

Report On
Impact of Delayed Product Receipt on Inventory Management and
Business Operations: A Research paper on Bata Bangladesh

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

BRAC Business School
BRAC University
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Declaration

It is hereby declared that

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

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20304009

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Senior Lecturer
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Letter of Transmittal

Mr. Zaheed Husein Mohammad Al-Din
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BRAC Business School
BRAC University
Kha-224 Merul Badda
Dhaka 1212. Bangladesh

Subject: Submission of Internship Report on " Impact of Delayed Product Receipt on Inventory Management and Business Operations: A Research paper on Bata Bangladesh".

Dear Sir,

It is a great honor for me to submit my internship report titled “Late Product Delivery Issue and Its Impact on Distribution and Sales at Bata”. This report is prepared in partial fulfillment of the requirements for the Bachelor of Business Administration (BBA) degree at BRAC University.

During my internship at Bata Bangladesh in the Merchandising Department, I had the opportunity to observe and analyze the impact of delayed article receipt on operational flow, distribution efficiency, and sales performance. I have made every effort to ensure the report is comprehensive, insightful, and based on practical experience and data collected during my internship.

I sincerely hope the report meets your expectations and contributes to your understanding of the challenges within inventory and distribution systems. I will be happy to provide any clarification if required.

Sincerely yours,
Mehedi Hasan
Student ID: 20304009
BRAC Business School
BRAC University
Date: 20th June 2025

Non-Disclosure Agreement

This Non-Disclosure Agreement is made and entered into by and between Bata Shoe Company (Bangladesh) Ltd., having its office at Tongi, Gazipur, and Mehedi Hasan, a student of BRAC University, ID: 20304009

This agreement acknowledges that during the internship, the student may be exposed to confidential and proprietary information including, but not limited to, data on inventory, supply chain processes, sales performance, and internal communications. The student agrees not to disclose any such confidential information to any third party, and to use such information solely for academic purposes in relation to the internship report.

This agreement remains in effect during and after the completion of the internship and submission of the academic report.

Signed:

Mehedi Hasan
Student, BRAC University

Khandakar Shovon
Manager - Merchandising Department
Bata Shoe Company (Bangladesh) Ltd.

Date: 15th June 2025

Acknowledgement

First and foremost, I am deeply grateful to the Almighty for granting me the strength and patience to complete this report.

I would like to express my sincere gratitude to my academic supervisor, Mr. Zaheed Husein Mohammad Al-Din, for their valuable guidance, continuous support, and constructive feedback throughout the internship period.

My heartfelt thanks go to the entire team at Bata Shoe Company (Bangladesh) Ltd., especially in the Merchandising Department, for giving me the opportunity to work in a professional environment. I am especially thankful to my on-site supervisor Khandakar Shovon, whose mentorship helped me gain insights into the practical challenges of supply chain and distribution.

Lastly, I thank my family and friends for their encouragement and support throughout the process.

Executive Summary

This report focuses on a key issue faced during my internship at Bata Shoe Company (Bangladesh) Ltd. — the delayed delivery of products from suppliers, LSD (Local Sourcing Department), and imports, and its subsequent impact on distribution and sales performance.

The delay in receiving articles disrupts the inventory cycle, reduces product availability at retail outlets during peak demand, affects customer satisfaction, and ultimately leads to a loss in sales and competitiveness. This report analyzes the causes behind such delays and presents findings based on field experience, interviews with shop managers, merchandisers, and quality control managers.

It concludes with recommendations for improving coordination, enhancing forecast accuracy, and strengthening communication with supply chain partners to ensure timely delivery and optimal sales outcomes.

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List of Acronyms

QC	Quality Control
FA2A	From Anywhere to Anywhere (Inter-store Transfer System)
LSD	Local Sourcing Department
ERP	Enterprise Resource Planning
SKU	Stock Keeping Unit
ART	Article (shoe name or code)
BRP	BATA resource planning
CDC	Central Distribution Center
NOOS	Never Out of Stock

Chapter 1 Overview of Internship

1.1 Student Information

Name: Mehedi Hasan

Id: 20304009

Program: BRAC Business School

Major: Human Resource Management

1.2 Internship Information:

1.2.1 Organization Information

Period: January 26th, 2025 – 26th April 2025

Company Name: Bata Shoe Company (Bangladesh) Limited

Department: Merchandising Department

Address: Tongi, Gazipur 1710, Bangladesh

1.2.2 On site Supervisor's Information

Internship Company Supervisor's Information:

Name: Khandakar Shovon

Position: Manager – Merchandising Department

Bata Shoe Company (Bangladesh) Limited

1.2.3 Job Scope – Job Responsibilities:

As part of my apprenticeship, in the framework of which I worked at Bata Bangladesh, I was placed in the merchandising department, carried out a series of critical activities connected with

the management of stocks, distribution of articles, the analysis of activity within stores, and documentation. One of the prime duties was to work out the delivery of the footwear articles to the retail outlets all over the country. This entailed creation of proper invoices to provide prompt, clear delivery of products and proper allocation of articles to every store. This job required extreme coordination and detail orientation especially during Eid sales season which was the high sales period of Bata. It was important to maintain constant contact with both store managers and the distribution staff in order to avoid delays or mismatching of supplies. Another aspect of my job was the store performance analysis, which was represented by the assessment of which store brought high sales and which item could sell at the given store. This fact-based analysis was critical to analytic-based decision-making and allowed the merchandising team to optimize assortments and anticipate (proactively) the changing market and consumer needs. Through sales analysis and tracking of product movement, I provided operationalized information that contributed to the restock of fast-moving products and also a re-distribution of the products based on the real-time performance. In addition to this, I kept a check on the stock at the Central Distribution Center (CDC) on a regular basis. Each working day, I updated stock to ensure accuracy and availability of stock both to avoid stockouts or overstocking of stock. This management was part of ensuring that there was smooth supply chain, particularly when the demand was high. The emergence of any disparities or immediate needs were also addressed with immediate corrective measures in conjunction between the concerned departments.

At Bata I also needed to prepare Purchase Orders (POs). I accomplished this by examining the existing inventory, the requirements of each store and how much sales will be in the following months. Order accuracy was also very important since it directed the suppliers, regulated the incoming items, and maintained the stock in the shelves as demand increased. The highest pressure was on the Eid mega sale. I checked the amount of stock that the shops had to expect during the expected influx of shoppers. I had to make sure that sufficient supply would be available at the beginning of the event. The other aspect of my job was ensuring that barcodes were available. I collected the product codes, size, color and prices of each product and subsequently printed the barcodes and labels. This was an important piece of work to keep track of the inventory, ring the sales, and manage the stock.

To sum up, my experiences at Bata developed my practical understanding of retailing, supply chain management, and data processing in a high-paced merchandising system. It enhanced my knowledge about inventory systems and ability to transfer products in warehouses to sales floor with ease.

1.3 Internship Outcomes:

1.3.1 Students Contribution to the Organization

1. Sent sports shoes and other footwear products to the stores by creating supply invoices and shipping products.
2. revealed the stores that performed the best and what products did best in various areas.
3. Maintained the inventory levels in the Central Distribution Center (CDC) daily to ensure that it was accurate at all times.
4. Introduced Purchase Orders (POs) on the basis of inventory, sales patterns and projections of seasonal festivals such as Eid.
5. Collected and organized documents to print barcode in order to make supplies identifiable and stores operational.
6. Communicated with the merchandising side to identify the quantity each store required during the busy selling periods.
7. Monitoring all the goods that came in and all the deliveries that were made ensuring that the chain of supply remained quick and unobstructed.

1.3.2 Benefits to the Student

In Bata Bangladesh, my internship experience taught me hands-on merchandising and supply chain activities in the retail industry. I got an experience of how a big retail company operates on a daily basis, particularly, during the peak seasons. With the help of experienced professionals, I realized

why all the departments, including distribution, retail, and inventory management, should be kept in line. I also got to know that data analysis informs strategic decisions and even small logistical tasks contribute to the greater goal of the organization. The internship provided me with an opportunity to enhance technical and analytical skills. I acquired the skill of analyzing store-level sales figures, identify trends in item performance, and propose stocking policies. I also learnt how to use internal inventory systems in making invoices, purchase orders and supply chains. These tasks improved my attention to detail and problem-solving abilities as well as instilled a solid sense of responsibility. I also enhanced soft skills including communication, time management and teamwork. I cooperated with store managers, the warehouse personnel, and supervisors, and this experience polished my interpersonal and professional conduct. The high speed of work in the merchandising department (as well as during the Eid mega sale) helped me to learn how to work under pressure and make rapid changes. On the whole, the internship was a combination of classroom and practical experience and helped me to get ready to work in the field of business and supply chain management in the future.

Chapter 2 Organizational overview

Introduction

This chapter provides a comprehensive overview of Bata Shoe Company (Bangladesh) Ltd., the host organization for my internship. The purpose of this chapter is to help understand the organization's background, operations, strategic positioning, and the broader industry landscape. It highlights how Bata maintains its competitive edge while facing challenges like delayed product deliveries that directly impact distribution and sales.

Overview

Bata Shoe Company Bangladesh Ltd. is a prominent multinational shoe manufacturing and retailing company with a very strong base in the country. It is a part of the Bata Shoe Organization in Switzerland and it follows the international standards and adapts to the local demands. The Bangladesh subsidiary employs a hybrid system which combines retail outlets, wholesale and institutional sales. It has a large number of different types of customers as it offers footwear in a formal, casual, athletic, and children's products, leather accessories, and school products. Having over 8000 employees and approximately 260 retail outlets, Bata has two manufacturing units in Tongi and Dhamrai to satisfy the local market needs.

History

The Bata Group was established in 1894 by Tomas Bata in Zlin (Paul, 2025), Czechoslovakia and is today one of the oldest and largest footwear companies in the world. It was the first company to industrialize the shoe making process and it has gained a reputation of making shoes that are affordable, durable and stylish. The entry of Bata into Bangladesh was first made in 1962 with an aim of providing affordable footwear to locals. The opening of the first factory in Tongi by Bata introduced local production that enabled the company to effectively reach the continually increasing population. The brand began its operation in the 1970s and 1980s and soon expanded stores in the urban and semi-urban areas. This was led by the rising need of quality but affordable footwear backed by systematic marketing and brand messaging. During the 1990s and early 2000s, Bata expanded its product range to cover various lifestyle segments and launched worldwide

successful sub-brands. The introductions of Comfit, Power, North Star, and Bubblegummers marked a shift to a segmentation and target-marketing approach. The 2010s also saw a change: the company incorporated online platforms, opened online stores, and modernized its stores to provide a contemporary shopping experience. Having operated in Bangladesh for more than 60 years, Bata has not stopped innovating and is maintaining the heritage of trust, affordability, and access to all income groups. (thebatacompany, n.d.)

Strategic Advantages of Choosing Bata

Choosing Bata for an internship offers exposure to structured corporate operations, international business practices, and a mature supply chain system. Interns experience various aspects of business management such as merchandising, retail coordination, quality control, and data-driven decision-making. The company's brand legacy, ethical standards, and team-based work culture make it an ideal environment for professional growth.

Mission:

- To help people look and feel good.
- To be the customer's destination of choice.
- To attract and retain the best people.
- To remain the most respected footwear company.

Vision: To make great shoes accessible to everyone (batabd, n.d.)

Leadership Style

The leadership style of Bata is a combination of transformational leadership and participative leadership. The managers and departmental heads will be encouraged to own their roles and yet remain within the organizational objectives. The leadership ensures free communication, accountability of performance, and development of the employees through constant training and rewards.

Marketing Practices

Bata Bangladesh adopts a multi-channel marketing strategy in targeting various classes of customers. The company combines traditional advertising on the television, in the newspapers, and billboards with online marketing on Facebook, YouTube, and Instagram. Bata collaborates with influencers, seasonal sales, and loyalty programs to keep the customers connected. The products are marketed by segment and by customer segment. The Comfit shoes are sold to those who are interested in comfort; the Power shoes are sold to the sportswear admirers; the Bubblegummers are sold to children. Bata also has collaborations with schools and institutions, which contributes to increasing the visibility and stable demand.

Supply Chain Optimization

Bata possesses a supply chain: procurement, production, warehousing and logistics, which are integrated. The company employs demand forecasting systems, inventory monitoring systems and just-in-time inventory management to ensure things are streamlined. Bata collaborates with local suppliers and import agents to reduce lead times but it is still possible to experience delays when purchasing and distributing products during the high seasons.

Quality Assurance and Compliance

At all factories and warehouses, Bata observes strict quality control (QC) regulations. Teams re-check and re-check everything to ensure that it is safe, reliable and appears as the design had it. Labor laws, environmental regulations, and international certifications are also adhered to by the company in ensuring ethical and sustainable business practices.

Information System Integration

Bata operates a so-called Enterprise Resource Planning (ERP) system, e.g. SAP. This system monitors inventory, finance, procurement and human resources (HR). The ERP is also connected with the store Point-of-Sale (POS) systems of the company. This provides the managers with the current sales information so that they can make prompt decisions. The reporting tools on the cloud can then provide performance dashboards to department heads to enhance strategic oversight.

Industry and Competitive Analysis

In Bangladesh, the shoe business is expanding as people are more income-earning, more fashion conscious, and more urbanized. Bata is competing with locally produced brands like Apex, Bay, Jennys as well as imported brands that are bought online. The brand recognition is still very high in Bata, but consumers are switching to more fashionable and affordable products. E-commerce is transforming the sector at a fast pace and therefore, the traditional shops will need to redefine their modus operandi.

Porters Five Forces

1. Entry threat (Moderate). Launching a brand such as Bata requires large investment in manufacturing and advertising, but online stores have reduced the barrier to entry of smaller retailers.
2. Supplier bargaining power (Medium). Bata sources with numerous producers in order not to rely on a single one, yet delayed deliveries and fluctuation of prices may still disrupt the processes.
3. Buyers bargaining power (High). The buyers have a big power over what the businesses sell because they are able to compare numerous options and respond to price fluctuations in a timely manner.
4. Threat of substitutes (High). Local products are easily substituted with cheaper shoes of neighboring countries and even the foreign countries.
5. Competition in the industry (High). The market is already saturated and there is fast fashion shoes along with low pricing by Apex, Bay, Lotto and other competitors.

SWOT Analysis

Strengths

- Good brand equity and trust that has been developed throughout decades.
- Wide retail and distribution system.
- Various product lines which cater to various age and income brackets.
- A mature management and international alliances.

Weaknesses

- Delays in the supply chain that reduces product supply.
- Low customization and fashion trends capabilities.
- The customer experience online developed less than newer entrants.

Opportunities

- Penetrating into the rural and semi urban markets where shoes continue to be scarce.
- Increasing online shopping and consuming additional omnichannel services.

Threats

- Increasing local and international brands.
- Slowdowns in the economy and changes in the currency that may increase the cost of imports

Summary

Bata Bangladesh remains the most important footwear brand in the country. It maintains this advantage due to the long history, the extensive distribution system, and marketing strategies. Nevertheless, there is an issue with the efficiency of the company and it should enhance its digital and supply-chain capabilities in order to stay abreast of a rapidly evolving retail environment.

Chapter 3: Project Part

Impact of Delayed Product Receipt on Inventory Management and Business Operations: A Research paper on Bata Bangladesh

3.1 Introduction

Retail depends on inventory management. Bata Bangladesh is a famous company that has hundreds of stores and requires its products to reach the customers in time, particularly in the peak seasons. However, it usually experiences late deliveries of its suppliers, the Local Sourcing Department (LSD) and import channels. Such delays cause problems with the supply chain resulting in shortages in stocks, late replenishment of stores, lost sales, and increased workload to the retail workers. This effect is amplified during the major holidays such as Eid-ul-Fitr and Eid-ul-Adha where the demand of shoes is high and any shortage in the supply is likely to cause dissatisfaction among the customers and loss of business. Late delivery also damages the cooperation between merchandising, logistic, and store operations teams. Employees are forced to work overtime to deal with last-minute deliveries or to address stock shortages, which puts extra pressure on employees and decreases their efficiency. It may be caused by the bottlenecks in the supply chain, poor coordination with the supplier, delay in customs clearance, or interdepartmental communication. This paper discusses the reasons and effects of late product delivery to Bata Bangladesh and how it impacts the inventory control and the operations of the business in general. It also evaluates financial and reputation consequences and provided data-based suggestions on how to enhance the responsiveness of the supply-chain and availability of products. Addressing this problem will help Bata become more efficient at times when the company is busy and keep its dominant place in the competitive retail marketplace in Bangladesh.

3.1.1 Background

Bata Bangladesh is one of the most popular footwear providers in the country. It has a chain of shops, a high brand loyalty and its demand is constant, which makes it a significant actor in the retailing market. Since the business depends on the availability of the appropriate products in the store at the appropriate time, inventory management is one of the most important steps towards ensuring that the operations run smoothly and the customers are satisfied. However, the company usually experiences delays in product delivery by its suppliers, the Local Sourcing Department (LSD) and through importation channels. Such delays cause an imbalance in the whole supply chain and distribution plans at the store level. A very evident case occurred on March 27, 2025, which was the final working day before the Eid holidays. There was a big consignment of goods which came in late on that day. Although it was an urgent case, there was not much time to process, and the goods needed to be transported fast to stores in Dhaka to cover Eid-ul-Fitr sales. This last-minute rush created massive strain on the logistics and retail staff and questions were cast on inappropriate stock placement, unequal stock and low sales. Such situations are not unique, and such issues have been experienced in the previous years during peak sale periods when deliveries of products had to wait until the last minute before holidays and resulted in serious complications in the preparation of stores. The frequent delays reveal the deficiencies in the supply planning, inter-departmental coordination, and responsiveness of local and international suppliers. They also point to a disconnect between the schedule of operations and the market demand, particularly during such times as Eid, when there is a surge in consumer traffic and purchasing activity. The result is the strained supply chain, the disrupted flow of the inventory and the lost opportunities in the competitive retail environment. Such a background demands a more detailed examination of the root cause, operational implications and potential strategic alternatives of delayed product delivery at Bata Bangladesh.

3.1.2 Objective

1. Identify who should be blamed because of late product delivery. Check whether the hold up is due to a single department, e.g. merchandising, quality control (QC), the Local Sourcing Department (LSD) or logistics, or whether it is due to a combination of factors (miscommunication, poor planning, and unforeseen circumstances) in more than one unit.

2. Determine how product shortage and late deliveries during high demand seasons such as Eid affect the sales performance and satisfaction of the retailers. Focus on the way managers and employees of retail stores address such problems.
3. Explore the role the Quality Control and Merchandising department play in the delay. Gather ideas and recommendations of these teams to offer feasible and department-specific solutions that can minimize further disturbances.

3.1.3 Significance

The study is relevant since it addresses a severe operational issue in Bata Bangladesh. The problem impacts on inventory management, sales and client satisfaction of the company. It is important to understand why products are delivered late and how these delays impact the supply chain especially when the demand is high such as during Eid where the availability of products is essential to satisfy the customers. This research helps managers to make an intelligent decision by identifying the root causes of these delays and analyzing the fallout of these delays so that they can coordinate the departments, facilitate the flow of inventory and eliminate bottlenecks.

The results will also assist in retail managers and their employees to plan and deal with product shortages or delay in their arrival, which will reduce interference to sales and customer experience. In addition to that, the research contributes to the broader pool of knowledge concerning inventory management issues in the retail industry of Bangladesh. Other companies that experience the same challenges can apply its practical recommendations. In conclusion, a better supply chain efficiency of Bata Bangladesh will enhance its competitive positioning as well as profitability and customer loyalty in the competitive retail industry.

3.2 Methodology

In this research, I have adopted a qualitative methods design to understand why Bata Bangladesh is occasionally delayed in providing products to its retail stores. I gathered primary data by designing questionnaires and interviewing the key personnel, i.e., retail managers, merchandisers, and quality control personnel. Due to the confidentiality principles, I was not able to access all the records of the company, however, I talked to the people who worked there and tried to collect as

much information as I could. My secondary research was also conducted through reading academic papers, government reports, industry journals, and the things I had learned during my internship. A combination of the primary and secondary approaches provided me with a decent and stable means to comprehend the causes of the delays and provide practical solutions.

3.3 Findings and Analysis

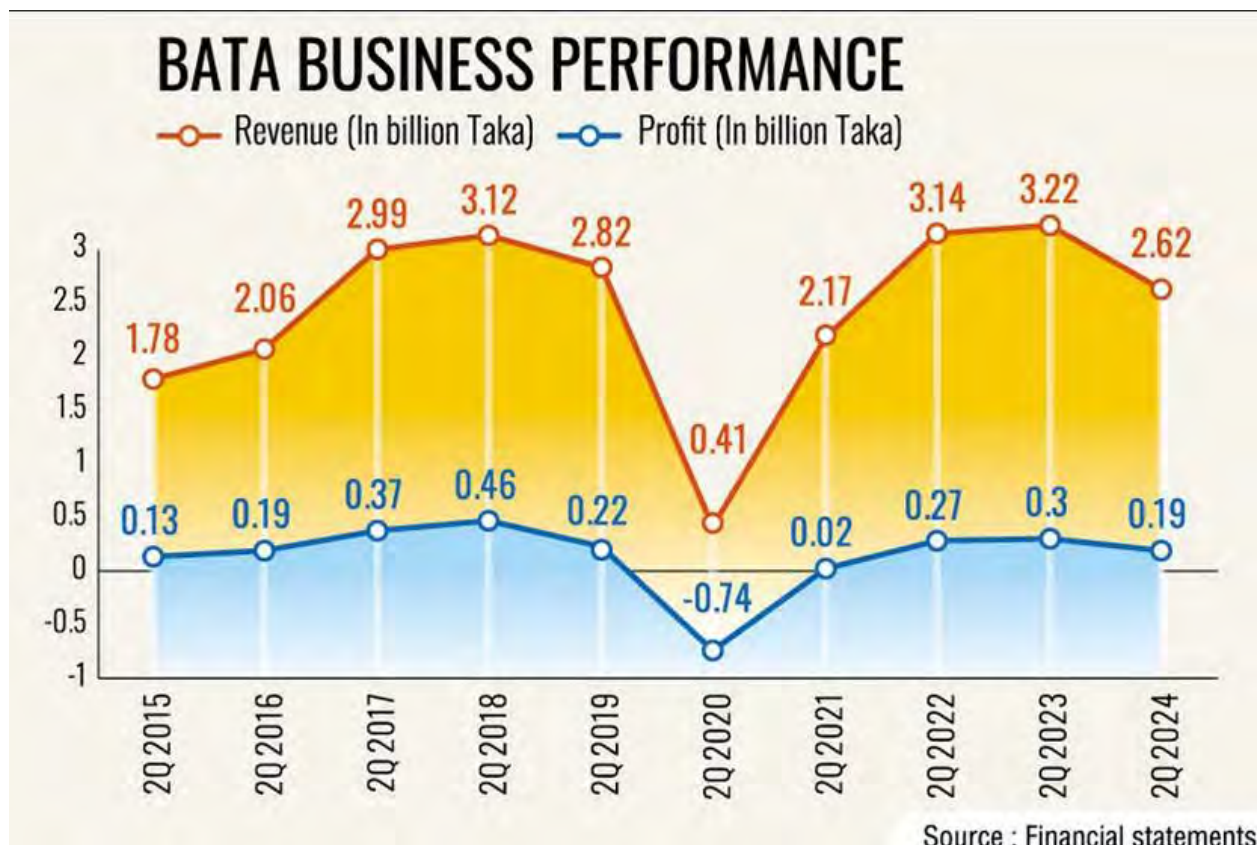
3.3.1 Scenarios at Bata Bangladesh

The most hectic sales period of Bata Bangladesh is Eid-ul-Fitr. It contributes almost 70 percent of the total sales of the company in a year. Bata is strategizing one year to eight months in advance and has to be fast in order to satisfy high demand. Its hybrid sourcing model combines in-house manufacturing, local procurement, and global importation in such a way that a wide range of shoes and accessories can be found.

Bata manufactures a great variety of footwear and other accessories in its own factories. However, such production cannot satisfy the huge demand during Eid. To bridge the gap, Bata uses local suppliers like B.A.G. and other local partners that supply shoes with certain designs, styles, or type that are in line with the current market demands and customer needs.

Bata is also the importer of branded shoes abroad. Such well-known brands as Nike and Adidas originate in the United Arab Emirates (UAE), Indonesia, India, Malaysia, and Vietnam. These shoes come in early Ramadan or at the most the beginning of Ramadan. It is important to maintain shelves at the time of shopping frenzy preceding Eid.

Getting shoes supplied by local partners and imports has been a problem in Bata Bangladesh in recent years. Shortages have been caused by production bottlenecks, customs issues, shipping issues and supplier inefficiencies. This meant that the stores were unable to meet demand at the peak of the season and this also affected the overall sales. (thefinancialexpress, 10)



At my internship, I have witnessed the difficulty that Bata Bangladesh has to deal with inventory particularly during peak seasons such as Ramadan. A good example was the large demand of Weinbrenner shoes and sandals. These products have a modern style, are strong and comfortable and thus customers love them during the days before the Eid. This year however there was very little stock in the country just some 10,000 pairs were left in the country. This is way below what was the case in previous years when the company could supply sufficient numbers of shoes and sandals to meet the seasonal demand. The suppliers failed to send the whole amount in time thus causing the shortage. The situation was even aggravated by the arrival of 1,400 pairs on the last working day before Eid vacation. The majority of these shoes were needed outside Dhaka, but the company was not able to deliver the shoes to all the stores due to lack of sufficient time and the available shipping capacity in the country at that day. This led to the loss of sales in good regional markets and the store managers and customers became disappointed as they anticipated new stocks. This incident demonstrated why inefficient supply-chain integration and last-minute deliveries are detrimental to a business in peak seasons, and it was a wakeup call to all that active inventory planning, diversified sourcing, and flexible distribution plans are the key.

During my internship before Eid bata failed to source around 1,92,222 pairs of art to sell before Eid. It was estimated that around 60% of these shoes would have been sold during the Eid. The accumulated cost of these 1,92,222 pairs of shoes is around 27,78,92,848 BDT. If at least 60% is sold, bata would have generated 16,67,35,708.8 BDT worth of sales from this Eid. So its clearly one of the main and conserving reason behind Batas declining business performance.

3.3.2 Insights from Key Departmental Managers

To gain a deeper understanding of the inventory-related challenges, I conducted one-on-one interviews with key personnel, including the Quality Control (QC) Manager, Senior Merchandising Manager, and a Retail Manager. These interviews provided valuable insights into the operational bottlenecks, supply chain inefficiencies, and real-time issues faced during peak seasons such as Ramadan.

For Retail Manager:

1. Have you received products very late before a key sales season (like Eid)?
2. What happens to your sales when products arrive too late for promotion?
3. Did customers ever ask for products that were unavailable due to late delivery?
4. Were there times when you got products that would sell better in other regions (e.g., outside Dhaka)?
5. Do late arrivals affect your ability to compete with nearby stores or other brands?
6. How do you manage customers when the demanded items are not in stock?
7. Do you feel late delivery affects the overall image of the store?
8. What would help improve product availability before peak seasons?

For Merchandise Manager

1. What are the main reasons products/articles are received late from suppliers or imports?

2. How often does shipment delay affect store-level inventory?
3. Is there a common issue with coordination between departments (procurement, supply, warehouse)?
4. How are delivery timelines tracked and managed currently?
5. Do import-related issues (e.g., customs, port delays) contribute to the problem?
6. How do you prioritize which stores or products to deliver first when there's a delay?
7. What steps are taken to prevent future inventory delay issues?
8. What support or system change would help speed up the merchandising cycle?

For QC manager:

1. What are the key quality issues of production and inspection?
2. At which stage You usually find out the defects?
3. What of the imported goods, do they get more delays than the local goods?
4. What are the most frequent defects which are raised in the course of inspections?
5. What do you consider to be some of the problems in the current process of inspection?
6. What would you like to recommend?

3.3.3 Responses from the Departments

3.3.3.1 Merchandise Response

Interviewer: What are the primary causes of products/articles being late when received by the suppliers or imports?

Responder: • Vendor Delays: Unpredictable lead times of both local and international suppliers because of the shortage of raw materials, labor problems or lack of production capacity. • Forecast Inaccuracy / Delay in Order: Ineffective demand predictions can result in last minute changes of order or excessive supplier overload. • Import and Port Delays: Delays in shipping, unavailability of containers, and customs clearance. • Approval Bottlenecks: Internal delays of design or sampling or pricing approvals could move the production schedule. • Delay in payment and Documentation: The delay in the issuance of LCs or document failures extend the time taken to import.

Interviewer: What is the frequency of shipment delay and its effect on stores inventory?

Responder: • Shipment delays often affect inventory at store, especially when launching a season (e.g. back-to-school, Eid, or winter collections). • Stores are faced with stock-outs or partial stocking and this has resulted in lost sales and customer dissatisfaction. • The SKUs that move through rapidly are also particularly sensitive as far as the replenishments fail to do so at the right time affecting availability of core articles.

Interviewer: Does the coordination between departments (procurement, supply, warehouse) have a usual problem?

Responder: Not always. However, there are indeed some coordination issues between departments: Not working on Exact number/ Data: Supply chain, merchandising, it is not necessarily working on the same order qty as supply chain/ Merchandising dept sometimes shares order qty projections which can be modified/ adjusted later. Communication Gap-Delay in Communication: The delays in decision-making are created by manual follow-ups on shipment/delivery status or allocation plans especially in local/ import sourcing. Disconnected Planning Cycles: Merchandising can do demand planning that is not necessarily in sync with lead times in supply chains or warehouse capacity.

Interviewer: Currently, How are delivery timelines tracked and managed?

Responder: POs, shipment/delivery dates, and receipts among others are tracked by using BRP Systems. There are weekly coordination meetings to discuss the status of shipment/delivery and bottlenecks. Some of the teams continue to use Excel-based trackers as well as manual updates, thus resulting in inefficiencies and outdated information. It has some reliance on the schedules by the suppliers- where they request to increase the delivery date- and this may not be so reliable all the time.

Interviewer: Do the problems of imports (e.g. customs, delays in the ports) play a role?

Responder: Yes, the issues pertaining to imports are one of the factors: • Customs Clearance Delays: The clearance time is prolonged by the delays in submission of documents or further inspections by the authorities. • Port Congestion: During peak seasons, delays at the unloading can interfere with the delivery schedule. Policy Changes: New policies may delay shipments, in cases of sudden differences in import tariffs, taxes or regulatory requirements. • Untrusted Freight Partners: Delays within a freight forwarder or a handling agent may introduce the supply chain with additional days.

Interviewer: What is your priority when it comes to delivering stores or products first in case of delay?

Responder: My priority is founded on: Store Sales Volume: Tier 1 and 2 stores are high performing and specially Flagship/City stores that would not result in loss of revenue. Product Type: NOOS (Never out of Stock) and Best Sellers have been considered to take priority over fashion or seasonal styles. • Customer Preference: In case the particular articles are in high demand or promoted in marketing, it is given priority. Similar to Duo Foam Max 500 in Power brand.

Interviewer: How are the problems of inventory delay prevented in the future?

Responder: Measures needed to ensure prevention are: • Buffer Stocking: NOOS and BS SKUs Safety Stock keeping based on FWC (forward week cover) at CDC and Stores. Depending on Lead time FWC is 12- 20. • Early Ordering: Moving the buying cycles earlier basing on past lead times and yearly trends. • Vendor Performance Reviews: Performance appraisals and rating of suppliers on a monthly basis to enhance reliability. Done by Supply chain team. • Better Forecasting Tools: Data analytics is used to make more accurate demand forecasting aka Called OTB (Open to buy). Doing on a monthly basis depending on sales and stock. • Active Customs Management: Make all the paperwork and find effective clearing agents.

Interviewer: What support/system change would assist in accelerating the merchandising cycle?

Responder: It unites planning, procurement, logistics, and retail into a single platform, which simplifies the entire supply chain to understand and deal with. Access to Vendor Portal: This would enhance transparency by allowing the suppliers to input the status of shipment and production directly into the system of Bata. Modernization of Automated Allocation Tools: Smart tools which automatically distribute incoming stock as per real time sales data and store requirements. Manual standard set up is currently being done by distributors. Cross-Functional KPI Alignment: Aligning the KPIs of the supply chain, merchandising and retail operations on the availability and sell-through rate in-store. Today it is only on behalf of Merchandising.

3.3.3.2 Qc Response:

Interviewer: What are the key quality issues of production and inspection?

Respondent: The greatest problem is faulty products. They are of two types, namely, functional defects and non-functional or visual defects. Functional defects determine the functionality of the

product, whereas the non-functional ones involve the occurrence of scratches, wrinkles, mismatch of colors, or thread problems. Although the product may be functionally satisfactory, customers usually complain about the visual problems, which may impact the brand image.

Interviewer: At which stage You usually find out the defects?

Respondent: During inspection mostly, we use a method called Sampling this means we check 20 products out of 100 if the percentage is satisfactory, we give clearance to the batch. When the issues are detected at late stages they lead to delays as we have to re do the work or even reject the products at some instances. Interviewer: What is the average time required to conduct the inspection? Respondent: It is dependent on the batch size. Some of its shipments can require a couple of hours, whereas others can require several days. Due to the lack of a fully automated system and relatively low manpower of our inspection team, the process is not as quick as it should be.

Interviewer: What of the imported goods, do they get more delays than the local goods?

Respondent: Yes, the imported products experience delays because of the customs clearance, transportation and documentation. There is also a delay in inspection of local products but this is not as much as imported products.

Interviewer: What are the most frequent defects which are raised in the course of inspections?

Respondent: Functionally, it may be that the product is not working out as it should be. Non-functional defects entail scratches and wrinkles, as well as colour deviations. These non-functional

problems do not have any impact on performance, yet the customers are aware of them. Any little deviation will cause complaints and damage our brand image.

Interviewer: What do you consider to be some of the problems in the current process of inspection?

Respondent:

- Poor automation in the areas of testing and inspection.
- Inadequate resources and manpower.
- Documentation and reporting mistakes.
- Communication loopholes with vendors. None of the tolerance levels of non-functional deviations.

Interviewer: What would you like to recommend?

Respondent:

1. It's really hard but if possible, implementing automation could increase efficiency.
2. Allot more man power to the inspection.
3. Enhance coordination with the vendors and introduce quality checks before shipping.
4. Give tolerable levels of minor visual defects.
5. Enhance the communication of the technical and business teams.

3.3.3.3 Retail Manager Response:

According to retail managers, even during such crucial sales periods like Eid, late deliveries were experienced. These late deliveries are disadvantageous to their capacity to fulfill their seasonal demand. Prolonged delays in the delivery of products are detrimental to customer interaction and the performance of stores. The employees are then forced to display every new product to the shoppers individually and this requires additional time and is not as effective as well thought out promotions. The delay also causes frustration since customers who enquire about goods that were not received at the store become frustrated. Managers also recorded that there were cases where shipments that were sent to Dhaka had different products that could have been distributed to other regions. This is an indication of a discrepancy between inventory planning and regional preferences. Combined delays and mismatches undermine the competitiveness of a store, particularly when the competitors such as Apex, Lotto, or Bay supply products on schedule with more favourable ranges. Most customers thus prefer using these brands rather than waiting or taking alternatives. In peak seasons, the retail staff either recommend substitute products or utilize the FA2A (From Anywhere to Anywhere) system to fulfill customer orders, by procuring the goods at the nearby stores. However, such frequent delays undermine immediate sales and negatively affect the brand image of the store. Unprofessional and unreliable outlet is associated with poor product availability, combined with a rose-breaking display or promotion. Managers emphasize that an improved availability of products prior to the big sales months means that the management must collaborate with retail managers to know the individual needs of stores. Not all stores fit all products, and each store has a different market, so a collaborative, data-driven approach to pre-season stock allocation would reduce mismatch and ensure that products in high demand are available in time in every store.

3.4 Observation

The product delivery delays are a significant problem that is being perceived by merchandising, quality control (QC) and retail departments at Bata Bangladesh as a hindrance to operational efficiency and customer satisfaction. The merchandising department finds three major issues:

- Vendor confirmations after due date
- Ineffective prediction
- Customs bottleneck

These delays are usually made at the time when timing matters a lot like during Eid when fast availability of products is vital.

There are delays in QC as well, though, the reasons are different. It is a heavy workload, however, not only about staffing. The QC lab space is small and there is a delay in motion due to distance between the storage and inspection areas. The automation is low, which causes inefficiencies. Nevertheless, QC performs 100 percent visual inspection. In cases where the defects on a product are trivial and not evident, or not expected to reduce customer satisfaction levels, managers can give it a go-ahead to be released, but only after the merchandising or retailing team has ordered it.

Late deliveries damage the promotions on the retail side and lead to lost sales opportunities. Requests by the customers are frequently responded to by the store managers with the suggestions of other items or the utilization of the FA2A system to transfer the items to other stores. Meanwhile, the competitors like Apex or Lotto keep the goods in stock in time, which is an additional burden. Improved coordination of the three teams, automation of QC, and data-driven allocation are crucial measures to eliminate such systemic problems.

Chapter 4: Recommendations and Conclusion

4.1 Recommendations

Better management of inventory and reduce delays in delivering products to the market by enhancing coordination between the merchandising, QC and retail departments. Pre-season meetings with the retail managers can regularly identify the store-specific product requirements, which can result in improved demand predictions and smart stock allocation. Suppliers should be more closely involved in the work of merchandising teams to ensure the order confirmation as early as possible and monitor the production and import schedules. The QC process can be automated by adding automation tools like digital inspection systems and standardized reporting software to minimize the amount of manual work and accelerate inspections. The rearrangement of the QC layout to reduce the motion delay and enhance the flow of communication will increase the efficiency. Retail managers can also increase customer demands faster by expanding the application of the FA2A system with real-time visibility of stock between stores. Furthermore, a clear communication among the major department is crucial to solve the problem. If the supply chain, planning department have a proper plan layout for demanded article list and also has the information when the article has a peak demand then they can set into a motion to bring the demanded article to the merchandising team. For this to happen the merchandising team needs a clear picture on the market from the retail managers then they need to have a proper meeting stating their demands and the timeframe they have to the planning and supply chain department so they can work on it. Lastly, the other departments must keep the merchandising department on loop on product receipt and approximate arrival date so that the merchandising department necessary steps to tackle all possible outcomes.

4.2 Conclusions

Bata Bangladesh has been experiencing difficulty in putting its products in stores in time. The two issues are interconnected. They entail delays by the suppliers, slow manual quality control, misplacing of the stocks, and failure to plan sufficiently ahead of the peak holiday season. Due to these problems, the sales of the store decrease, particularly during Eid, when the delivery program

is very tight. Customers get dissatisfied, sales decline and other brands get more customers. It also hampers the yearly overall business since losing 16 million BDT worth of business in a single year really put the performance curve downward. The solution to these issues is a more networked plan: faster, automated quality inspections, improved communication, and data-driven decisions, which Bata can employ. This strategy will increase the level of efficiency, fulfill the needs of the customers, and establish long-term customer confidence.

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