Report On

Impact of Covid-19 on Supply Chain Management of "Good Look
Fashion"

By

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

BRAC Business School
Brac University
October 2021

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.

Student's Full Name & Signature:

_____
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19364068

Supervisor's Full Name & Signature:

_____
SM Parvej Islam
Adjunct Lecturer, BBS
BRAC University

Letter of Transmittal

SM Parvej Islam

Adjunct Lecturer,

BBS

BRAC University

66, Mohakhali, Dhaka-1212

Subject: Submission on internship report on impact of Covid-19 on Supply Chain Management of Good Look Fashion.

Dear Sir,

With due respect and humble submission, I provide details regarding impact of Covid-19 on Supply Chain Management of Good Look Fashion, where I am working as a full time employee since January, 2021 as Assistant Manager.

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

I trust that the report will meet the desires.

Sincerely yours,

_____

Injamamul Haq Nisu

19364068

BRAC Business School

BRAC University

Date: October 03, 2021

Non-Disclosure Agreement

This agreement is made and entered into by and between Good Look Fashion and the undersigned student at BRAC University Student Injamamul Haq Nisu.

Acknowledgement

My acknowledgement begins with thanking my academic supervisor SM Parvej Islam, who has provided me suggestions for making this Final Internship Report and also provided me with format for making and preparing the whole report. I like to thank sir for his generous cooperation and regular supervision that made me really confident about the desired outcome of my internship project. I would like to show my warm hearted gratitude to the whole Department of Good Look Fashion for providing with guidelines to accomplish this report. I would like to thank my boss Md Kamruzzaman for his invaluable support and direction that lead me to the successful completion of my report.

Executive Summary

Bangladesh confirmed its first case of COVID-19 in March 8, 2020. To stop the outbreak Bangladesh govt. restricted people's movement and shut down every organization from March 26, 2020. Because of this restriction peoples life came to a standstill. Just like many other sector economical sector faces an irrecoverable losses. As RMG sector plays the most important role in Export, it has faces the most vulnerable condition because of disrupted supply chain of raw materials, low demand of products , order cancelation from buyers and lack of transportation system. This results complete shutdown of many garment factories and laid off of 40 lac RMG workers in Bangladesh. In this internship report I will try to describe how COVID-19 situation disrupted the supply chain management (SCM) process of "Good Look Fashion" (GLF) –one of the emerging readymade garments factories in Dhaka, Bangladesh. Nonetheless how it is trying to overcome the losses from first quarter of 2021.

Keywords: Covid-19, RMG, Export, SCM, GLF.

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List of Acronyms

GLF   Good Look Fashion

SCM   Supply Chain Management

SWAT   Strength, Weaknesses, Opportunities, Threats

QC   Quality Controller

WIP   Work in Process

RMG   Ready Made Garments

BGMEA   Bangladesh Garment Manufacturers and Exporters Association

EU   European Union

UAE   United Arab Emirates

Glossary

Internship Report	An internship report is a document that reviews your experience at a company as an intern.
Production Department	This department looks after total factory operation. It has a number of section namely production planning, store, sample, cutting, sewing, finishing and maintenance section.
Quality Controller	After making the garments they check the garments weather it is ok or not.
Globalization	It's a process by which businesses or other organizations develop international influence or stat operating on an international scale.
Pandemic	An outbreak of a disease that occurs over a wide geographic area (such as multiple countries or continents) and typically affects a significant proportion of the population

Chapter 1

Overview of Internship

1.1 Student Information

Name:	Injamamul Haq Nisu
ID:	19364068
Program:	Master of Business Administration
Major:	Operation and Supply Chain Management

1.2 Internship Information

1.2.1 Company Information

Period: Full time (From January 2021- Present)

Company: Good Look Fashion

Address: House#2, Road#1, West vatara, Khondokar barir mor, Gulshan, Dhaka

1.2.2 Company Supervisor's Information:

Name: Md. Kamruzzaman

Position: Proprietor

1.2.3 Job Scope (Description/ duties / Responsibilities) :

➢ Ensure all equipment is running properly.

➢ 2. Ensure proper supply chain management of raw materials and finished goods.

➢ Ensure deadline for product delivery.

➢ Communication with buyers.

➢ Ensure safety of workers.

➢ Ensure rules and regulation in the workplace.

1.3 Internship Outcome

As I am working here as a full time employee, obtained knowledge from the MBA program helped me in developing work habits and attitudes necessary for the job success. Beside the Integrate theory and practice encouraged me to explore career alternatives within the organization I am currently employed.

1.3.1 Student's contribution to the company:

COVID-19 virus has spread to all over the world. To minimize impact of the epidemic on business, its performance results and, most importantly, on employees – these are the main issues of concern. My roles and responsibilities allowed me to coordinate the activities of different business units of production, monitor and provide the necessary information to senior management team for further communication with employees, customers, and partners.

1.3.2 Benefits:

During the pandemic of Covid-19, a new set of Strengths, Weaknesses, Opportunities, and Threats related to the industry have been faced in the organization. While dealing with this unanticipated disruption of a global crisis I have become more resilience to face these challenges and thus become more agile in showing appreciation, providing individualized support, communication skills, professional behavior and knowledge, technology skills, specific skill-building, project-related skills and employability-enhancing activities.

1.3.3 Difficulties:

Good Look Fashion's business too has suffered in line with other businesses as far as the pandemic is concerned. As a manufacturing business, success of the company depends on an efficient supply chain, route to market and retail. Given that all of these elements have faced severe disruption over the years, so too has the business.

1.3.4 Recommendations:

As a workers oriented company, Good Look Fashion is everything that is possible being compliance. My recommendation towards the organization to keep up all the initiatives and update and being agile wherever required. Some of the appreciation worthy on going initiatives:

1. Supports in COVID-19 Test at a reliable organization and ensure all the workers and staffs are vaccinated.

2. Maintain all the safety precaution of COVID-19.

3. Mandatory hand sanitizing on the entrance of the factory.

4. Temperature check on entrance.

5. Ensure social distancing on workplace.

6. Multiple shifts run with 50% capacity.

7. Regular updates and guideline to deal with Covid-19 in daily life.

Chapter 2

Organization Overview, Operations, and a Strategic Audit

2.1 Overview of the company:

Good Look Fashion is an emerging readymade garments manufacturing company operating in Dhaka, Bangladesh and our manufacturing products are sold in USA, EU, Malaysia, Saudi Arabia and Philippine. Founded in 2016, the Good Look Fashion situated in Dhaka, Bangladesh.

Vision of the Good Look Fashion is to be the brand in Manufacturing Industry. In terms of capital adequacy, efficiency, sound management, asset quality and profitability having strong liquidity they want to be the best Private Garments factory in Bangladesh.

Mission of the company is to strengthen the readymade garments sector of Bangladesh by exporting highest quality manufactured products at a competitive price.

2.2 Summary of Good Look Fashion

Organization Name	Good Look Fashion
Business Started	2016
Factory Location	House#2, Road#1, West vatara, Khondokar barir mor, Gulshan, Dhaka
Type of Factory	Manufacturing
Business Membership	BGMEA
Nature of Project	100% Export Oriented Garments Industry
Total Staff	600
Total Garments Per Year	1 million piece
Production Floor Spaces	More than 16000 sft
Sewing Lines	10
Machine Facilities	Over 400 modern machines

Table 1: Overview of the organization

2.3 Objective

➢ Keeping continuous communication and close relationship with buyers.

➢ Maintaining quality standard to satisfy customers.

➢ Keeping ethical values high and ensuring transparency while dealing with customers.

➢ Creating healthy environment in workplace for employees.

➢ Delivering quality products to customers.

2.4 Methodology

Methodology of an organization defines how it runs its business in terms of limited resources and assets. Good Look Fashion also follows some methods to run the business. Methodology of Good Look Fashion are given below-

Figure 1: Methodology of Good Look Fashion

2.5 Products

Good Look fashion is basically a manufacturing company of T-shirt, Polo shirt, jeans, trouser and pants. They produce quality full dresses of various style round the year for renowned brands.

Buyer wise export country name are given below-

SL	Buyer	Logo	Country Name
1	Dimensions		UK USA
2	Target		USA
3	Jack & Jones		Belgium, Denmark, Finland, France, Germany, Great Britain, Greece, Ireland, Italy, Netherlands, Spain, Sweden, Switzerland, Turkey
4	Next		UK UAE
5	C&A		Belgium, Germany, Netherlands, China, France.
6	Zara		Spain Argentina
7	OTF		USA Canada

Table 2: Buyers of GLF

2.6 Management practices

Management of an organization decides the goal of it and sets its mission and vision to achieve the common goal. Success of an organization depends on the decision of management bodies. It's their responsibilities to align between organizational goal and employees expectations by giving proper direction. Organogram of Good Look Fashion is given below:
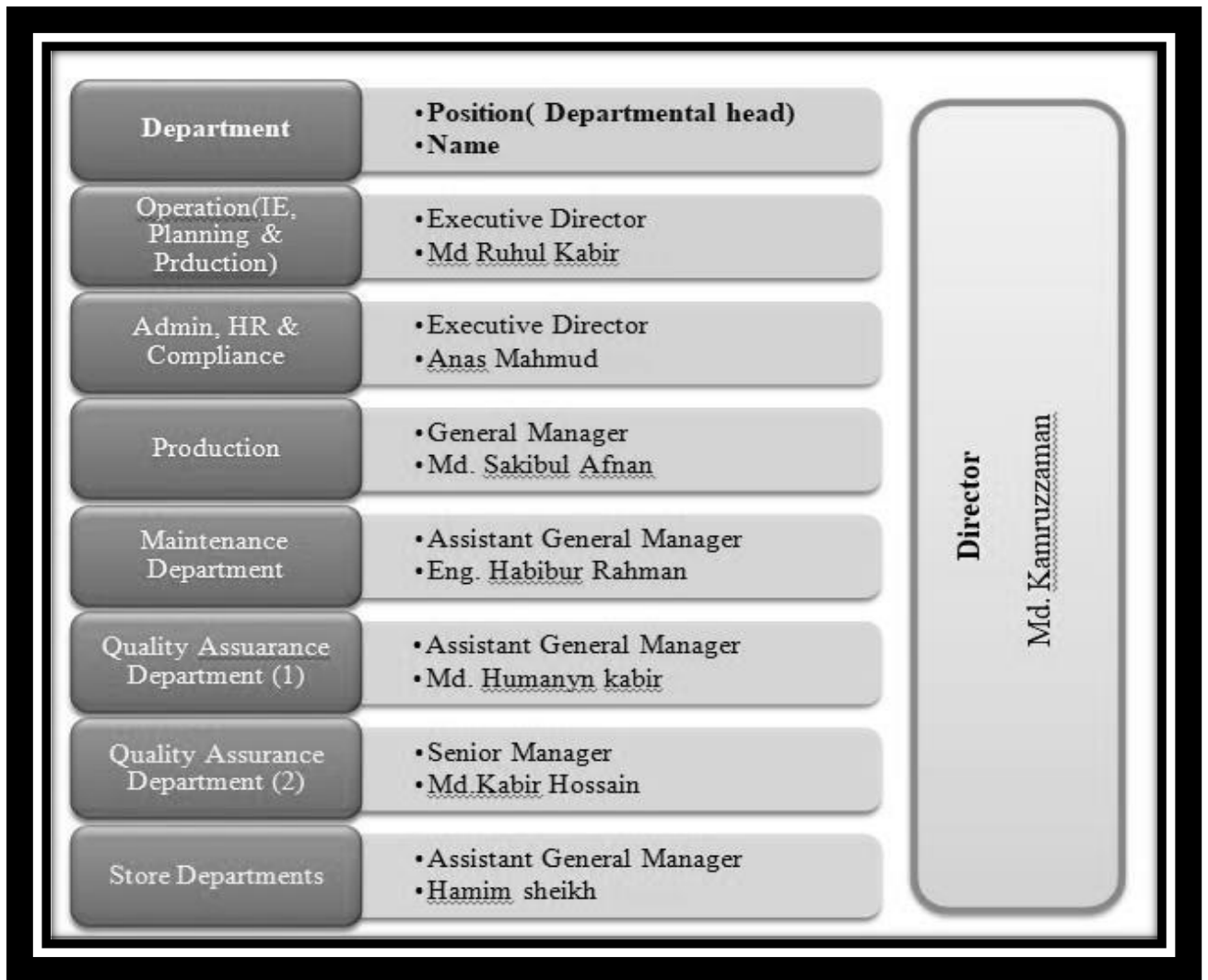
Figure 2: Organogram of Good Look Fashion

2.7 Financial practice procedure:

Process of how they work-

Figure 3: Process of work of Financial Department

2.8 Industry and Competitive Analysis

2.8.1 Porter's Five Forces Analysis

Porter's Five Forces model helps to understand an industry's strengths and weaknesses. For that we need to identify and analyses five competitive forces which is the configuration of every industry.

Figure 4: Porter's Five Forces Model

Threat of New Entrants

New Garments Company can put pressure on Good Look Fashion. Good look Fashion needs to resolve the problem effectively.

Bargaining Power of Suppliers

There are a few reliable numbers of suppliers who supplies raw materials to Good Look Fashion. Because of higher number of suppliers they can retain more grips on price.

Bargaining Power of Buyers

Market expansion allows the company to work with versatile buyers from all over the world. This market expansion strategy automatically shortens the bargaining power of buyers.

Threats of Substitute

Good look Fashion offers a quite long range of garments offerings that have a good number of substitutes. Here rule is that the more numbers of substitutes the lower of the bargaining power. As a result market expansion will lead to greater number of substitute available for the company.

Industry Rivalry

Good Look Fashion has to always compete with their competitor as there are plenty of opponents in the market. Though market expansion makes it easier for the company to reach new customers that makes the company more available for the buyers.

2.8.2 SWOT Analysis

Organization's strengths, weaknesses, opportunities, threats Can be measure through SWAT analysis. It is one of the most important step for making a perfect strategy.

Figure 5: SWAT analysis

Strength

Strengths of Good Look Fashion are discussed below-

- Loyal and experienced employees.
- Product delivery on time
- Higher efficiency
- Advanced machinery.

Weaknesses

Weaknesses of GLF are given below-

- Staffs and workers show rigidity to new ideas in first time due to their bounded knowledge

- No training session for workers.

- Old version of inventory tracking software

Opportunities

Opportunities of GLF are given below-

- Good Luck Fashion emphasized more on business expansion. It can be more beneficial by segmenting the buyers into different categories.

- Its location is very near to the airport. It's an advantage for the company. Transportation for sea port is also available from its address.

- Management keeps a very close relation with buyers from different continent of the world, which creates opportunities to connect more buyers.

Threats

Threats of GLF are given below-

- Due to lacings of deep sea port facility, transportation cost is comparatively high.
- Automation needs huge investment but without automation competitors take advantages.
- Political crisis and pressure from labor union

Chapter 3

Project part: Impact of COVID-19 on Supply Chain Management of GLF

3.1 Introduction

The rapid spread of COVID 19 has forced Bangladeshi government to apply restriction on people's movement and in some cases government declared complete shutdown, which caused a sharp decline in countries economic growth. As a result travel, hospitality, finance, entertainment, and education sector received the first blow. Among economic sectors, RMG sector faced a very vulnerable situation. One of the main reasons behind this situation is that China the largest raw materials supplier of RMG materials went complete shutdown from January 2020 after the detection of 1'st case of corona virus patient in Wuhan. Another reason is the cancellation of orders from Europe and the American buyers because they are the largest RMG products importer from Bangladesh. These 2 reason caused a sharply decline in the demand of RMG products and ultimately it has led to the shutting down of maximum garments factories of the county. These affected countries most export sector and the life of 4 million RMG workers (BGMEA, 2020). This part of the paper looks into the impact of the COVID-19 on the supply chain perspective of Good Look Fashion, one of the emerging garments factories of Bangladesh.
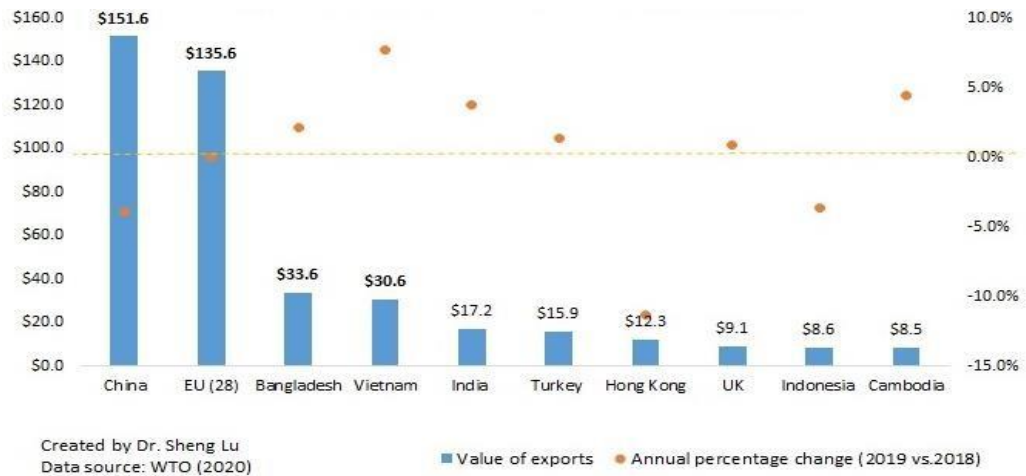
3.2 Textile industries before COVID-19

Figure 6: Top ten exporters of clothing countries' value of exports and annual percentage change in the year 2019

3.3 Overall scenario of Bangladesh RMG sector during COVID-19

China and Vietnam; the most close competitor of Bangladesh RMG sector resumed their operations while Bangladesh imposes complete shutdown of factories in the 2nd quarter of 2020. MGMEA decided to partially reopen the factories as they were fearful of losing the markets. Ministry of health and government gave some guideline to the factory owners and workers. But there were no coordination between the decision and implementation. As a result, by May 8, 2020, 97 RMG workers had been infected by COVID-19(Sakamoto et al., 2020). Workers of these industries were also protesting for reopening of all the factories as they were more fearful of losing their jobs and starvation than Corona viruses (Arab News, 2020). The government has offered a stimulus package of 501 million USD for RMG sector. But the situation didn't improved much as the factories themselves were not receiving payment from buyers. Rather some of the buyers were demanding for deferred payments, discounts, and some just refused to pay. These similar kind of scenario continuous till the 1st quarter of 2021.

3.4 Impact of COVID-19 on Good Look Fashion

Just like the other garments factory Good Look Fashion had to close its operation because of government restriction on business operation. Almost 2 months the factory had to remain close because of lockdown but the workers and staff had to pay full salary. This was a huge pressure to carry on. After the opening of factory new problem arises. As there were no shipment of raw materials from china and other countries the factory had no other choice but to remain idle. Moreover many buyers cancelled their orders because of low demand for clothing and lack of transportation. To survive it began to outsource raw materials from other sources at a very higher cost and began manufacturing targeting local markets. The marketing team had a very tough time to find new local buyers. The orders from local buyers were not enough to gain profit but enough to bear the expenses. Good Look Fashion had no other choice but to run the business to survive in the market.

3.5 Order volume from 2016 to 2020 in GLF

3.5.1 Orders and production in 2016

Orders of GLF in 2016

■ Series1

Number of pieces

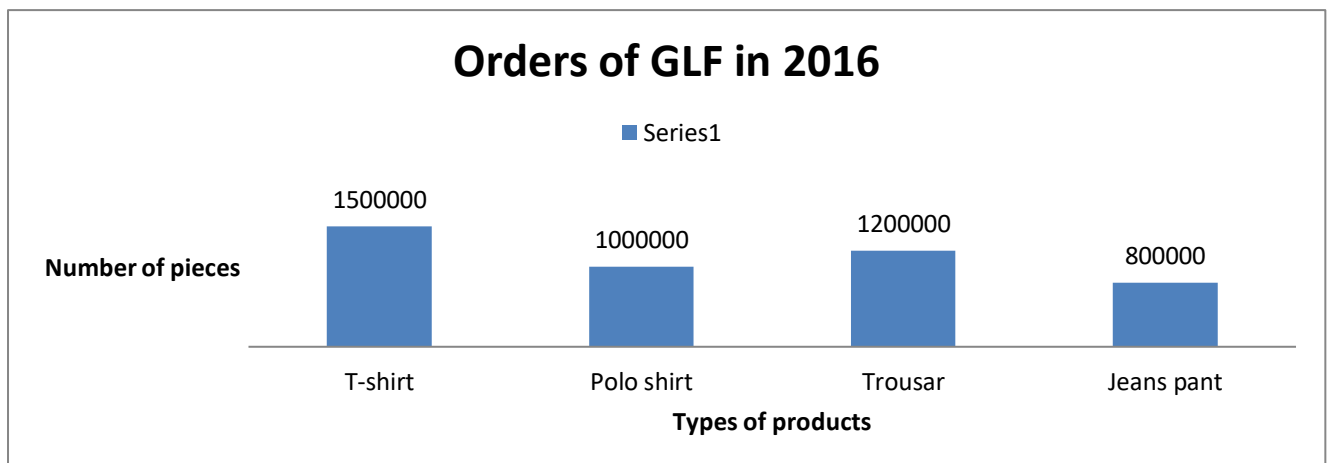| T-shirt	Polo shirt	Trousar	Jeans pant
1500000	1000000	1200000	800000

Types of products

Figure 7: Number of orders for different type of products in 2016

2016 was the beginning year for Good Look Fashion. Because of expert marketing team and well established business partners it manages to have some production orders from EU which helps GLF move forward.

3.5.2 Orders and production in 2017

production of GLF in 2017

■ Series1

1800000

1200000

1500000

1200000

Number of pieces

T-shirt   Polo shirt   Trousar   Jeans pant
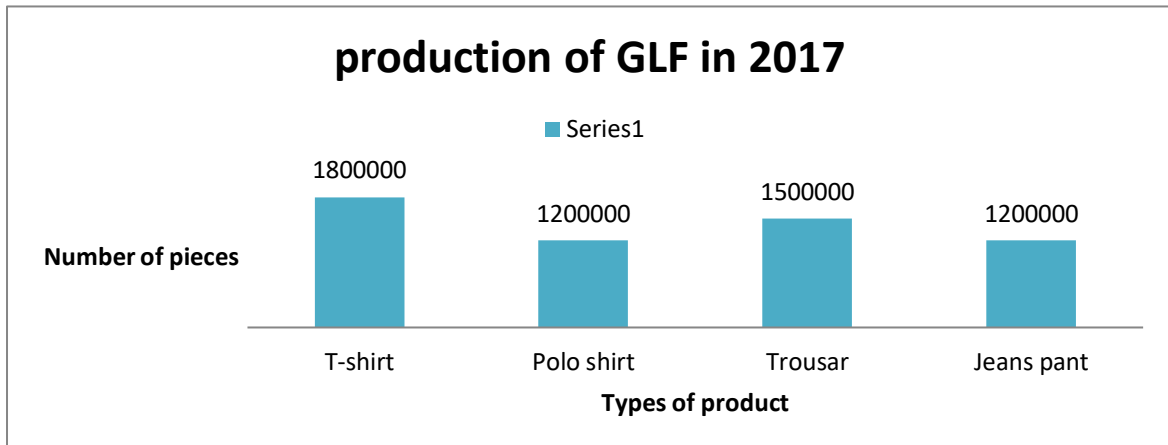
Types of product

Figure 8: Number of orders for different type of products in 2017

2017 was the 2nd year for GLF. From the experienced it has gained from the last year it has started to gain some momentum and building trust with the buyers.

3.5.3 Orders and production in 2018

Production of GLF in 2018

■ Series1

2200000

1500000

1500000

1500000

Number of pieces

T-shirt   Polo shirt   Trousar   Jeans pant
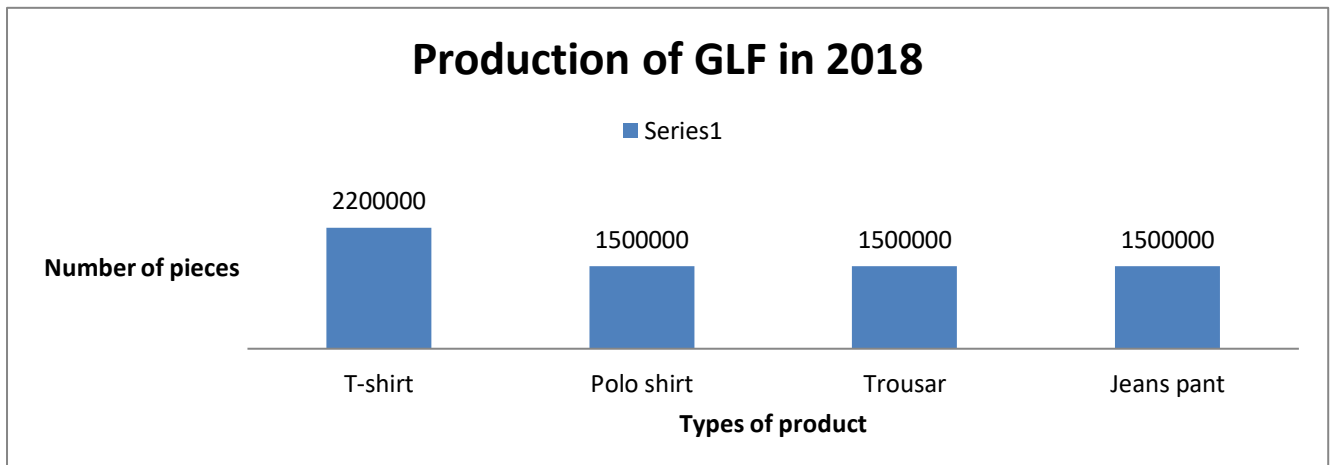
Types of product

Figure 9: Number of orders for different type of products in 2018

Good Look Fashion continuous to grow rapidly throughout the year of 2018. Increasing demand from buyers and smooth supply chain management process helps the organization to gain the momentum.

3.5.4 Orders and production in 2019

Production of GLF in 2019

Series1

Number of Pieces

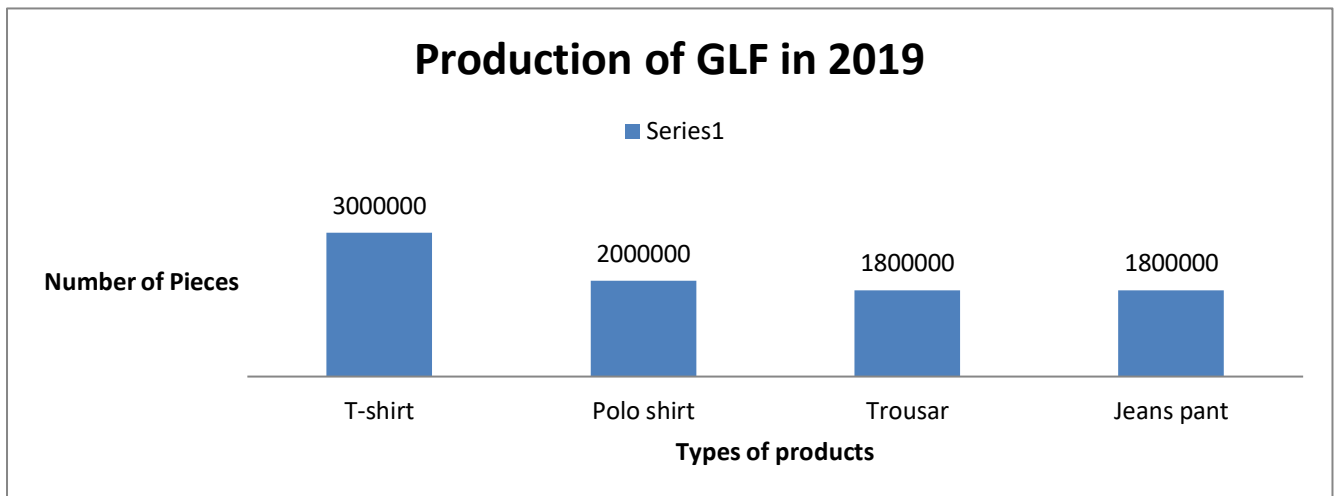|			
3000000	2000000	1800000	1800000
T-shirt	Polo shirt	Trousar	Jeans pant

Types of products

Figure 10: Number of orders for different type of products in 2019

2019 was the best year for GLF. The organization continues to grow rapidly while keeping the promises of good quality products to its buyers. Because of the expansion policies it has managed some new buyers from different countries.

3.5.5 Orders and production in 2020

Orders of GLF In 2020

Series1

Piece

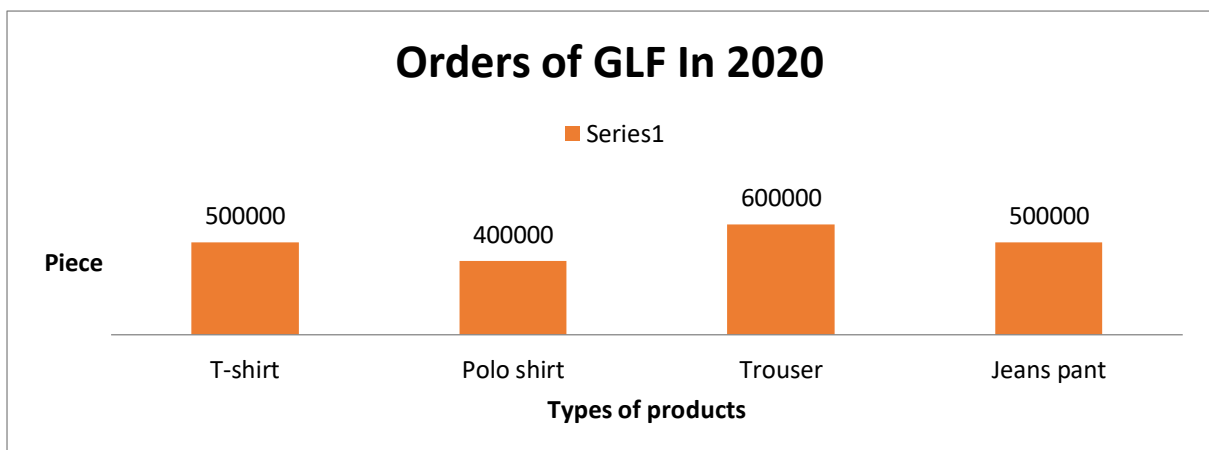|			
500000	400000	600000	500000
T-shirt	Polo shirt	Trouser	Jeans pant

Types of products

Figure 11: Number of orders for different type of products in 2020

GLF has seen a sharp decline in orders and number of production because of order cancelation, low demand, transportation problem and disrupted supply chain management due to COVID-19 pandemic. It has lost almost 80% revenue compared to last year. 2020

was the year for survival only.

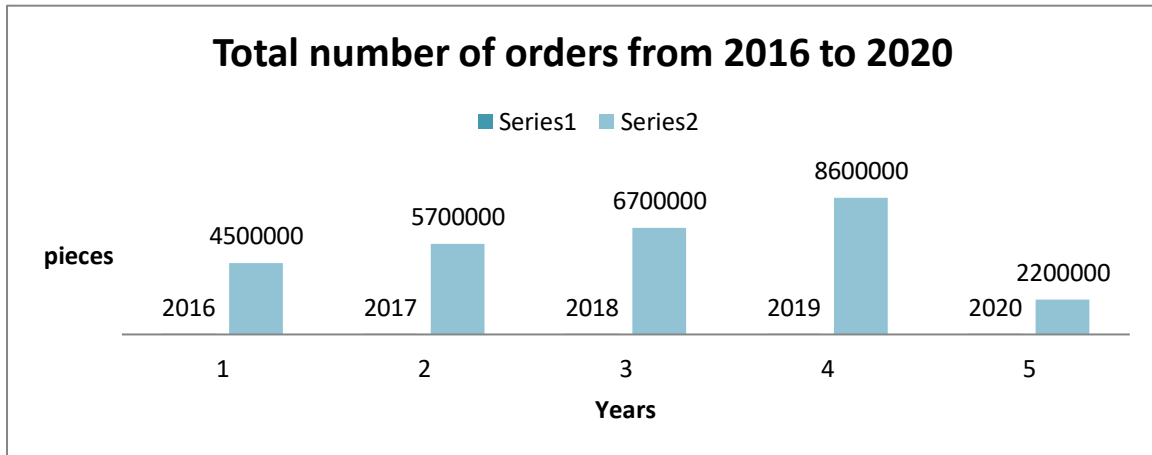## 3.5.6 Total number of orders and production from 2016- 2020

Total number of orders from 2016 to 2020

■ Series1 ■ Series2

pieces

| | 4500000 | 5700000 | 6700000 | 8600000 | 2200000 |
| 2016 | | 2017 | | 2018 | | 2019 | | 2020 | |

1   2   3   4   5

Years

Figure 12: Total number of orders for different type of products from 2016-2020

3.6: Revenue of GLF from 2016 to 2020

Revenue of GLF from 2016-2020

■ Series2

Million BDT

0.8   1.3   1.8   2.2   0.4

2016   2017   2018   2019   2020
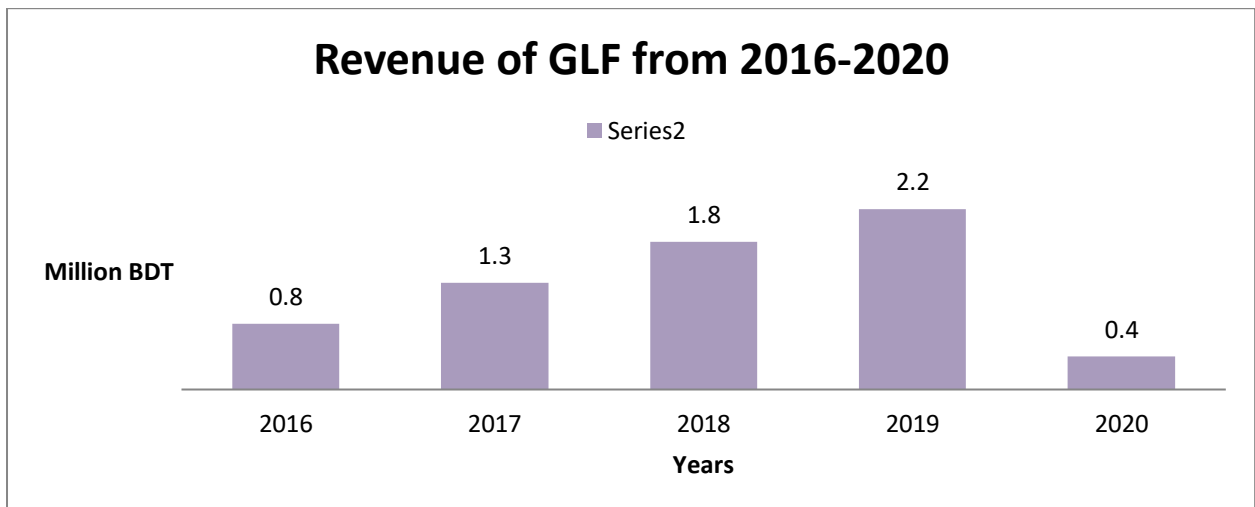
Years

Figure 13: Revenue of GLF from 2016-2020

It is very clear from the chart that after the establishment in 2016 the organization was doing well in terms of revenue generation. It has experienced a continuous growth every year from the previous year. As a result the tendency of the chart was upward until 2020. Due to worldwide pandemic the organization has a significant amount of revenue.

3.7 Findings and Analysis:

Worldwide outbreak of COVID-19 has created recession in economy worldwide. As a developing country Bangladesh also got affected. Like many other sector RMG sector also faces some irrecoverable losses. As a garments factory GLF also faces economic losses due to low demand from buyers and disrupted supply chain for raw materials. As a new and emerging organization it was difficult for the organization to run and bear the losses. But because of some quick and effective decision from management of GLF it survived the tough time and trying to gain the momentum.

3.8 Recommendations:

COVID-19 is a worldwide problem. We have to deal with it and run business at the same time. To minimize the losses and keep it going it needs to take some steps like-

1. Supports in COVID-19 Test at a reliable organization and ensure all the workers and staffs are vaccinated.

2. Maintain all the safety precaution of COVID-19.

3. Mandatory hand sanitizing on the entrance of the factory.

4. Temperature check on entrance.

5. Ensure social distancing on workplace.

6. Multiple shifts run with 50% capacity.

7. Regular updates and guideline to deal with Covid-19 in daily life.

8. Keeping close relationship with buyers

9. Expand the business to more countries

10. More variety in production.

Chapter 4

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