

Report On
Analysis of SCM of
Omera Petroleum Limited
The Future Leader of LPG Industry

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 Degree of Business Administration

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Declaration

It is hereby declared that

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

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Letter of Transmittal

N M Baki Billah
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Subject: Submission of Internship Report

Dear Sir,

This is a great pleasure for me to show my report on Analysis of SCM of Omera Petroleum Limited- the Future Leader of LPG Industry.

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

I trust that the report will meet the desires.

Sincerely yours,

Sohana Islam Sujana
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Date: September 04, 2019

Acknowledgement

Before starting of my report, I would like to show my deepest gratitude to almighty Allah and dear N.M Baki Billah Sir for helping to complete my BBA courses and prepare this report within the scheduled time. During the period of my internship work, I have received generous help from many quarters, which I like to put on record here with deep gratitude and great pleasure. First and foremost, I am grateful to my supervisor, N.M Baki Billah, faculty of Brac Business School. He helped me a lot during preparing this report. His guidance, encouragement and suggestions provided me necessary insight into the research problem and paved the way for the meaningful ending the work in a short duration. I have no hesitation to say that, without his constant support and valuable advice from time-to-time, I would probably fail to complete the work in an appropriate manner.

Executive Summary

Omera Petroleum Limited, a name of successful LPG Company. Currently, they are holding 2nd position in the industry of LPG within 4 years. Reason behind this success is nothing but their entire SCM department's intelligence of transportation networking and distribution system. In this era, Bangladesh having a high demand for Natural Gas which can't be possible to fulfill without the supply of LPG. Having several problems and competition, it's tough to maintain the position. But the structured and organized operational team added value to this success. In this paper, it gives us a clear idea about the current scenario of OPL, their strength and weakness, how they are doing better than others within short period of time, things that make different from others and also discussed the reasons of why they should be the market leader and possible necessary steps to achieve that leading position.

Keywords: Omera Petroleum, LPG, SCM

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List of Acronyms

OPL	Omera Petroleum Limited
SCM	Supply Chain Management
BPL	Bangladesh Premier League
IFC	International Finance Corporation
MPEMR	Ministry of Power, Energy and Mineral Resources

Chapter 1

Outline of the Report

1.1 Overview

Bangladesh is known as natural gas rich country. It is the most preferred fuel in the energy matrix of Bangladesh. Natural gas accounts for nearly 52% in Bangladesh. Bangladesh is the 33rd largest gas consumers in the world. It does not have significant oil or coal resources and until 2005, it was self-sufficient in gas. However, increased demand fostered because of lack of alternative fuels and price subsidies as well as diminishing production constrained by unattractive fiscal terms have resulted in shortage of Systemic gas and power. Country, which once considered the possibility of exporting natural gas, currently it is in shortage of 5-10 Bcma versus domestic demand. Power shortages are nothing new in daily life of Bangladesh having serious impact on economic growth. On the other hand, the country has been contributing a large share of their GDP to the importation of crude and oil products due to the lack of other domestic supplies.

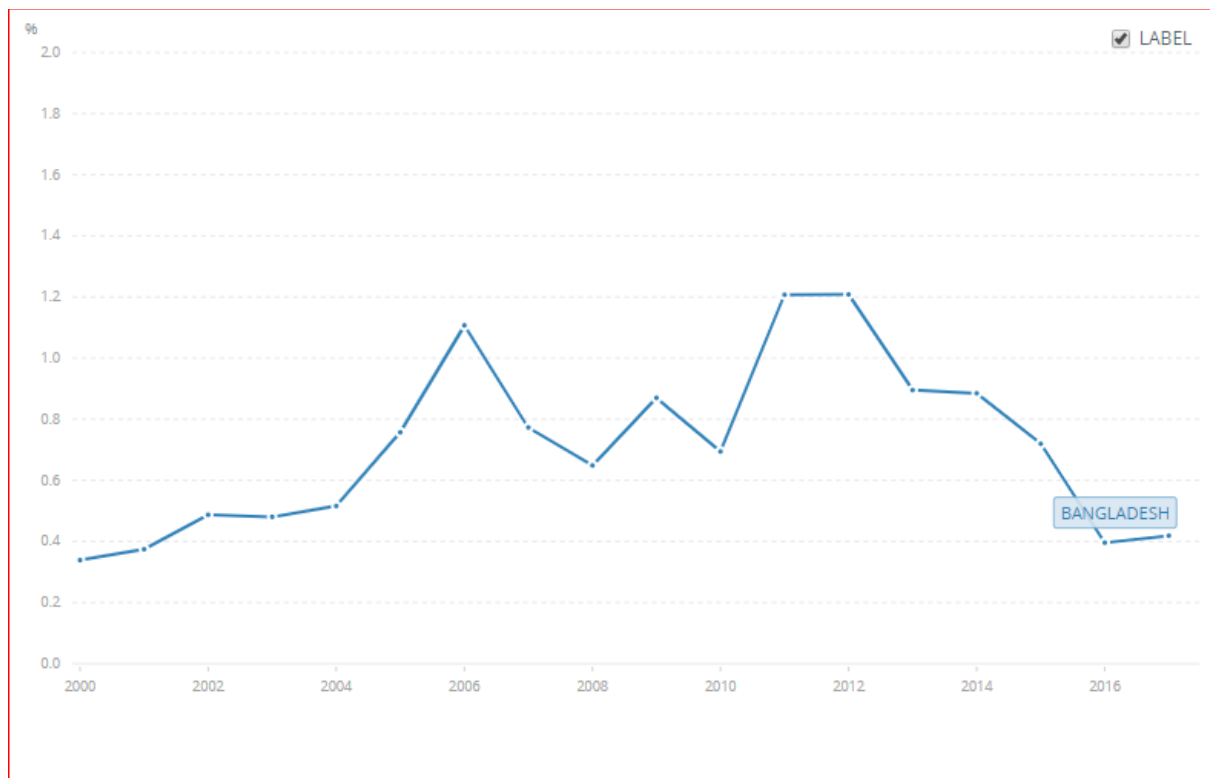
1.2 Origin of the Report

To complete the Bachelor's degree of Business Administration (BBA) program under Brac University, I have prepared a report by assembling data and information on a specific topic. During the time of my internship, I had started working on it that plans to overview the current situation in the LPG Industry of Bangladesh.

With the support and cooperation of my academic supervisor N M Baki Billah, Lecturer & Assistant Dean (Counseling & Placement), Brac Business School, Brac University, I have been able to complete my internship report named "SCM of Omera Petroleum- the Future business leader in LPG".

1.3 Background of the Report

Natural Gas can be considered as a fundamental item in the sector of energy as it accounts for about 75% of the total commercial energy of the country. As a fuel, about 37% of natural gas production is used in electricity generation. Highly dependency on the natural gas must be reduced as the present reserve is not sufficient enough to support the country for future generation and for the economic growth. According to World Bank Data, natural gas production rate is falling down. Excessive demand couldn't meet up with the production rate. Thus, production rate is getting lower day by day as large number of gas has been used already to meet the demand. Following graph gives us a clear picture



Source: World Bank Data

Worldwide, there are top 10 countries that are best in natural gas production. 1. Algeria, 2. Venezuela 3. Nigeria 4. United Arab Emirates 5. United States, 6. Saudi Arabia 7. Turkmenistan 8. Qatar 9. Iran 10. Russia. Bangladesh was also well known for the natural gas but now it has lost its fame of natural gas. To overcome the demand, Bangladesh is focusing on petroleum industry. Bangladesh has very low reserve of petroleum, which is not enough for us. Thus, we are unintentionally forced to become an importer of petroleum.

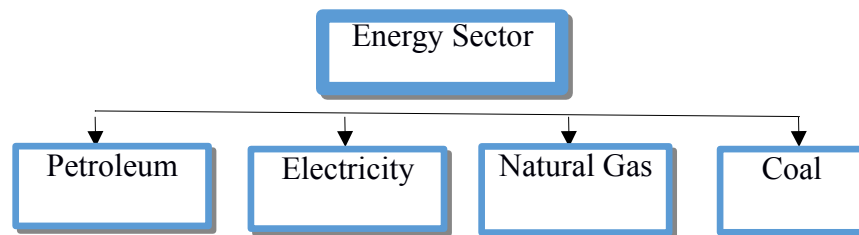
LPG exporter countries worldwide ranking are-

Rank	Country	Exports (Thousand Barrels per Day)
1		734.00
2		318.00
3		196.00
4		175.00

5	171.00
6	144.00
7	126.00
8	85.00
9	85.00
10	73.00

Source:

Energy is the driving force behind all economic activities and above all, the economy can be viewed as an arrangement of vitality streams, as a succession of vitality change that come full circle in the generation of products and ventures. Henceforth financial development of a nation is legitimately connected to vitality development of the nation.



1.4 Objective of the Report:

The reason behind the preparing this report to accomplish the following objectives:

- To provide a general and clear concept of LPG industry and explain the emergence of LPG industry in Bangladesh.
- Current Scenario of LPG sector in Bangladesh.
- Understand the Supply chain management of OPL
- Reasons that makes OPL different from others
- To identify some constraints of using LPG and steps to overcome those constraints

1.5 Scope of the Report:

Though Bangladesh is handful source of natural resources but the importance of using the LPG is essential. According to the current circumstance, the need of gas can be fulfilled by the LPG. Without LPG's contribution, economic growth would have bad impact. In this situation, Bangladesh has already successfully launched a number of new LPG companies like Bashundhara, Jamuna Spacetech, Petredec, Omera etc. Although good numbers of lpg companies have arrived in the market, but still there are few complications that are causing pulling back the development of LPG industry. Like no strict regulation from the government regarding the pricing of LPG in the local market. Also, companies are facing loss due to low selling price or low profit margin. Operational cost and product cost are very high compare to the selling price. Proper management and distribution system can reduce this comparison and other conflicts. If Bangladesh understand the major problem and control the condition, it can easily create an expansion in LPG industry. Here, in this report, I tried to analysis the present scenario of LPG industry in Bangladesh; explain the future possibilities, and ways to make this industry successful. For which, I have chosen Omera Petroleum as a key company to understand their pros and cons. With the help of analysis and proper recommendation of this company, entire LPG industry can get ideas where and how to improve as well as can take steps that will take them forward to overcome the obstacles.

1.6 Methodology

The nature of the report is descriptive. Primary and secondary data's have been used.

Primary Data Sources:

- Direct conversation with the respective employees of Omera Petroleum Limited
- Practical work experiences
- Relevant information gathering from other departments of the company

Secondary Data Sources:

- Website of several Bangladeshi companies doing business with LPG
- articles published by several authorized entities
- newspapers, articles, and books
- Internet

1.7 Limitations

Preparing a report on this topic is bit difficult task, while I was preparing this report I had confronted few issues and constraints those are given below:

- Data on this topic were not available as expected.
- Management of the companies was not interested to share any information.
- Absence of latest data.
- Limited access to gather data's from primary source.
- Absence of adequate knowledge among people
- As the time frame was short, there is a chance of having error in any stage of data collection, data entry, data organizing, data sorting and interpretation of result.
- My experience in this regard is limited and Lack of related information in the internet.

Chapter 2 Basics of LPG

Basics of LPG

2.1 LPG

Liquefied Petroleum Gas (or LP Gas) – describes flammable hydrocarbon gases including propane, butane and mixtures of these colourless, low carbon gaseous fuels. LPG is commonly used as fuel for heating, cooking, hot water, and vehicles. Mainly used for fuel in heating, cooking, hot water and vehicles, as well as for refrigerants, aerosol propellants and petrochemical feedstock.

2.2 Specification

LPG is a liquid under pressure but a gas at ambient conditions and Vapor LPG is twice as heavy as air.

- Fluid LPG is half as overwhelming as water.
- LPG is drab and has a low breaking point of - 6°C
- LPG has a thin combustibility run between 1.8 to 9.5% in air.
- Flash purpose of LPG is - 60°C.
- The unpleasant least begin temperature of LPG is in the range 410°C to 580°C.
- Ethyl Mercaptan is added as an odorant to distinguish LPG if there should be an occurrence of breaks.
- It is daintily soporific and can cause suffocation, if present in adequately high fixations.
- Fluid LPG can make extreme virus consumes the skin attributable to quick vaporization and the resulting bringing down of temperature.

2.3 Advantages of using LPG

LPG helps improve indoor air quality due to its very low emissions of particulate matters and nitrogen oxide – e.g., LPG generates 95% less particulate matter (PM) and 60% less NOx than wood. Because its use generates virtually no NOx or PM emissions, LPG is particularly Advantageous in urban areas. Its use dramatically reduces the presence of a series of pollutants that have an adverse effect on human health and generate unacceptable socio-economic costs. Similarly, in the forklift truck sector, LPG is recognized for its exceptional characteristics in terms of emissions, whereas forklift trucks fuelled by diesel are increasingly excluded from warehouses due to pollution risks. Unlike many other energy sources, LPG does not suffer from significant fugitive emissions during transportation, storage or

distribution to end-users. Furthermore, the limited quantities that are released are not harmful to the environment or human health. An extensive search of available literature failed to identify any references to the eco toxicological effects of LPG or its primary constituents.

In the agricultural sector, because of its high volatility, LPG has no harmful impact on soil and underground aquifers. In providing energy for thermal desiccation of crops for example, it therefore constitutes an environmentally friendly substitute for certain chemical products used in pesticides. In contrast to certain other energy sources, the use of LPG does not generate harmful and potentially dangerous waste. LPG distributors' close contact with end-clients, both local and modern, makes the business very much set to illuminate and instruct shoppers about conceivable vitality sparing measures.

LPG plays an important role in regional, economic and social development, as it allows for activity and development to take place throughout the world, even in mountainous regions, islands, and other areas characterized by low population density. In rural areas without access to natural gas, LPG serves as a reliable backup to renewable sources thereby facilitating decentralized energy production and accelerating the proliferation of renewable technology (The LPG Industry Roadmap, 2016).

- Because LPG vaporizes when released from the tank and is not water soluble, LPG does not pollute underground water sources.
- Power, quickening, payload and voyage speed are practically identical to those of a proportional vehicle energized on gas. Propane consolidates a high proportion of 104, intervene Compressed petroleum derivative (CNG) (130) and standard gasolene (87)
- Its high octane rating empowers it to blend better with air and to consume more totally than does fuel, producing less carbon. With less carbon development, flash fittings regularly last more and oil changes are required less much of the time.

Chapter 3

World's leading LPG Export Industries

3.1 BP

BP is one of the world's driving worldwide oil and gas organizations with a normal every day rough generation of 4.1 million barrels for each day. The Company furnishes clients with fuel for transportation, vitality for warmth and Light, Lubricants to keep motors moving and the petrochemicals items used to make ordinary things as various as paints, garments and bundling. Their upstream section is in charge of exercises in oil and petroleum gas investigation, field improvement and generation. Their downstream segment is the product and service-led arm of BP, focused on fuels, lubricants and petrochemicals (bp.com, 2016).

Pemex

Mexico's state oil company Pemex is engaged in the exploration, production, transportation, refining, storage and Sale of hydrocarbons And derivatives. The company produces an average daily crude production of 3.6 million barrels per day. Its products include petrochemicals, natural gas, liquid gas, sulphur, gasoline, kerosene, and diesel. Pemex operates 344 production fields; 6,382 production wells; 225 offshore platforms; six refineries; eight petrochemical complexes; 7,896km of gas pipelines; 4,548km of oil pipelines; and 19 LPG distribution terminals (Pemex.com, 2016).

Chevron

Chevron has an average daily crude production of 3.5 million barrels per day. Chevron had a global refining capacity of 1.95 million barrels of oil per day at the end of 2012. The company explores for crude oil and natural gas, refines those and starts producing. Then transport those LPG in markets and distributes transportation fuels and lubricants; manufactures and sells petrochemical products; generates power and produces geothermal energy; provides renewable energy and develops research for advanced biofuels (Chevron Policy, 2016).

There are other exporters; such as- Royal Dutch Shell, PetroChina, Gazprom etc. In Bangladesh other, LPG companies also import LPG. Bangladesh currently is not sufficient to produce LPG. Among all the leading exporters, Omera chose to import from BB energy.

3.2 Import From

BB energy has 25% share in Omera. So, to take services from any other company to import, Omera thought to import LPG with the help of BB energy. Not only this, they are getting some additional benefits which they might not get from any other company. That is, BB

energy provides LPG on credit for 30 days. Besides BB energy, they import from Exxon Mobil Ltd.

Chapter 4

LPG Industry of Bangladesh

4.1 Bangladesh and LPG Sector

LPG has been enlisted in the list of rapidly growing industries in Bangladesh. The gap between demand and supply of natural gas is widening day by day. Massive conversion of fuel-run automobile engines to CNG, increased pressure of growing industries and households on energy supply are the main reasons of the higher demand. To fulfill the demand of natural gas, government took the initiative of using LPG instead of natural gas. The competition of LPG market is heating up, as the number of competitors is increasing. Due to high competition, consumers are being able to get new cylinders at less than half the production price. Even though, this scenario causes the companies to incur losses but they are ready to accept this loss just to sustain in the market with the hope that near future the

situation will be in their favor and under controlled. As, Natural gas is one of the the country's main source of energy fuel but the significant volume of production causes, Bangladesh still cannot meet its local demand. According to the Petrobangla, the country's gas reserve has decreased to 12.88 TCF. The Bangladesh government has realized this and has been taking measures to conserve gas. To counter the scenario, this has been scheduled to be imported and blended with domestic gas in the national gas pipeline. For which, the government is reducing the duties and taxes on import of LPG and LPG cylinders to boost import. This initiative has been taken to encourage the use of Liquefied Petroleum Gas (LPG) as an alternative source of natural gas and expand its usage to ease mounting gas crisis for household, commercial and industrial use. Thus, a lot more investment is needed to ensure the fulfillment of total demand. Companies are using several foreign technologies and still trying to invent newer technologies in future to maintain the quality and safety of LPG. In 2016, the LPG market in Bangladesh was of around 350,000 tones as against the demand for this particular fuel estimated at around 500,000 tons in 2017. It is predicted that the size of LPG market in Bangladesh will reach 1.0 million tons by 2020. Presently, the worldwide LPG market is around 300 million tons, which is around 110 million tons in Asia Pacific locale.

4.2 Bangladesh Petroleum Corporation

A statutory association of the Government under the (MPEMR), our country is connected with to oversee, co-ordinate and control every one of the exercises identifying with import, store, promoting, and dissemination of oil based commodities in the nation and to create/set framework to bargain with the importers.

Chapter: 5

Omera's Journey

5.1 ECG

East Coast Group (ECG) is one of the quickest developing business aggregates in Bangladesh. It has diversified experience of more than 25 years in Trading, Power Generation, Downstream Petroleum, Shipping, Renewable Energy, Plastics & Ceramics Manufacturing, Landholdings, Wood Treatment, Finance & Banking, Insurance, Tea Production and Logistics. East Coast Group started its journey as a lone company as its trading area focusing on oil & gas sector, which is still soaring as the flagship business of the group. This section became dynamic in various zones of business beginning from mass products exchanging to putting resources into segments like manufacturing, financial intermediaries, real estate, bank and insurance. Later on, it further expanded its areas of operation to aviation business and power stations development. To capitalize on trading

activities in bulk in a liberated consumer market, a distribution company was launched lately for import & distribution of brand products in the high-end market segment. Since the inception of our business, they have been following the high ethical standard and best operating practices. Having these ideas as their philosophy, the group has been making consistent growth having a focus on Energy sector business in addition to our investment in Tea, Insurance, Finance, and Banking sector. Their corporate vision is to create a significant contribution to the development of the country's energy sector and to help to build a sustainable future. They have diversified themselves into niche areas of business, and they have done so with rigorous planning and motivation. They have had endured the adverse times in the market and look forward to gathering achievements, which they believe they can accomplish by preserving their corporate tradition and integrating it with rewarding synergies. They also take severe measures in enabling their social responsibilities, and they measure to reduce their carbon footprints so that they can leave behind accessible prospects for the forthcoming generation.

MJL

Mobil Jamuna Lubricant Limited (MJL, in the past, is the sole Joint Venture Company set up by ExxonMobil in the downstream oil division of Bangladesh. EC Securities Ltd, an investment wing of East Coast Group, holds majority stake after ExxonMobil's divestment. In May 2003, MJL Bangladesh Limited got authorization for Lube Oil Blending Plant (LOBP) – the first of its sort in the nation. From that point forward, the generation of this plant and promoting exercises of MJL Bangladesh Limited has altogether extended. According to the requirement of ExxonMobil's Quality Integrity Management System (QIMS), this zero discharge Plant carefully pursues the quality projects, beginning from accepting the base oils from ExxonMobil and added substances from other worldwide providers. The plant is certified by ExxonMobil QP&G, QIMS, and Germanischer Lloyd

(GLC) ISO 9001-2000. The plant operated by a group of profoundly qualified, prepared and skilled workers that provides with a guarantee of hundred percent item quality affirmations. Being a brilliant illustration of Technology move in the nation, the organization has made direct business open doors for 120 individuals, 2000 related employments, critical worth expansion in mixture of lube and the accessibility of full of quality maintained ointments in Bangladesh.

Omera Petroleum Limited

Omera Petroleum Limited (OPL) is a subsidiary of Mobil Jamuna Lubricant Bangladesh Limited (MJLBD) which is one of the leading LP Gas Company in Bangladesh started its commercial operation on March 9, 2015. Considering the growing demand of LP Gas in the country, OPL has started with the vision to increase the convenience, availability of LP Gas with utmost safety and awareness. For ensuring distribution throughout the country OPL has four plants located at Mongla, Ghorashal, Bogra and Mirasharai which has European standard bottling and storage facilities with the capacity of 1 lac metric ton per year. Also, there are Regional Distribution Centers (RDC) over 19 locations all over the country for ensuring efficient distribution. Omera has also created a revolution by building tree LPG carrying Barges named, “M.T Omera Princess”, “M.T Omera Glory”, “M.T Omera King” based on Japanese Navigation & Communication Devices and European Technology. This is the first time that waterways are being utilized for inland LPG transportation, which is a good example of how Omera Petroleum Limited is utilizing its capacity and technology to strengthen downstream gas industry of Bangladesh.

Omera Petroleum offers 5.5, 12, 35 AND 45 kg of cylinders to the household and commercial gas market. To ensure state of the art product quality, Omera has its own Cylinder manufacturing factory named as “Omera Cylinders Limited (OCL). OCL manufactures world class LPG cylinders with DOT4BA 240 and DOT4BW 240 Design Code with European

technology & European automated machineries. Omera Petroleum has also signed agreement with the Government of Bangladesh to set up a dedicated Import Terminal of supply of LPG and fuels to its Economic Zones. The Specialized terminal is due to be completed by the end of 2019. In recognition of the company's immense contribution to the Nation's Energy Diversity, Omera Petroleum (OPL) was awarded as the Best Energy Private Company in National Energy Sector in Dec'2016 and Best LPG Operator in Sept'18 by Sheikh Hasina, Prime Minister of Bangladesh. In association with European vitality goliath BB Energy, the organization has introduced best in class LPG import and capacity terminal with limit of 3600MT at Mongla, Bagerhaat. Aside from the primary establishment in Mongla, OPL has set up three other satellite filling and packaging stations situated at Ghorashal (Central), Bogra (Northern Belt) and Chittagong (Southern Belt) separately to guarantee comfort and accessibility of LPG to its wholesalers and clients. Other than utilizing a monstrous armada of LPG bowsers to move the LPG from Mongla to its satellite plants, OPL has effectively authorized a LPG Barge, MV Omera Princess with limit of 300 MT to ship LPG through conduits without precedent for Bangladesh. Omera Petroleum Ltd. is committed to running a safe and naturally capable activity and making critical commitment to Bangladesh practical financial flourishing just as vitality balance.

To cater the growing customer demands, Omera Petroleum Ltd. (OPL) launched Omera LP Gas (LPG) in Bangladesh in March 2015.

5.2 Mission, Vision and Objective

Mission: By 2020, they want to be the market head and be the good example of LPG administrators in Bangladesh. To hold showcase authority, concentrating on long haul business manageability and selling efficiency with reliable development potential.

Vision: With the organization limit and innovation they aim to fortify the downstream gas industry and add to the country's vitality assorted variety. To be the main brand in the developing LPG industry of Bangladesh, Strive to improve their items with respect to the most noteworthy quality; well-valued item simultaneously guaranteeing efficient and durable product.

Objective: To satisfy their mission and vision to its clients, OPL expect to Attract, create and hold the best significant ability in the business. Recognize and catch the most vital and expanding development openings that the organization faces. Keep up acknowledgment as an industry head in the exceptionally beneficial LPG industry quickly, with respect to circulation and coordination's. Advance proficiency through solid resource usage. Convey financially savvy, dependable items through operational brilliance. Lead the market in security and work reasonably. With the help of technology and infrastructural facilities they aim to store and deliver the LPG to the end user.

5.3 Insides of Omera

Location: Their head office is (Omera House) in Dhaka. As of now, they have in excess of 500 representatives' altogether and 144 in head office. In their Head office, there are 13 departments, and their essential capacities work here. Organization's CEO and different offices HOD are in charge of any activity and capacity. Omera enlist workforce from its outsider concern NKN Security & Employee Service Limited, they are authoritative representatives of Omera.

Plants: The Main Import Terminal is situated at Khulna (Mongla), alongside three satellite stations situated at Bogra (Sherpur), Dhaka (Ghorashal) and Chittagong (Mirsarai) individually.

Target Market: Omera didn't target any fixed group of people rather than they see the entire market as their target customer. Since, the demand for LPG is growing day by day, they choose to serve the entire market. It seems to be difficult task, but they are doing it easily by the dividing the market into 2 separate sections. 1. Households, 2. Commercial

Areas that are covering by the Plants: Their plants are located in such a way that can serve the entire country almost at lowest cost. For LPG business, transportation cost is the main issue when it is time to supply. With the help of Bogra plant they are covering entire North Bengal. Ghorashal can be said a centre point of distribution to serve middle districts and the east Bengal of the country. Mongla and Mirersharai is providing LPG to south west and east Bengal.

Mode of Transport: With the assistance of the Barges, they do import bulk amount of LPG. OPL has presented Three freight ships named "M.T Omera Glory", "M.T Omera King" and "Omera Princess". Additionally, they are first in the business which is the reason for Omera's the greatest dispersion organization in the business. Every one of these three Barges can move 300 M.T (One Barge) and 350 M.T (Two Barge) of LPG by means of waterway ways and seaside regions of Bangladesh. For the roadways, it likewise has practically foamy street tankers and fifteen trucks. They are trying to make sure of continuous supply when the demand is on.

5.4 Risk Management and Challenges

To do the business well, it requires huge investment in this industry. Omera has a investor from Dutch named FMO which is the Dutch development bank. It has put resources into the private division in creating nations and developing markets for over 46 years. Its main goal is to engage business people to fabricate a superior world. They put resources into segments where we accept our commitment can have the most noteworthy long haul sway: money

related foundations, vitality and agribusiness. It has financed and put resources into the improvement and development of 4 LPG plants with a neighborhood limit of 100,000 ton/year. All out venture costs add up to roughly US\$60 million. Through the Infrastructure Development Fund FMO is giving US\$9.5 million long term loan and roughly US\$5.5 million value of equity. The amount will be utilized for the development of the primary terminal, the three satellite plants and the dissemination arrange. The fundamental terminal which is situated in Mongla (near one of the nation's main seaports) where the LPG is conveyed and afterward redistributed to the three satellite packaging plants situated in Dhaka, Bogra and Chittagong and further on to private and business clients. For the absence of natural gas in rural and urban territories in Bangladesh, family units are searching for options for cooking. LPG is a progressively costly option for cooking contrasted with charcoal and kerosene. Yet the advantages that can LPG provide effectively exceed the expense, for the individuals who can bear the cost of it. By participating in this project, FMO adds to the positive effect that LPG has a positive impact on the time utilization on Bangladeshis, particularly ladies and kids. The local financial institutions were not ready to meet the full financing needs of OPL and FMO-IDF decided to fill the need. If OPL is able to pay back the FMO's investment within few years by selling LPG then it will give them a good opportunity to get more investors. But the way, price of the LPG is going down; it will be very difficult to get back the amount that has been already injected in this project. So, there is higher risk to repay the FMO. The more time they will be in need of the higher interest will have to pay.

Another dangerous issue is worldwide import advertise reliance on LPG is probably going to be unstable because of incessant value changeover. These causes, the market may not ensure the exact value of LPG supply for the end clients since our clients used to fixed duty.

The urban and rural uniform price delivery backed by subsidy and rebuilding supply chain network across the country are key challenges to ensure LPG popularity alongside encouraging other energy mix without further tariff change. Considering the lower income capacity of majority population, 70 percent belonged to lower income group, industrial boom, transport network, dependence on the pricy LPG cannot be solely affordable and sustained way-out of primary energy crisis in long run towards inclusive economic development of Bangladesh.

There are also some challenges, which may make Omera fell in trouble in near future.

1. Using expired LPG cylinders poses great risks. But there are few sellers, who are not aware of it. There are also some sellers who are aware of it but for their own greed they are selling expired LPG cylinder. Though Omera is monitoring but if anything wrong happens for the sellers, Omera will be to blame. So, it is a great challenge for them to make sure none of the expired cylinders are sold in the market.
2. Another big challenge is cope up with the new comers. There are lot of companies who have entered the market and also some others are trying to enter the market. Having good number of competitors is not the issue. Main fact is to deal with them wisely, because to grab the market they will be providing offers and will provide the entire package at a low price so that customers of the earlier supplier switch their options. This will also incur huge loss because they are already providing at a cheap rate with minimum loss than the new one. So, the new cheap price will make the company in trouble. Later on, it has been shown that those who tried to grab the market at a new low price, even they can't import LPG at such cheap rate. The moment they realize they can't serve the market with huge loss for investment, they shut down their business and make the market disrupted. The reason is, after their leftover, customers don't get the gas at the cheap price and they have to purchase at

the earlier price. These things make people understand that the gas price has increased, but in reality it's not true. This also results in losing the customers and their faith. This is the biggest challenge for Omera to attain all the customers and get their faith.

Chapter-06

Supply Chain Management

Supply Chain

Supply Chain Department (SCM) is responsible to buy, oversee and supply a wide range of Raw Materials, Consumables, Machineries, Spare Parts, Brand Marketing Items, IT Equipment of OPL under the administration of endorsed Procurement Policy and Delegation of Authority (DOA) to guarantee continuous activities/generation just as the business development of the organizations.

1. Demand Planning
2. Procurement Activities
3. Commercial Operations
4. Inventory Management

6.1 Demand Planning

The purpose of Demand Planning is to achieve the optimal balance between supply and demand. A streamlined planning process will be resulted in cross-functional communication and inter-departmental co-ordination. This collaborative approach will align the sales & operational processes and will ensure that the end demands of the marketplace will met.

Objectives of DEMAND PLANNING

- Main objective of Demand Planning is to minimize variances.
- try to forecast accurately so that actual demand can be fulfilled. Tools that are being used-
 - ≡ Statistical forecasting
 - ≡ Understanding factors influencing demand
 - ≡ Planning assumptions
 - ≡ Collaboration

Process for DEMAND PLANNING



6.2 PROCUREMENT ACTIVITIES

Objectives of Procurement Activities

1. Coherence in supply of quality raw materials, consumables, machineries, spares parts.
2. Create and source merchants and materials as a nonstop procedure so that expense of finished goods can be minimized.

3. Maintain minimum inventory level of material

Process:

Requisition from plant to supply chain department

Supply chain asked for comparative quotation

Most competitive quotation is selected for supplying the product

Purchase order is made with proper delegation of authority

Then the bill is submitted to the Finance and Accounts department

Essential Steps for Procurement Specifying Requirement: Production Planning Present stock and coverage week Required Stock (SPRF Generation) Emergency Breakdown Schedule Requirement. Factors to be consider for Source Selection

1. Best Quality
2. Preferably a Manufacturer
3. Lowest Price
4. Financial stability
5. Favorable payment terms
6. Closest proximity
7. Commitment to Supply in time

6.3 Inventory Management

Inventory is the raw materials, component parts, work-in-process, or finished products that are held at a location in the supply chain.

1. Receiving, 2. Issuing, 3 Reporting, 4 Stock Register

To summarize, Omera build and keep inventory in order to match supply and demand in the most cost effective way.

Types of Inventory

Raw material: Purchased but not processed

Work-in-process: 1. Undergone some change but not completed, 2. A function of cycle time for a product Maintenance/repair/operating (MRO): Necessary to keep machinery and processes productive, 3. Finished goods: Completed product awaiting delivery

Inventory Process

- ≡ Indent Raise (For All Department)
- ≡ Receiving Challan Copy & Quantity (Physical Store)
- ≡ Confirming Gate Seal & Posting Material In Main Gate Register (Security Room)
- ≡ Material Quality Check (Specific Department User of the Materials)
- ≡ MRIR (Materials Receiving & Inspection Report)
- ≡ MRIR Signature by Authorized Person (HOP, HOM & PM)
- ≡ Posting in Stock Ledger
- ≡ SR Raise from All Department for Material Requesting
- ≡ Posting in Stock Ledger

6.4 Product Portfolio

Omera manufactures and import cylinders for their LPG process. OPL has made a robust investment on European standard bottling and storage facilities. Omera's manufacturing company known as Omera Cylinders Limited (OCL). OCL manufactures cylinders in

absolute compliance with international standard using European technology with fully automated machines. The cylinders come in four different types with the capacity of 5.5, 12, 25, 35 and 45 kg having in two different models with the colors of Glossy Lemon Yellow and Glossy Window Grey.

Household: Omera LPG offers 5.5 KG and 12 KG Cylinders to both households and restaurants. OPL maintains European Standard regarding manufacturing and bottling that ensures our promise to deliver high safety standards. The efficient heating technology, portability, and transportability, coupled with our efficient sales team make it a convenient option for consumers

Commercial: Omera LPG offers 12 KG, 35 KG, and 45 KG cylinders to high-volume commercial use, especially in hotels, restaurants & cafes which falls under a segment called the HoReCa project. Omera LPG has gathered the highest market share in the retail sector within a brief period. The reliance lies within its efficient heat transfer and perfectly weighed LPG – factors which are crucial for commercial use.

Mostly they are generating their profit from commercial uses. Per day they are selling almost BDT 3cr and B2B clients are the main source of their earning.

6.5 Investments in Omera

FMO FMO is the Dutch development bank. FMO has invested in the private sector in developing countries and emerging markets for more than 46 years. Its mission is to empower entrepreneurs to build a better world. Their main investment in those sectors where they believe contribution will have the highest long-term impact: financial institutions, energy and agribusiness. With an investment portfolio of EUR 9.2 billion spanning over 85 countries, FMO is one of the larger bilateral private sector development banks globally. FMO has financed and invested in the development and construction of 4 LPG plants with a local

capacity of 100,000 ton/year. Total project costs amount to approximately US\$60 million. Through the Infrastructure Development Fund FMO is providing US\$9.5 million senior debt and approximately US\$5.5 million equity. The funding will be used for the construction of the main terminal, the three satellite plants and the distribution network. The main terminal is located in Mongla (close to one of the country's principal seaports) where the LPG is delivered and then redistributed to the three satellite bottling plants located in Dhaka, Bogra and Chittagong and further on to private and commercial users. LPG can be used for cooking, heating, electricity generation, transportation (auto gas), refrigerating and many other industrial and commercial applications. Given the lack of natural gas in rural and urban areas in Bangladesh due to the fast growing economy, households are looking for alternatives for cooking. LPG is a more expensive alternative for cooking compared to charcoal and kerosene but the health and environmental benefits easily outweigh the cost, for those who can afford it. By engaging in this transaction, FMO contributes to the positive impact that LPG has on the health and productive time consumption on local Bangladeshis, especially women and children. OPL is expected to reach close to 250,000 households, representing 1.2 million of people. The local banking sector was not able to meet the full financing needs of OPL and by doing this transaction FMO-IDF filled the gap. The additional equity will provide sufficient buffer to the debt providers. OPL is also able to benefit from FMO's name and experiences as an international finance institution, which may help in attract potential future investors and financiers (Fmo.nl, 2016).

IFC IFC, a member of the World Bank Group, has invested \$20 million as a long-term loan in OPL, to help the company to increase its capacity in double and the availability of liquefied petroleum gas (LPG), especially in rural areas. The IFC loan is part of its project to double its capacity and make LPG available in nearly all sub-districts of the country. This will expand LPG access to 350,000 additional households (around 12% of total market

potential) over the life of the loan. It will also help reduce greenhouse gas emissions by replacing kerosene, wood, and other hazardous cooking fuels, and allowing the limited reserves of natural gas to be diverted to power generation and industries. Wendy Werner, IFC Country Manager for Bangladesh, said: “IFC is committed to delivering clean energy to all people in Bangladesh.” Access to energy and diversification of fuel are two critical bottlenecks in the growth trajectory of Bangladesh. In the last five years, IFC has invested about \$800 million to remove these obstacles. This is IFC’s first investment to promote LPG in Bangladesh. Omera almost overcome the obstacles, and provide handsome amount to their investors. They maintained good repo with the team, which help them to be trustworthy to other investors or in the market.

6.6 Potential Importers of the Market

Jamuna Spacetech: This Company began its Operation in Bangladesh on LPG (Liquefied Petroleum Gas) under the name as Jamuna Gas. It was integrated on 11th Aug, 1998 under the Company Act 1994 and started its operations in 2000. Jamuna gas in one of the largest LP Gas bulk importation, storage, bottling, marketing & distribution, company in Bangladesh. It is the first private LP Gas plant to be engaged in this sector. It has developed immensely in both internally and externally from the time of its Commencement. It is the fastest in growing network of interrelated business in LP gas sector. We continue to implement and search for new technologies and applications for the benefit of our product and for the customers. Having two plants in Mongla and Bogra, they are consequently covering from the major two locations geographically southern and eastern respectively. It has overall 2850 MT of storage capacity of which 2650MT in Mongla and 200 MT in Bogra. Jamuna gas is pioneer in bulk carry of LP gas in Bangladesh and the most efficient among all. This facility of Jamuna gas has taken the country to enter into a new modern era in LP gas sector. Jamuna gas is distributed and marketed throughout the country- using network of authorized dealers and

sub-dealers. LPG filled cylinder of 5.5kg, 12.5kg, and 30kg are sold through the distribution network. It supplies LP gas for domestic, commercial and industrial uses. It has got their own transport facilities to reach the cylinder to the dealer's point.

Totalgaz: Totalgaz Bangladesh (Premier LP Gas Limited), originated from Total SA, which offers the business of import, storage, and distribution of LPG (Liquefied Petroleum Gas) in domestic and commercial cylinders under the brand name Totalgaz as well as in bulk to industrial customers in Bangladesh. Incorporated in 1998, PLPG started commercial operations in August 2002. It is one of the largest LPG importers in Bangladesh and has developed a dedicated customer base of more than 600,000 customers all over Bangladesh. Totalgaz offers immediate and hassle-free gas connection right at the door step. At the comfort of home or office, one can avail a new domestic gas connection within a day. They invite to experience the excellent services of Totalgaz. LPG bottled in cylinders is marketed in Bangladesh under the Totalgaz brand in 12kg, 15kg, and 33kg pack sizes depending on the consumption pattern of the end-user. Totalgaz cylinders are manufactured as per international safety guidelines following DOT 4BA & DOT 4BW standards. These cylinders are also approved and certified by the Bangladesh Department of Explosives. Totalgaz supplies 12kg and 15Kg capacity cylinders for domestic use. The 15Kg capacity cylinder is a unique product for the household who consumes more gas in a month.

Bashundhara LP Gas Ltd: Bashundhara LP Gas Ltd is the first private LPG plant in the country. It has a higher production rate than any other filling station in Bangladesh. It possesses 3000MT storage capacity, which is the largest among all other LPG plant in the country. Since, LPG- it's a by-product which comes from the natural gas and crude oil altogether. This fossil fuel is like other common fuels in our country where natural gas is not available. Gradually it has become a very popular fuel in our country. The company has state-of-the-art LP Gas plant in Mongla which houses 6 gas storage tanks with a capacity of 500

metric ton each. And the 48 filling posts of Carousel Filling System of the plant have daily refill capacity of 50,000 units of Gas Cylinders (Bashundhara LP Gas Ltd).

Navana LPG: Started their journey in 2011 But couldn't grab the market that much. Main features of the Navana LPG- State of the art import Terminal and Bottling plant. Large storage capacity at a single location added extra value to them. This is a fully automated cylinder manufacturing plant like Omera Petroleum Limited

6.7 Differences among Omera and Other LPG companies:

- Other LPG companies are mainly focusing on b2c customers, whereas Omera's main concern is in industrial sectors.
- Omera's cylinders price is high than other cylinders.
- It has 4 plants, whereas other companies have only 1 plant. (Except Bashundhara)
- Distribution system highly dependent on road tankers and trucks, whereas Omera's main distribute mode is their barges. Each barge contains four bullet tanks. Omera is country's first who started using LPG carrying barge. 'Omera Princess' is considered first LPG carrying barge in the country.
- Highest storage capacity than any other companies. Recently, Omera has increased their capacity to 9050 MT from 4050 MT.
- Initially Omera started importing cylinders like other companies. Now, they have started manufacturing cylinders, whereas most of the companies still prefer importing.
- Omera implemented ISO 9001:2015 and ISO 14001:2015 standards. On the other hand, Bashundhara is following ISO 9001:2008 and 14001:2004. Other companies have lack on it.

Chapter 7

Success and Omera

7.1 Success Story of OMERA

- Omera is the first company in this country who bring LPG via ships. Before Omera, no other company had done this.
- Plants: Mongla is their mother plant. Besides Mongla, they do have other 3 plants which made them successful because, they are the first who introduced large number of plants in the country.
- They are the first who had started carrying LPG in the Barge for local transportation.
- Within 20 months of operation they recorded their sales of 60000MT LPG
- Got partnership with Saisan Co. Ltd. Which is one of the major distributor in Japan.
- Within 4 years, they gain 20% of entire market share.
- Built a LPG carrying Barge called Omera Princess, as second line of distribution, which is rare in this industry.
- Got award for **Best Energy Company** in 2016, **Best LPG Operator** in 2018, honorable director of OPL got award for **Business Person of Year 2019**

7.2 Actions taken by Omera to be in leading position

- **Entering Automobile Sector:** Omera has introduced ‘Omera Gas One’ for automobiles. To reduce the pressure on natural gas as of CNG (compressed natural gas), omera came up with their new product named Omera Gas One. Country’s first ever local automobile gas provider.
- To take the lead position, they are always trying to innovate something unique that actually has the necessity among people. A great example could be, they have started Import, Storage, Sales and Marketing of auto gas conversion kits.
- Omera is planning to export their cylinders. This will be first time in the country if they can do it.
- Not only cylinders, they may expand their LPG business outside of the country.
- Omera currently has implemented Quality Management System certified compliant with ISO 9001 international standards. Moreover, the company is working towards certifications for ISO 14001 (environmental management system) and OHSAS 18001 (occupational health/safety management system) standards. Omera expects to have both ISO 14001 and OHSAS 18001 certifications by the end of 2019. (Omera LPG, 2015a)
- Before selling LPG, they provide training to their customers for safety issues.

7.3 Key Facts of Omera

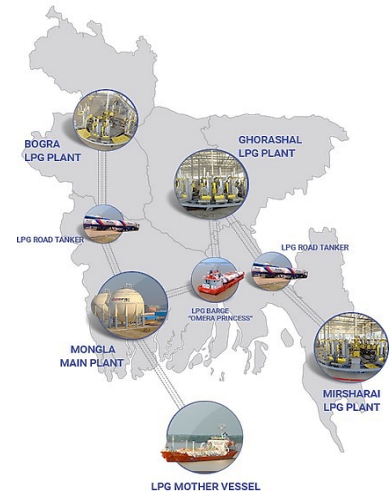
Quick Service, Availability, Advance Technology, Distribution System, Structured Management System are the key points of Omera. These points are common every other companies, but Omera represent themselves in such a way that makes them different from their competitors.

Quick Service: They are highly focusing on after sales service. If any service required, their team is always ready to serve the clients. To ensure the safety, they tend to be alert. High quality equipments are ready for the client service. Not only that, they do regular check up of the machineries which help to serve the customer after sales. Also, they provide training to their agents on carrying and handling the item. Since this item is dangerous, they give most priority to 'on time service' compare to other companies.

Availability: There is no chance of unavailability of LPG. They always make sure that customers do not have to go back in empty hands when they are in need of LPG. They are import LPG, so it might be happen that for some reason the exporter couldn't supply the gas, which means they will not be able to provide the LPG in the market. But, to avoid any type of shortage, they do maintain stock where the store good amount of LPG for emergency or for future consumption.

Advance Technology: None other company have used such technology for LPG. They are the first who are using European Technology. They are maintaining highest international quality control standard DOT4BA 240 and DOT4BW 240 for its cylinders which is approved by the Department of Explosives, Government of Bangladesh. The Barges they are using for LPG import are the first in the country. For Country Inside, they are using road tankers which have great technology installed. Since, Omera has cylinder factory, where they are manufacturing the cylinders maintaining top class quality. According to research, it's said that sellers are charging more for their cylinders because of good quality. Not only that, they are more interested to take back omera cylinders at the time of cylinder exchange. On the other hand, if anyone wants to take omera cylinder in exchange of other branded cylinders, the sellers are not ready to do that, instead either they are denying or taking additional amount of money with the exchange.

Distribution System: Mainly they are using the river road for distribution in the plants. For other areas, they are using roads. For river road transportation system they are bearing few costs for transportation purpose. After Omera, other companies have started following the same path.



Structured Management System: They have very organized management system. Currently, they have more than 500 employees in total and 144 in head office. In their Head office, there are 13 departments, and their primary functions operate here. Company's CEO and other departments HOD are responsible for any operation and function.

7.4 Current Market Place of Omera

A recent report says Omera presently at second position within the market place. The LPG market is diode by Bashundhara (24%) followed by Omera (20%), Jamuna (17%) and BM (11%). Omera has yearly sales volume of 140,000MT/year. The Mother plant of Omera LPG is in Mongla with 3800MT capability. The market expected to grow by 3.5x times from 817,736 MT in 2018 to 2,921,676 MT in 2024. According to time frame of the Omera, it can be easily said that within the next few years there is a high chance that Omera would be the market leader. They just have started their journey in 2015, already second in the market whereas; Bashundhara is an old player in this industry. If omera can keep their performance, it won't be difficult to bit the Bashundhara. If we do a comparison, we are able to see Omera has such facilities that Bashundhara haven't nevertheless.

7.5 Why Omera Is now at This Position

Within short span of time Omera reached at second position among all others. Bashundhara LPG started their journey in 1997 whereas Omera started in 2015.

It's nothing but their best performance in the market for which now they are at this position. Estimated cost of the LPG project is approximately about BDT 5,000,000,000 that involves the land and civil construction cost, cost of importing machineries for the factory and all other costs associated with the project. OPL borrowed about 50% of the total cost from different commercial banks as long-term debt. Debt to equity ratio would stand at around 50:50. Term loan of BDT 2,500,000,000 shall be acquired from at least 5 commercial banks operated in Bangladesh such as-Standard Chartered Bank, Premier Bank Limited, Trust Bank Limited, Commercial Bank of Ceylon and HSBC. Each bank may provide facilities up to BDT 500,000,000 each as debt finance. Credit Facilities works for them as security money. For such a big company, any time anything can happen. They can avail that amount and solve any finance issue. This shows how helpful they are and their response. These skills help everyone to grow faster due to good communication.

Also, they have good number investors, which tell us about Omera's reliability. United Kingdom decided to invest USD 10,000,000 for a 25% shareholding in OPL. BB Energy operates across the globe and it's among the world's leading independent energy trading companies. 1,500,000 ordinary shares of OPL shall be issued to BB Energy (25%) and 3,500,000 shares of OPL shall be issued to MJL Bangladesh Limited. Market mapping has been done by using a Bangladesh Map showing major demand areas where OPL will appoint strong & capable distributors who are willing to invest in this business on a long-term perspective by setting up LPG Distribution Centers (LDC).

-Presales activities such as giving away leaflets, safety Manual booklet, Greeting Cards, Pre-launch press ads, Posters, Shop signage, Point of sales materials, Sales Kit etc. among prospective clients to be distributed and stimulated to create demand.

RDC, Innovative activation nationwide, print media communication, electronic media

Communication, digital marketing etc.(The Daily Star, 2014). To ensure uninterrupted distribution throughout the country, OPL has invested heavily in European standard bottling and storage facilities in Mongla, Ghorashal, Bogura and Mirsarai. These facilities have a total capacity of 1 lakh metric ton, making them the largest bottling & storage complex in Bangladesh. OPL has also built a LPG carrying Barge called Omera Princess as second line of distribution, which is rare in this industry. After Omera, other companies such as Companies for example – Bashudhara launched their Barge, whereas, Omera already has 3 barges and 22 road tankers. This added additional advantage to Omera for low cost of transportation and fast delivery. Since, Omera has reached almost everywhere of the country, that's why it was easier for them to be second in the market. Their after sales service made them renowned. With the use of modern technology, they have come up with the mobile sms which give alert when the lpg is about to be ended. This facility so far no one have offered before.

7.6 Omera Can Be the Market Leader IF

- They add some technical things in their product. This will help them to fall their competitors behind. This means they need to initiative a new item which no one has done before. For example- A mobile app, that will help them to place the order when they will have need. They will place the order, check the updates, remaining gas limit etc.

- Proper marketing will help them to reach more people. They should tell people what exceptions they are providing to their customers. Such as- They sent their representative for checking after 6 months. Not only that, they should tell people regarding their offerings. For example- They will get a sms as an alert that customers have to refill the cylinders. Urban people know what Omera is but the rural people are unaware of it. If we look at Bashundhara LPG, everyone knows about it starting from rural to urban because of their publicity.
- Bashundhara has only one plant, and after seeing Omera, they introduced their barge which has low capacity compare to Omera. Also, Bashundhara do not use river way road and thus they have to incur huge expense, and it's risky also to carry it by the road way. So, we can see here, Omera has comparative advantage over Bashundhara. They have to use it in a proper way.
- Bashundhara is serving from only one plant whereas; Omera is serving from the four plants. They have 19 RDC (Regional Distribution Center). Each RDC, are looking after 3 districts. So, it can be said that Omera is more close to the customers compare to the competitors.

7.7 Cost Minimization and Profit Analysis

Before trying to minimize the cost, we should know their actual expense and earning. They do not have annual report since they are private company. But from July'19 they have been enlisted as a public company. It will take few months more to be part of stock market. However, they have huge expenses per month as follows-

Mongla Plant: \$264,853, Bogra Plant: \$259,902

Mirersharai Plant: \$235,846, Ghorashal Plant: \$220,995

We can see that among all the 4 plants mongla has higher expense and Ghorashal has lower expense. One of the main reasons is river way transport system. It helps them to have very lower transportation cost. Also, their distribution system gives them extra advantage. Their plants are located in such a way that covers all the major areas nearby. They can reduce their cost if they can arrange some way to deliver their item in the river way. Also, the number of RDC should be increased. The more Omera will near to the customer, expense/cost will go down more.

On an average they have earning of 2.5-3 cr Taka. They import LPG with the help of LC (letter credit) facility.

Omera Placing

Bank took almost 4-4.5% interests which includes LIBOR rate also. Omera ma

They keep the amounts in general bank

This is how Omera is their financial operations run and generate profit. They are not only selling LPG, Cylinders etc. From keeping bulk amount in the bank, they are generating huge interest. Thus, they are maintaining good relationship with the banks. So far, they do not have any bad debt.

7.8 SWOT Analysis

Strength

- Plants and RDC
- Reliable Suppliers
- Strong dealer community
- Strong distribution network
- Excess amount of Road Tankers
- River way transport way
- Investors

Weakness:

- Not focusing in Rural areas demand
- Insufficient Plant
- Marketing of product
- Technologies
- Low purchasing power
- Low density of LPG target population.

Opportunities:

- Export LPG and Cylinders
- Identify projects to demonstrate feasibility of rural market development
- Replacement of Natural Gas
- Reduction of wood and diesel displacement
- Power Generation

Threats:

- LPG Distribution Network in Rural Area
- Inadequate energy State policy
- Strong competition
- Chance of less expensive alternative sources
- Lack of safety culture and poor enforcement of regulations.

7.9 Recommendation

In Bangladesh, LPG, flexible, floating mode of gas supply having external risk is yet to be a proven, safe mode demands intensive awareness on safety matters. In the wake of deepening energy crisis, following recommendations can be followed for stimulus of LPG popularity:

- Assessment of market demand of LPG as well as target market for local and FDI inflow in LPG capacity building.
- Sectors are to be determined on priority for LPG allocation and gradual development.
- Focused and customer oriented liquid fuel and energy tariff adjustment in line with the global trend.
- National LPG policy including sourcing, tariff, retail distribution and market management and Investment guideline and incorporate in seventh five year plan of GoB.
- Since LPG is relatively new means in manufacturing industry in Bangladesh, concerned Industry need to be fully aware of the technicalities prior to full enforcement of LPG.
- LPG users are subjected of private sector led monopoly which needs to be rationalized through Government intervention and allow rational engagement of private sector with

Government in LPG processing, distribution business.

- To cut the distribution cost of LPG, the existing pipe gas network may be used for high rise building gas supply.
- Auto gas may be allowed to mass transport rather than private transports to benefit most of mass at the bottom rung of the ladder.
- Engage BERC in tariff fixing and control alongside Auto gas licensing.
- Being economical in consumption of gas either by prepaid meter or full transition in LPG as consumption in usual two burner pipe gas consumes more than 4000 MCF at much cheaper price than that of 12, 20 and 30 KG of cylinder of LPG.
 - They should concentrate on rural areas.
 - Also, need to export their items to go step ahead.
 - They can shift one of their plants to cover the areas of east west mainly. They are covering those areas.

Activities That I've performed in OMER A

While working for the accounts payable section, receiving invoices from several departments of the organization was one of the most important tasks I had performed. At the time of receiving invoices I had to check a number of documents depending on the department. List of those documents are provided below:

Bills from Supply Chain Dept

- a. Invoice copy
- b. Purchase Order
- c. Procurement Approval
- d. Comparative Analysis of several parties who submitted the quotation
- e. List of quotation
- f. Mail attachment from top management for ensuring the purchase approval

Bills from Administration:

- ~ Invoice copy with approval from top management
- ~ Purchase copy or requisition copy
- ~ Copy of purchase order or running agreement

Data Entry in software: Once the vouchers are prepared the next task was the data entry in the accounting software. Currently the company is using ORACLE software, most widely used as accounting software in most multinational organizations. While entering the data in the software several other things should be checked to make sure that the invoice is recorded properly. Such information is:

1. Date of the voucher, 2. Voucher number, 3. Code of the expense, 4. Nature of the expense, 5. Exact amount of the expenses

I was also assigned for some tasks of Revenue Department. The amount they generating each day, I had to give entry in the oracle system by checking the bank statements. Apart from these tasks, I was responsible for checking all the expenses and the related documents of each plant and calculating the total expense.

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