SO wise sales and collection July'25 as of 31st July

When the ratio is lower than 85 percent, then it means that the area manager did not collect enough cash compared to the amount sold and makes the company vulnerable to a larger number of outstanding receivables. Conversely, a collection ratio that is high (greater than 100 percent) would indicate that the manager has had an opportunity to collect, not only against the current month sales but also on the balance remaining in past months. This two-step method, which first looks at sales and then at collections, produces a performance perspective that is balanced; that is, it is a mixture of growth in revenues with tightness in cash recovery.

MTD PERFORMANCE - August' 25																	
SO NAME	TERRITORY/ AREA	ASM/RM	VOLUME BASE August'24	VALUE BASE August'24	VALUE TARGET August'25	VOLUME SALES August'25	VALUE SALES August'25	DELIVERY PENDING VALUE August'25	REMAINING VALUE	Target ACV .%	MTD GR%	WASP	COLLECTION August'25	COLLECTION% AGAINST VALUE SALES	REMAINING COLLECTION
Azizur Rahman+Deluar Hussain	Sylhet Central	Vacant	10,553	2,328,603	2,500,000	11,979	2,574,317	-	(74,317)	103%	11%	215	1,747,035	68%	827,282
Rasel Mondol+Dipak Talukder	Habiganj	Vacant	8,174	2,025,505	3,300,000	13,911	3,310,752	-	(10,752)	100%	63%	238	2,470,900	75%	839,852
Faysal Ahmed	Sylhet South	Vacant	1,310	276,387	1,500,000	5,541	1,198,111	-	301,889	80%	333%	216	1,568,000	131%	(369,889)
Sylhet- Habiganj: Area	Sylhet- Habiganj: Area	Vacant	20,037	4,630,496	7,300,000	31,431	7,083,180	-	216,820	97%	53%	225	5,785,935	82%	1,297,245
Vacant	Ashulia	Vacant	10,520	2,376,304	1,500,000	3,922	888,133	-	611,867	59%	-63%	226	979,023	110%	(90,890)
Mehedi Hasan	Savar	Vacant	4,058	886,295	1,800,000	4,956	1,073,883	50,834	726,117	60%	21%	217	1,197,000	111%	(123,117)
Md Rafiqul Islam+Mizanur Rahman	Tongi	Vacant	6,574	1,379,369	2,700,000	7,363	1,687,613	-	1,012,387	63%	22%	229	704,700	42%	982,913
Savar-Ashulia-Tongi: Area	Savar-Ashulia-Tongi: Area	Vacant	21,163	4,641,968	6,000,000	16,241	3,649,630	50,834	2,350,370	61%	-21%	225	2,880,723	79%	768,907
Vacant	Comilla-2+ Comilla (Central)	Vacant	2,110	580,023	600,000	581	357,066	-	242,934	60%	-38%	614	542,600	152%	(185,534)
Omor Faruk	Comilla (South)	Vacant	1,383	418,438	1,600,000	5,492	1,093,349	-	506,651	68%	161%	199	1,202,477	110%	(109,128)
Cumilla-Area	Cumilla-Area	Vacant	3,493	998,467	2,200,000	6,074	1,450,415	-	749,585	66%	45%	239	1,745,077	120%	(294,662)
Md Akbor	Rajshahi	Md Akbor Hossain Khan	715	122,041	800,000	1,282	297,559	-	502,441	37%	144%	232	191,280	64%	106,279
Md Sohel Rana	Rangpur	Md Akbor Hossain Khan	516	149,176	700,000	1,112	216,453	-	483,547	31%	45%	195	315,000	146%	(98,547)
North Bengal: Area	North Bengal: Area	Md Akbor Hossian Khan	1,231	271,217	1,500,000	2,394	514,012	-	985,988	34%	90%	215	506,280	98%	7,732
Shoriful Islam	Pabna	Shahidulla Bachchu	4,988	1,466,574	2,300,000	6,652	1,740,442	-	559,558	76%	19%	262	1,562,300	90%	178,142
Nazmul Hossain	Kushtia	Shahidulla Bachchu	1,511	306,321	900,000	923	284,157	15,741	615,843	32%	-7%	308	376,058	132%	(91,901)
Pabna : Area	Pabna : Area	Shahidulla Bachchu	6,499	1,772,896	3,200,000	7,576	2,024,599	15,741	1,175,401	63%	14%	267	1,938,358	96%	86,241
Narayan Majumder	Mymensingh	Sydul Islam	1,055	274,695	1,400,000	3,652	1,036,665	27,980	363,335	74%	277%	284	1,051,190	101%	(14,525)
Shah Faisal Kabir+Anisuzzaman Biswas	Kishoreganj	Sydul Islam	11,887	2,971,412	3,000,000	8,909	2,002,909	-	997,091	67%	-33%	225	2,008,550	100%	(5,641)
Mymensingh : Area	Mymensingh : Area	Sydul Islam	12,942	3,246,107	4,400,000	12,561	3,039,574	27,980	1,360,426	69%	-6%	242	3,059,740	101%	(20,166)
Maidul Islam	Narayanganj	Vacant	958	200,084	400,000	590	221,729	-	178,271	55%	11%	376	120,212	54%	101,517
Narayanganj : Area	Narayanganj : Area	Vacant	958	200,084	400,000	590	221,729	-	178,271	55%	11%	376	120,212	54%	101,517
Rasel Hossain	Khulna	Shahidul Islam	3,480	755,605	2,000,000	4,465	1,060,576	-	939,424	53%	40%	238	1,046,245	99%	14,331
Khulna : Area	Khulna : Area	Shahidul Islam	3,480	755,605	2,000,000	4,465	1,060,576	-	939,424	53%	40%	238	1,046,245	99%	14,331
Vacant		Legal	-	-		-	-	-	-	0%	0%	-	8,000	0%	(8,000)
Vacant-Total		Legal	-	-		-	-	-	-	0%	0%	-	8,000	0%	(8,000)
TOTAL - TRADE	Md Minhaz Uddin Talukder		69,803	16,516,840	27,000,000	81,331	19,043,715	94,555	7,956,285	71%	15%	234	17,090,570	90%	1,953,145
Md. Mizanur Rahman	Project 4 (Mirpur, Darus Salam, Adabor, Mohammadpur)		8,822	2,823,794	2,325,000	9,733	3,108,871	-	(783,871)	134%	10%	319	2,156,787	69%	952,084
Tanzida Akhter	Project 5 (Rampura, Khilgaon, Shabujbag)		8,466	1,733,164	1,925,000	2,718	599,709	10,584	1,325,291	31%	-65%	221	356,243	59%	243,466
Mehedi Hassan	Project 6 (Uttara, Turag, Gazipur)		2,050	500,662	2,250,000	966	222,375	-	2,027,625	10%	-56%	230	841,587	378%	(619,212)
Anayath Hossain	Project 7 (Uttarkhan, Khilkhet Dakkhinkhan, Bashundhara)		3,386	875,010	2,300,000	9,250	2,029,214	-	270,786	88%	132%	219	1,086,679	54%	942,535
Shamim Ahmed	Project 8 (Motijheel, Paltan, Ramna, Kolabagan, Dhanmondi)		1,194	294,876	1,925,000	2,765	966,036	-	958,964	50%	228%	349	708,544	73%	257,492
TOTAL- PROJECT	Shafat Zarreel		23,929	6,227,506	10,725,000	25,431	6,926,206	10,584	3,798,794	65%	11%	272	5,149,840	74%	1,776,366
Official			400	64,999		1,888	325,772	695,048	(325,772)	0%	401%	173	1,438,930	442%	(1,113,158)
GRAND TOTAL EXCEPT OFFICIAL			93,732	22,744,346	37,725,000	106,763	25,969,921	105,139	11,755,079	69%	14%	243	22,240,410	86%	3,729,511

Figure 8: SO wise sales and collection august'25 as of 31st august

The July 2024 value base of Sylhet Central area under Azizur Rahman and Deluar Hussain was set at 2.52 million BDT and the July 2025 target was increased to 2.8 million BDT. It is on this basis that the team recorded sales of 1.85 million BDT; this is a decline in sales performance given that the target was 3 million BDT. Although the sales were underperforming, the team received 2.49 million BDT in cash, equivalent to 134 percent of the sales value. This means that despite the low sales volume, previous months outstanding dues were well recovered. Nonetheless, there is a collection shortfall of approximately 915,757 BDT relative to the targeted 85 percent collection goal.

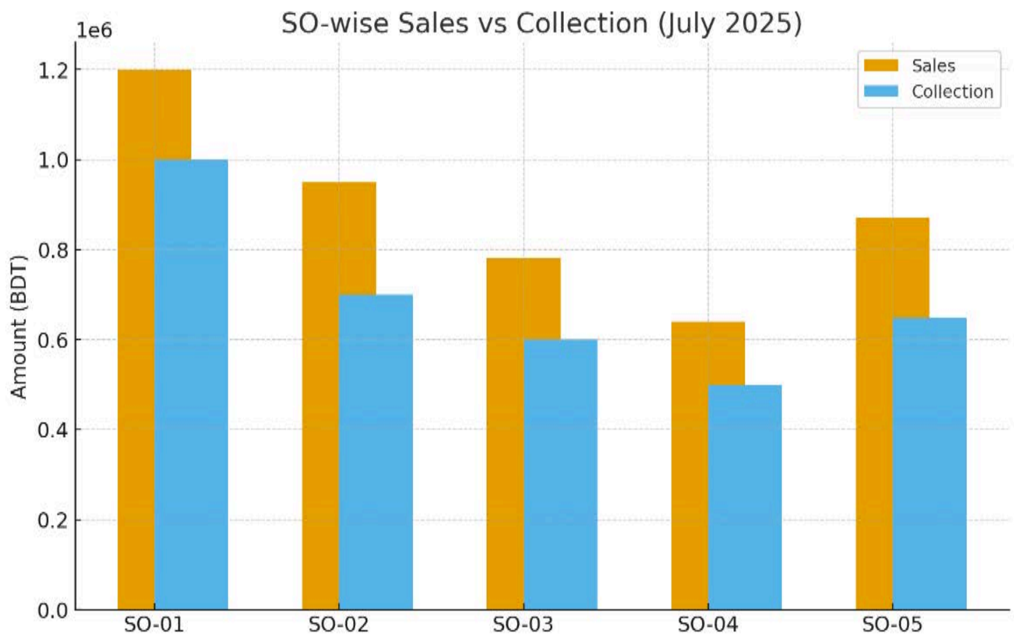

Figure 9: SO wise sales vs collection (July'25 as of 31st July)

In the Sylhet Central area where Azizur Rahman and Deluar Hussain are in charge, the data reveals that the value base august'24 was 2328603.08 and in 2025 the value target for the august was 2.5 million. The team has marginally missed its sales target of 2.5 million BDT in a month by recording sales of 2.57 million BDT, which represents 103 percent of the target. It means that there was a good sales push and market penetration. Nevertheless, they still collected 1.74 million BDT in cash, which is just 68 percent of the sales they made throughout the month. This is nowhere as near as 85 percent. Practically, it implies that even after customers have bought the products, a significant part of payments cannot be received. The deficit in the collection is about 441,135 BDT.

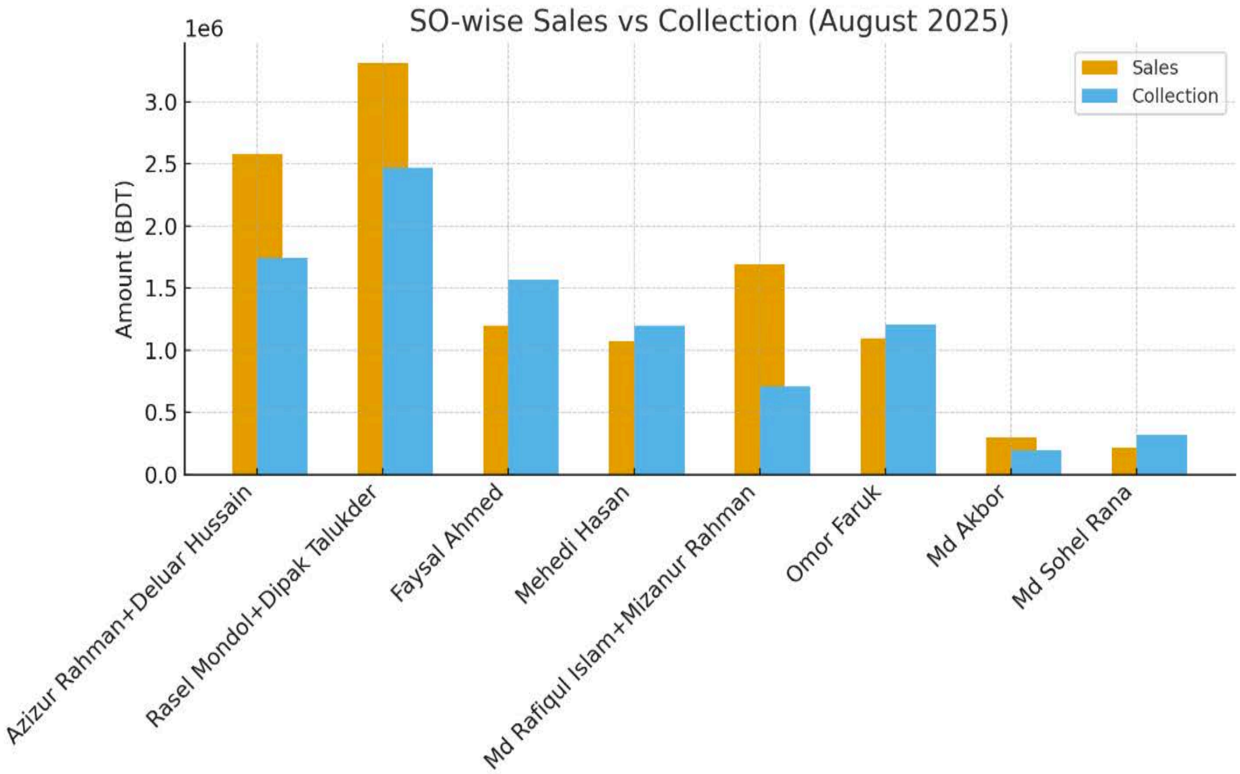

Figure 10: SO wise sales vs collection (August'25 as of 31st August)

Through the lens of the Aqua Paints system, this gap identifies a potential risk: on the one hand, sales revenue is encouraging on paper, but on the other hand, the inflow of cash within the company is lower, which can put a strain on working capital in case the trend persists across several months. This case shows how it is not really necessary to reach a sales target without matching collections.

This is not the case with Sylhet South which is under the management of Faysal Ahmed. Here the sales were lower, and the actual sales is recorded as 1.19 million BDT against the monthly target of 1.5 million BDT which is 80 percent of the target. This would seem on the surface as underperformance on the sales side. The performance of collection was quite good, however. Cash collection Sylhet South 1.57 million BDT, not only higher than this month sales, but also 131 percent of the sales. It indicates that besides pre-collection against the sales of August, the area manager also collected a large number of outstanding dues of previous months. This kind of performance is quite rewarding to the company since the sales were not as good as it could have been but the overall cash position improved through disciplined and proactive collection. It demonstrates that area managers are able to offset weaker sales with prompt customer payments, which will reinforce cash inflow.

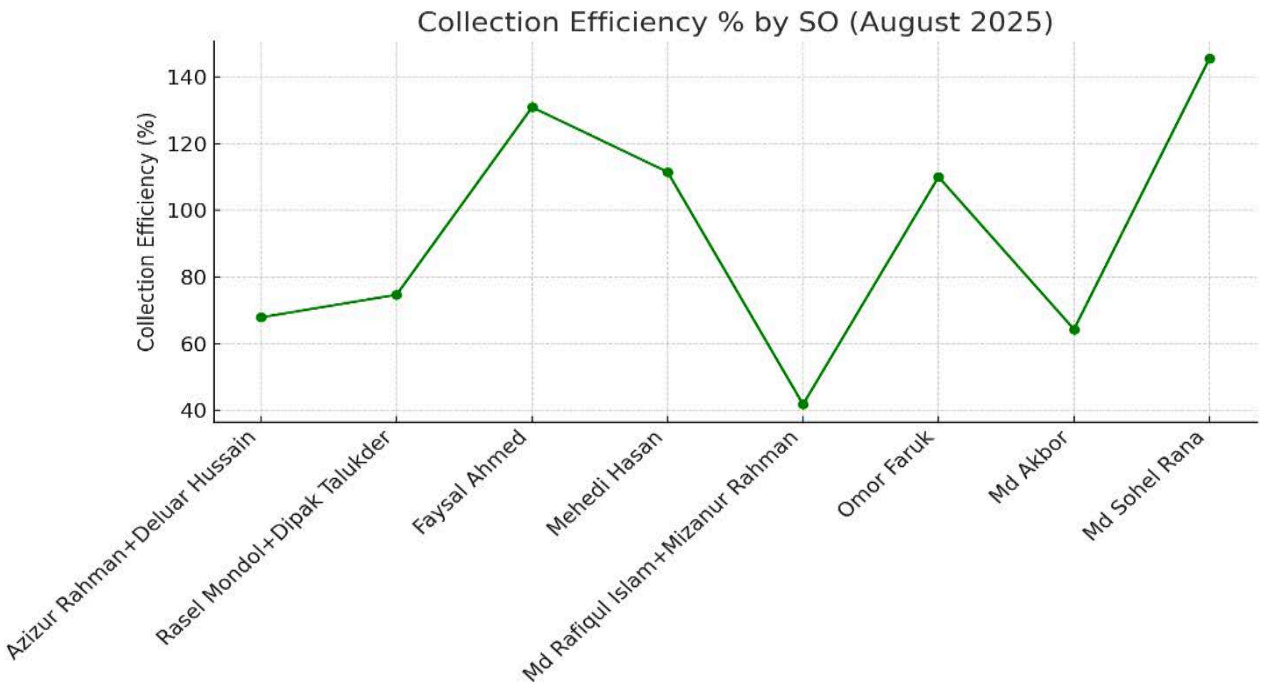

Figure 11: Collection efficiency (%) by SO (August'25 as of 31st August)

On the other hand, Under Faysal Ahmed of the Sylhet South region, the July 2024 value base was set at 0.48 million BDT with a much higher target in July 2025 set at 1.2 million BDT. The team did well as they generated sales of 1.67 million BDT, which is 139 percent of the target. This represents great market growth and sales growth over last year. But the collection side is weak with only 0.63 million BDT realized in cash-only 38 percent of the sales realized. This created a huge pending collection gap of 1.42 million BDT, which shows that the company has difficulties in recovering its credit even after the incredible sales performance.

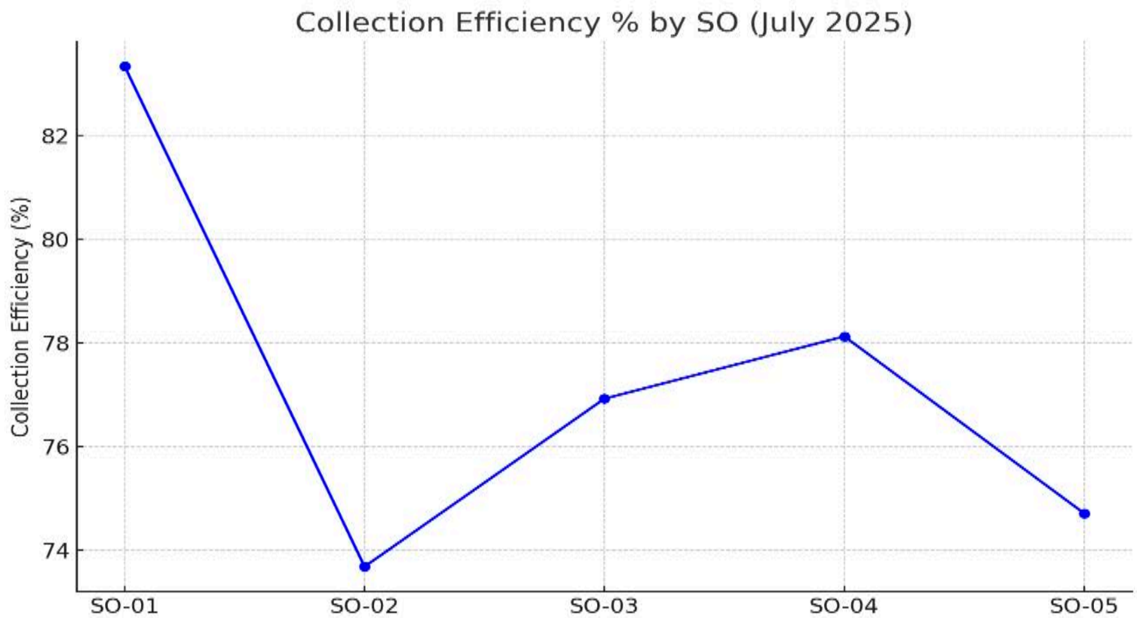

Figure 12: Collection efficiency (%) by SO (July'25 as of 31st July)

The analysis of July and August, 2025 in the sales and collection efficiency in Sylhet central and Sylhet south shows some different results, which indicate both strong points and weak points. Weaker sales of 1.86 million BDT, only 66 percent of the target, characterized the month of July in Sylhet Central. But the collections of that time were very strong with 134 percent of the sales value. This shows that despite the small sales base, the team was able to collect outstanding dues to get healthy cash inflows. August, on the contrary, presented a completely different image. There was also a great improvement in sales performance as 2.57 million BDT was recorded, ahead of the 2.5 million targets by 103 per cent. However, the collection performance dropped significantly to only 68 percent of sales, resulting in a collection gap of circa 441,135 BDT. The same was also witnessed in Sylhet South. An unprecedented sale of 1.67 million BDT, 139 percent of the target, was realized in July, but fell short of this by 38 percent at collections. Sales momentum continued to be high in August, a little less than July, but collection inefficiency persisted. Such trends show that the ERP system helped to increase the visibility and the tracking of sales performance, but the issue is how to connect high sales growth and cash recovery on time.

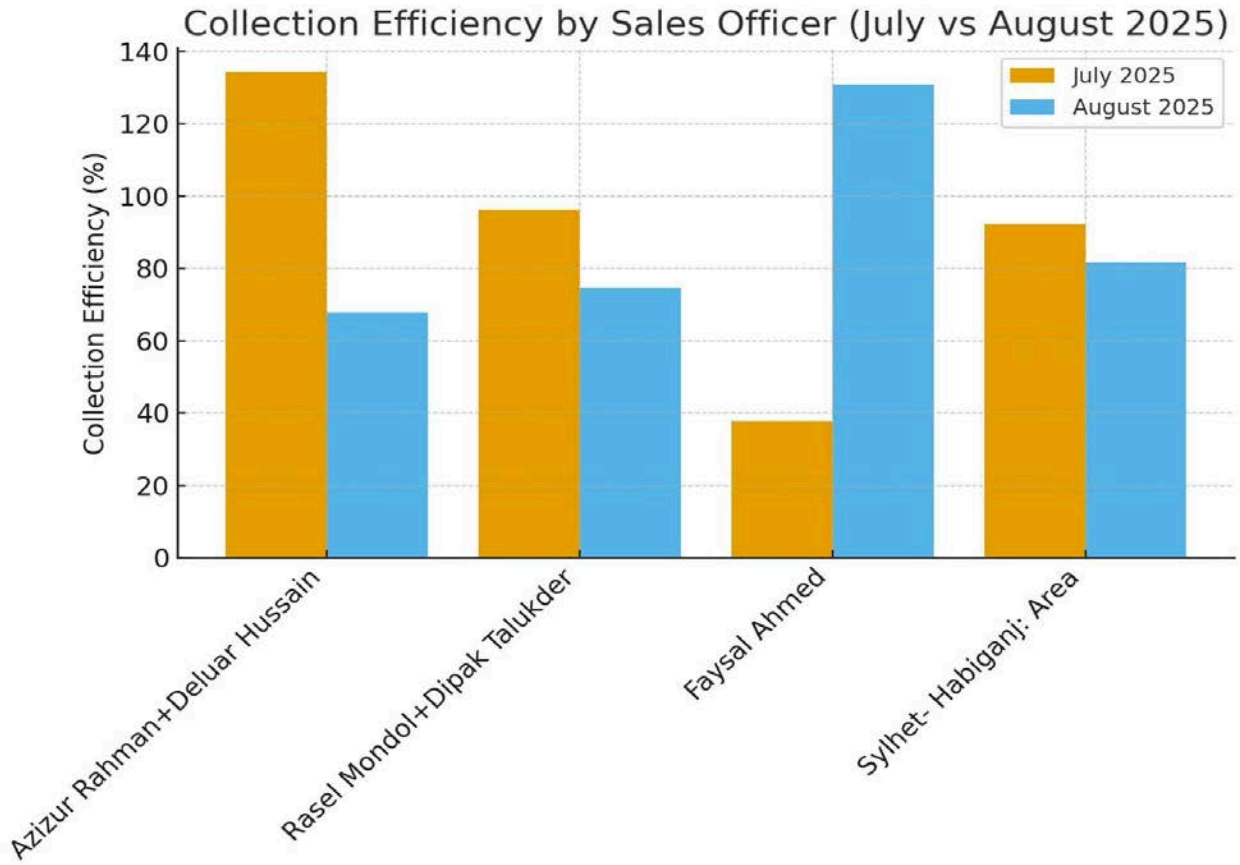

Figure 13: Collection efficiency by SO (July vs August)

Finally, Objective 3 points out that sales volume cannot be used to measure the performance of Aqua Paints. The 85 percent collections against sales policy adopted by the company are necessary to maintain healthy cash flow. As evidenced in the case studies of Sylhet Central and Sylhet South, the sales teams are able to meet their targets but cash collections are quite different. This is important to Aqua Paints because it highlights the need to make the sales initiatives comply with the collection initiatives, and therefore, make certain that the revenue is not only made but also received in the form of cash.

3.3.4 Exploring how ERP ensures financial transparency and reporting efficiency in Aqua Paints

One of the primary goals of ERP implementation at Aqua Paints was to increase financial transparency and efficiency in reporting, which are essential to sustainable business operations. Prior to the system, financial reporting was very manual, fragmented and delayed significantly because it had to rely on spreadsheets and departmental records. This non-integration led to duplication, inconsistency and human error risks and the management did not get an accurate financial picture on real time.

Under ERP, Aqua Paints was able to centralize and automate its operations; hence, all financial transactions were tracked, authenticated, and reported effectively. The transactional level is the starting point of the workflow. All sales invoices, payments made to customers, all purchase orders, or all expenses are directly entered into the ERP system. Considering the case that the Sylhet Central sells a product, a receivable account is automatically created by the system. In case the customer subsequently makes a partial or late payment, the ERP is updated in real time so that managers can monitor outstanding payments. The outcome of this process is the removal of guesswork, and the fact that the success of sales is always correlated with the reality of cash flow. Invoice entry, approval, and payment reconciliation screenshots describe how the workflow enables accuracy at all stages.

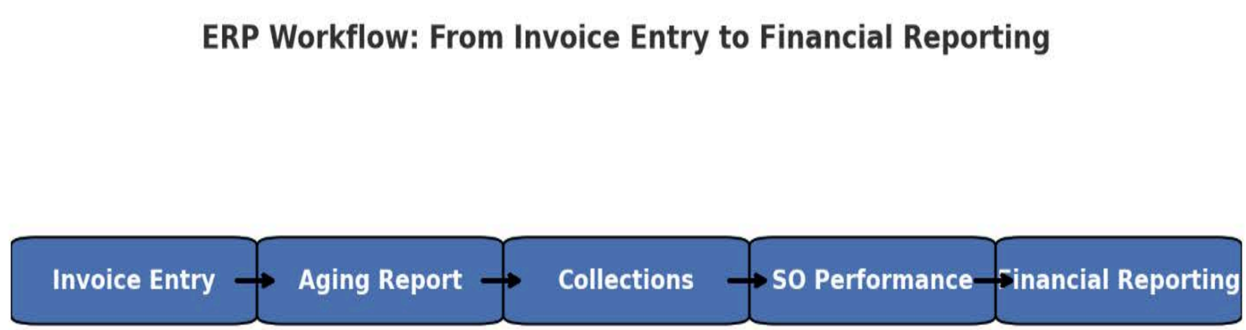

Figure 14: ERP workflow

After recording the transactions, the ERP system helps in validation and consolidation. To control errors or fraud, each entry is verified against current records--e.g. credit limits, supplier balances, or budget allocations. An example of this is when a customer expires his or her credit period, the ERP sounds an alarm, warning the managers against a new sale being granted. This type of in-built control mechanism fosters transparency as it minimizes financial variances and rogue operations. The second phase is integration among financial modules, such as Accounts Receivable, Accounts Payable, General Ledger and Cash Management. This gives the finance team a view of the whole financial picture within a single system.

The sales in Sylhet South with increase are automatically recorded in revenue and receivables, supplier payments immediately record liabilities. This real-time synchronization keeps the financial position of Aqua Paints up to date, eliminating the necessity of manual reconciliations and allowing the company to monitor its position at all times. ERP also offers high-quality reporting and analytics. Managers can create daily, weekly, or personalized financial reports rather than waiting till the end of a particular month. Accordingly, during July, an ERP report indicated that Sylhet Central achieved 66 percent of sales target and 134 percent sales value, a good sign of receivable management.

On the other hand, August recorded the opposite of this trend in the same system-greater sales, but less collections. In the absence of real-time reporting with ERP, such insights would have been realized too late, with the company becoming vulnerable to liquidity risks. Similarly, reports of Sylhet South revealed that it had been experiencing lapses in collections after surpassing the management expectations of the sales, creating eyebrows regarding potential cash flow issues. Decision-making is the end point of the workflow. ERP will allow the management of Aqua Paints to make well-informed decisions by consolidating valid financial data and visualizing the data in dashboards. Depending on the performance in the territory, managers can implement changes in credit policies, stiffen the control over receivables, or change sales strategies. Not only does this enhance reporting efficiency, but also enhances governance and accountability throughout the company.

Overall, ERP guarantees financial transparency through a clear audit trail of all the financial transactions and verification of records through all the modules. Reporting efficiency can be achieved through real-time data capture, instant consolidation and customizable reporting. The

ERP system has allowed Aqua Paints to track financial performance at the holistic level and respond swiftly, by connecting sales with collections and revenues with receivables.

3.4 Limitations

While the internship experience at Aqua Paints provided meaningful insights and valuable learning opportunities, this report is not without certain limitations that merit acknowledgment. Recognizing these constraints is important in order to frame the scope of the analysis more accurately and to provide context for readers regarding the boundaries of the findings.

3.4.1 Confidentiality of Financial Data

The first limitation stems from the sensitive nature of corporate financial information. Due to strict confidentiality policies and data protection protocols maintained by Aqua Paints, I was unable to access detailed financial statements, profit margins, or other highly sensitive internal records. As a result, the report could not incorporate precise numerical figures or provide quantitative analysis of profitability and performance metrics. Although this restriction was fully justified for organizational security and compliance purposes, it inevitably limited the depth of financial analysis that could have been presented. With access to more detailed and accurate datasets, the study might have achieved greater analytical rigor and produced more comprehensive insights into the company's financial performance.

3.4.2 Restricted System Access

A second limitation relates to the level of access granted within the ERP system. While I was authorized to participate in processes involving invoicing, financial adjustments, and bank reconciliations, access to higher-level modules—such as advanced financial reporting dashboards, system configuration tools, or strategic financial planning features—remained restricted to full-time staff and members of senior management. This limitation meant that my exposure was concentrated primarily on operational-level ERP functionalities rather than the more strategic aspects of enterprise system usage. Consequently, I could not explore the system's full capabilities or evaluate its application in advanced decision-making processes. This restriction reflects a common challenge faced by interns in many organizations, where data sensitivity and system integrity necessitate a tiered-access structure.

3.4.3 Time Constraints of the Internship

Finally, the internship was bounded by a limited timeframe, which naturally confined my involvement to a relatively narrow set of financial tasks. While I gained valuable experience in invoice processing, reconciliation, and credit control, there were numerous other aspects of financial management that I did not have the opportunity to observe. For instance, large-scale activities such as annual audits, budget forecasting, project financing, or ERP system upgrades were outside the scope of my assigned responsibilities. Consequently, the analysis presented in this report should be interpreted as reflecting the specific tasks and processes undertaken during the internship period, rather than a comprehensive overview of all financial and ERP-related practices at Aqua Paints.

3.4.4 Overall Reflection

Taken together, these limitations highlight the importance of contextualizing the findings of this report. The insights presented are accurate and reflective of the internship experience, but they should not be generalized as a complete representation of the company's financial management practices. Future studies or reports conducted with greater access to financial data, broader ERP system permissions, and longer observation periods would likely provide a more detailed and holistic picture of financial operations at Aqua Paints.

3.5 Summary and Conclusion

The internship program at Aqua Paints provided me with an extensive and practical understanding of how financial and operational processes in a manufacturing organization can be redesigned and enhanced through the implementation of an Enterprise Resource Planning (ERP) system. My experience demonstrated that ERP does not simply serve as a record-keeping tool but functions as a transformative platform that unifies finance, operations, and sales into a single integrated framework. Through this integration, ERP supports efficiency, accuracy, and traceability, thereby strengthening organizational governance.

Based on my involvement with sales and collections data, as well as my analysis of reporting efficiency, it can be concluded that ERP is a key enabler of financial transparency, accountability, and operational discipline. One of the most important lessons I learned was the degree to which ERP improves the timeliness and precision of financial transactions. Human errors, such as duplication or miscoding of invoices, were minimized because the system was designed to automatically identify irregularities and prompt corrective actions. This not only ensured data reliability but also reduced the administrative burden on staff.

Beyond transactional accuracy, ERP's integrated structure ensured that interdependent functions—including sales, receivables, inventory, and financial reporting—were synchronized in real time. This regular synchronization provided management with information that was both frequent and highly reliable, thus improving decision-making. For example, performance comparisons between Sylhet Central and Sylhet South in July and August 2025 highlighted both the strengths and shortcomings of ERP-supported monitoring. While ERP enabled detailed evaluations of sales targets, actual performance, and collection efficiency, the results revealed a persistent gap: strong sales figures were not always matched by effective collections. Specifically, Sylhet Central exceeded its sales targets in August but fell short in collections, whereas Sylhet South recorded notable sales growth in July but underperformed in recovering cash. These findings illustrate that although ERP provides timely diagnostic data, it cannot on its own resolve structural issues such as weak credit discipline or delayed customer payments. Strategic interventions and stronger collection policies remain essential complements to the system's functionality.

Another significant benefit observed was ERP's contribution to transparency and compliance. Key processes such as invoice entry, aging analysis, collection monitoring, and sales officer performance reporting were centralized within the ERP framework, ensuring greater control and standardization. Managers could easily track outstanding balances, monitor sales team outputs, and evaluate credit risk through automated reports and consistent data outputs. This degree of transparency strengthened internal controls, reduced the risk of misreporting, and lowered the likelihood of fraud by creating a clear audit trail across financial activities.

Nevertheless, several limitations were also identified. Most notably, collection efficiency remained a recurring challenge. A disproportionate focus on sales growth, without ensuring that receivables were collected in a timely manner, created potential liquidity risks. Additionally, the effectiveness of ERP depends heavily on user competence and continuous system updates. For ERP to deliver its full value, employees must receive ongoing training, and the system itself must be adapted to reflect evolving business needs and regulatory requirements. Without such measures, organizations risk underutilizing key features or creating bottlenecks in system use.

In summary, the Aqua Paints internship revealed ERP's role as a catalyst for accuracy, integration, and accountability in financial management. At the same time, it underscored the need for strategic follow-up actions in areas such as credit control and workforce training to ensure that the system achieves its intended impact. ERP is not simply a technological upgrade—it is a comprehensive enabler of financial discipline and organizational resilience, provided that it is used consistently, intelligently, and in alignment with broader business objectives.

3.6 Recommendations

- **Stronger Credit Policies:** Aqua Paints needs to redefine its credit policy in order to minimize its exposure to risky customers.
- **Collection-Based Incentives:** Sales officers, in addition to meeting selling goals, should be given incentives to make timely collections. An incentive system would help concentrate on both the revenue and the management of cash flows.
- **Training and Capacity Building**: The employees would be trained on how to utilize the more advanced features like automated reconciliation, real-time dashboards, and predictive analytics in a manner that would make them comfortable with it.
- **Integration with Predictive Analytics:** The information generated by ERP can be further integrated with analytics tools that forecast customer payment habits in order to implement proactive collection plans.
- **Periodic System Revisions:** Aqua Paints must keep updating its ERP platform regularly to prevent any technological obsolescence, as well as cybersecurity protocols to protect sensitive financial information.
- **Oversight and accountability by the management:** Management periodical reviews of ERP reports especially aging and collection reports should be institutionalized to enhance accountability among sales officers and managers.

Finally, the ERP system has played a significant role in changing the financial aspects of Aqua Paints by enhancing efficiency, accountability, and transparency. Its full potential, however, can be achieved only with the help of complementary policies, like a stricter control of the credit, training of employees and decisions based on analytics. The recommendations will help Aqua Paints to ensure sustainable growth in the changing business environment, be financially disciplined, and competitive.

Chapter 4: References

Aloini, D., Dulmin, R., & Mininno, V. (2007). Risk management in ERP project introduction: Review of the literature. *Information & Management, 44*(6), 547–567. https://doi.org/10.1016/j.im.2007.05.001

Aqua Paints. (2025). About us, mission and vision. Retrieved from https://www.aquapaints.com.bd

Bradley, J. (2008). Management based critical success factors in the implementation of Enterprise Resource Planning systems. *International Journal of Accounting Information Systems, 9*(4), 175–200. https://doi.org/10.1016/j.accinf.2008.09.001

Brigham, E. F., & Ehrhardt, M. C. (2022). *Financial management: Theory and practice* (17th ed.). Cengage Learning.

Davenport, T. H. (1998). Putting the enterprise into the enterprise system. *Harvard Business Review, 76*(4), 121–131.

Dessler, G. (2020). *Human resource management* (16th ed.). Pearson Education.

Gattiker, T. F., & Goodhue, D. L. (2005). What happens after ERP implementation: Understanding the impact of interdependence and differentiation on plant-level outcomes. *MIS Quarterly, 29*(3), 559–585.

Grabski, S. V., Leech, S. A., & Schmidt, P. J. (2011). A review of ERP research: A future agenda for accounting information systems. *Journal of Information Systems, 25*(1), 37–78. https://doi.org/10.2308/jis.2011.25.1.37

Helo, P., & Szekely, B. (2005). Logistics information systems: An analysis of software solutions for supply chain co-ordination. *Industrial Management & Data Systems, 105*(1), 5–18. https://doi.org/10.1108/02635570510572509

Hitt, L. M., Wu, D. J., & Zhou, X. (2002). Investment in enterprise resource planning: Business impact and productivity measures. *Journal of Management Information Systems, 19*(1), 71–98. https://doi.org/10.1080/07421222.2002.11045701

Kotler, P., & Keller, K. L. (2022). *Marketing management* (16th ed.). Pearson Education.

Maditinos, D., Chatzoudes, D., & Tsairidis, C. (2012). Factors affecting ERP system implementation effectiveness. *Journal of Enterprise Information Management, 25*(1), 60–78. https://doi.org/10.1108/17410391211190710

Markus, M. L., & Tanis, C. (2000). The enterprise systems experience—from adoption to success. In R. W. Zmud (Ed.), *Framing the domains of IT research* (pp. 173–207). Pinnaflex Educational Resources.

Mabert, V. A., Soni, A., & Venkataramanan, M. A. (2003). Enterprise resource planning: Managing the implementation process. *European Journal of Operational Research, 146*(2), 302–314. https://doi.org/10.1016/S0377-2217(02)00547-7

Monk, E., & Wagner, B. (2012). *Concepts in enterprise resource planning*. Cengage Learning.

Nah, F. F. H., & Delgado, S. (2006). Critical success factors for enterprise resource planning implementation and upgrade. *Journal of Computer Information Systems, 46*(5), 99–113. https://doi.org/10.1080/08874417.2006.11645872

Nicolaou, A. I. (2004). Firm performance effects in relation to the implementation and use of enterprise resource planning systems. *Journal of Information Systems, 18*(2), 79–105. https://doi.org/10.2308/jis.2004.18.2.79

Soomro, Z. A., Shah, M. H., & Ahmed, J. (2016). Information security management needs more holistic approach: A literature review. *International Journal of Information Management, 36*(2), 215–225. https://doi.org/10.1016/j.ijinfomgt.2015.11.009

Yin, R. K. (2018). *Case study research and applications: Design and methods* (6th ed.). Sage Publications.