

INTERNSHIP REPORT

ON

“Critical analysis of Amra Korbo Joy (AKJ)”



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Session: 2011-2015

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LETTER OF TRANSMITTAL

24th August, 2015

Tahsan Rahman Khan

Senior Lecturer

BRAC Business School

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Subject: Submission of internship report.

Dear Sir,

With the passage of time, I am student of BRAC Business School standing on the other entity of my course completion, hence are finalized with my internship report naming as **“Critical analysis of Amra Korbo Joy(AKJ)”**. Vividly enough, my research comprises adequate endeavors. But no doubt, my contribution will be best evaluated on your sharp scale of acceptance & analytical remarks.

Consequently, I am submitting my report on your very concern. Hopefully, you will discover my well-researched, informative approach as a hallmark of hard work. Rather, in case of any further clarification or elaboration as to my report, I would welcome the opportunity to consult with you to explore how my findings could best meet your needs.

Thanking You.

Sincerely,

Tahsina Begum

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Session: 2011-15

BRAC Business School

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DECLARATION

I hereby declare that the report namely “**Critical analysis of Amra Korbo Joy (AKJ)**” is completed by me which is based on my practical work experience and a comprehensive study of the existing activities of Nestlé Professionals department of Nestlé Bangladesh Ltd.

I also declare that this report is my original work and does not breach any existing copyright. This particular report has not been previously submitted to any other University/College/Organization for academic qualification/ certificate/ diploma or degree.

I have prepared it for the academic purpose of Bachelor of Business Administration degree which requires practical work experience.

Tahsina Begum

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Session: 2011-15

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ACKNOWLEDGEMENT

Firstly, I would like to thank my academic supervisor Mr. Tahsan Rahman Khan, Senior Lecturer, BRAC Business School, BRAC University for providing me all the necessary helps for the completion of this report. Thank you very much Sir for guiding me to start and complete successfully of this report. I am also thankful for your patience that you have shown during the project.

Secondly, I would like to thank, Masum Uddin Khan, Country Business Manager, Nestle Professional, Nestlé Bangladesh Ltd, and my Official Supervisor, Sakib Ahmed Chowdhury for entrusting me with such an important project and allowing me scope to work independently, providing all required support. I also thank Istiaq Ahmed, Brand Executive Beverage, Nestlé Bangladesh Ltd. for providing me with the information required to conduct my report.

I also apologize heartily for any omitted name whose contribution was also complementary for any possible aspect. Lastly, I solemnly thank the Almighty.

EXECUTIVE SUMMARY

Nestlé is world's largest health, nutrition and wellness company with a mission of "Good Food, Good Life" which actually drives the company to provide consumers with the best tasting and most nutritious food choices in a wide range of food and beverage categories and eating occasions. Although globally it is twice in size of its nearest FMCG (fast moving consumer goods) competitors, in Bangladesh its journey is comparatively new. Nestlé Bangladesh Limited, a wholly owned subsidiary of Nestlé S.A., started its commercial production in 1994. Today Nestlé Bangladesh Limited is strongly positioned to grow through its policy of constant innovation and renovation, concentrating on its core competencies and commitment to high quality, with the aim of providing the best quality food to the people of Bangladesh.

The report is based on a working project and the aim of the report is to figure out how to develop a sustainable self-sustaining business model to promote Nescafé and the perception of people about street selling of Nescafé. This report is designed in six major chapters. Initially the opening words about the report were described in the first segment titled "Introduction". The next segment "Company Profile" contains the history of Nestlé, Product/service offerings, Operational network organogram, Nestlé Bangladesh Ltd. and Visions & mission for the future.

Next chapter is about my job and major responsibilities; where I have tried to describe my job and some of its drawbacks. Then comes the project that I was assigned in.

In the following part of this I have discussed about the project "Amra Korbo Joy" in details like how to develop a project, its financials and possible future etc. The last & final part contains the concluding part. Before drawing any conclusion based on this report it may be noted that there might be lack in data, but still it may be useful for designing any further study

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Nestlé

CHAPTER- 1

INTRODUCTION TO REPORT

Good Food, Good Life

1.1 Background of the study

Knowledge and learning become perfect when it is associated with theory and practice. Theoretical knowledge gets perfection with practical implication. As the concerning parties; educational institution and the organization substantially benefit from such a program namely “Internship”, the sole purpose of internship is to train the students and prepare themselves for the real life in job markets. I have developed this internship report as a partial requirement to acquire the BBA degree under direct supervision of Tahsan Rahman Khan, I have tried my best to make this report informative and enriched so that the real things can easily be displayed.

1.2 Origin of the study

This report is a requirement of the internship program for my BBA program. My supervisor Tahsan Rahman Khan assigned me the topic “**Critical analysis of AmraKorboJoy(AKJ)**” I have tried my level best to make it as an excellent one. I used all the latest data and information. I have been serving this company as an intern under Nestle Professional department for last three months. This is an internship project study on So, I am getting the opportunity to be very close to activities of Nestlé Bangladesh Ltd. My supervisor Mahmudul Hasan guides me time to time to make this report fruitful.

1.3 Objectives of the study

General Objective:

The objective of the study is to focus on one broad issue that is “Critical analysis of AmraKorbo Joy(AKJ)” This paper also covers some other factors related to the marketing and distribution functions of Nestlé Bangladesh and its effectiveness which are included under the heading of specific objectives.

Specific Objectives:

- ❖ To know about Nestlé Global and Nestlé Bangladesh Ltd.
- ❖ To know about the company’s current mission, vision, objectives, and goals.

- ❖ To have a very practical idea and over viewing the marketing functions and their performance in Bangladesh.
- ❖ To find out that what all strategies a company makes and follows for their products.
- ❖ To understand the trend of Bangladesh food market for Nestlé
- ❖ To find out the efficiency and effectiveness of existing Marketing system.
- ❖ To analyze the strength of Nestlé in the Baby food segment.
- ❖ Defining their marketing mix, market segmentation, target market and product positioning and key marketing areas.
- ❖ To identify the distribution strategy and its effectiveness.
- ❖ Find out their strength, weakness, opportunities, threats

1.4 Scope of the study

This paper talks about the current business operation of Nestlé Bangladesh Ltd. There is only detail description of the marketing function of the company because of the availability of information to me as I was working in one of the marketing function at Nestlé Bangladesh Ltd. Moreover in the project part I will try to identify the overall marketing functions of Nestlé Bangladesh Ltd.

1.5 Methodology

The study is conducted on a systematic procedure starting from selection of the topic to final report preparation. I presented this report on the basis of my experience as an intern in Nestle Bangladesh Ltd. during these three months. I have conducted descriptive research and most importantly I have used my practical experiences that I got from the actual market. The overall process of methodology followed:

i) Selection of the Topic:

My supervisor assigned me this topic of the study. Before the topic was assigned it was thoroughly discussed so that, a well-organized internship report can be prepared.

ii) Sources of Data:

Both primary and secondary sources would be used to collect information for this report. Main source of information about the business of the Nestlé Bangladesh and for the analysis is collected from various resources of the company. Most of them can be treated as the secondary data. Furthermore, I do have the direct work experiences gathered from the field.

Primary data:

- Direct market observations
- operator management
- Face to face conversations with employees, distributors and consumers

Secondary data:

- Company's reports
- Presentations slides
- Websites

1.6 Limitations of the study

- The collection of primary data is always a difficult thing because it is hard to ensure the authenticity of the data.
- It is likely that managers might be skeptical about sharing certain company information with the interns.
- Therefore, getting the exact picture is always a challenging task.
- As it is first experience in corporate world, there was always scarce of knowledge and experience of mine.
- There was short of time. It is difficult to understand the overall marketing strategies of a giant company like Nestlé Bangladesh in three months.



CHAPTER- 2

COMPANY OVERVIEW

Nestlé

Good Food, Good Life

Nestlé S.A is a Swiss multinational food and Beverage Company headquartered in Vevey, Switzerland. It is the largest food company in the world measured by revenues and ranked 72 on the Fortune Global 500 in 2014.

Nestlé has a primary listing on the SIX Swiss Exchange and is a constituent of the Swiss Market Index. It has a secondary listing on Euronext. In 2011, Nestlé was listed No. 1 in the Fortune Global 500 as the world's most profitable corporation. With a market capitalization of US\$233 billion, Nestlé ranked No. 9 in the FT Global 500 2013

In the food industry Nestlé is the most trusted name with high quality products. — “Good food Good Life” is the mission of Nestlé, which drives the company to provide consumers with the best tasting and most nutritious choices in a wide range of food and beverage categories and eating occasions, from morning to night. The vision of —creating shared value and the very own —Corporate Business Principles —shaped the company culture and made them a reliable investor over 86 countries of the world. Today Nestlé employs around 280000 people and have factories or operations in almost every country of the world with a total equity of CHF 62.60 billion.

2.1 History of Nestlé

Nestlé's origins date back to 1866, when two separate Swiss enterprises were founded that would later form the core of Nestlé. In the succeeding decades, the two competing enterprises aggressively expanded their businesses throughout Europe and the United States.

In August 1867, Charles (US consul in Switzerland) and George Page, two brothers from Lee County, Illinois, USA, established the Anglo-Swiss Condensed Milk Company in Cham, Switzerland. Their first British operation was opened at Chippenham, Wiltshire, in 1873.



Hanri nestle

In September 1866, in Vevey, **Henri Nestlé** developed a milk-based baby food, and soon began marketing it. The following year saw Daniel Peter begin seven years of work perfecting his invention, the milk chocolate manufacturing process. Nestlé's was the crucial cooperation that Peter needed to solve the problem of removing all the water from the milk added to his chocolate and thus preventing the product from developing mildew. Henri Nestlé retired in 1875 but the company, under new ownership, retained his name as SociétéFarineLactée Henri Nestlé.

2.2 Global Brands of Nestlé

Nestlé with headquarters in Vevey, Switzerland is the world’s leading nutrition, health and wellness company. The Nestlé story began when the company became known with the first milk based foods for babies. Today Nestlé is the world’s largest food company, employing around 276,000 people at 481 factories in 87 Countries and operating in almost every country in the world. Nestlé has divided its worldwide operations into three zones:

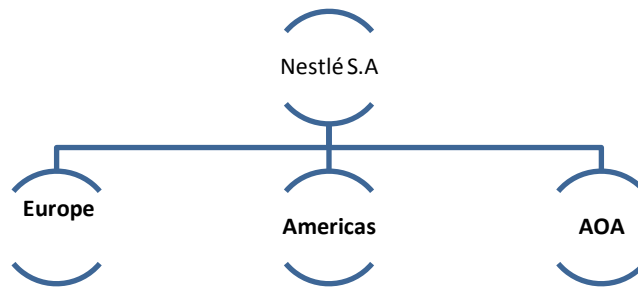


Figure 1 : Nestlé Global

Europe: Adriatic, Benelux, Iberian and Russia

Americas: Austral-America, Bolivarian, Caribbean and Central American

AOA: Asia, Africa and Oceania

2.3 Product of Nestlé global

Nestlé has 8,000 brands, with a wide range of products across a number of markets, including coffee, bottled water, milkshakes and other beverages, breakfast cereals, infant foods, performance and healthcare nutrition, seasonings, soups and sauces, frozen and refrigerated foods, and pet food.

Brands	Products
Appliances	BabyNes,DolceGusto,NescaféAlegria,Nescafé Barista, Nespresso,Special.T
Baby Nutrition	Cerelac,Gerber Graduates, Mucilon, NaturNes, Nestum, Nidal (brand),Nido

Baking	Libby's Pumpkin Toll House
Bottled water	Arrowhead, Buxton Comtrex ,Deer Park, Hépar Ice, Mountain OzarkaPanna, Perrier Poland, Spring, Pure Life, Quézac, San Pellegrino ,Vittel Zephyrhills
Cereals	Cheerios, ChocapicChokella, Cini Minis, Clusters Cocoa, Crisp Cookie, Crisp Corn Flakes, Country Corn Flakes, Curiously Cinnamon Fitness, Fitness Fibra Gold Flakes, Golden Grahams, Golden Nuggets, Honey Gold Honey
Chocolate and desserts	Blue Riband, Breakaway Butterfinger, CaillerCaramac, Carlos V Chico, babies Choclait Chips, Choco Crossies, Chocolate Log Chokito, Chunky Club, Coffee Crisp, Crisp Crunch, Die Weisse, Drifter Golden Rough Goobers
Coffee and beverages	Abuelita, BabyNes, Carnation Caro, Chuckie (beverage), Coffee-Mate, Dolce Gusto, Juicy Juice, Klim La Lechera, Lion Menier, Milo, Nescafé, Nescau, Nesfruta, Nespresso, Nesquik (mix), Nesquik, Ready-To-Drink Nestea, Nestlé Chocolate, Nestlé Dessert ,Ovaltine, RicoréSjora, Sublime Sweet Leaf
Health and nutrition	Nutramen, Junior Nutrament, PamLabPeptamen, Boost Resource
Ice cream	Camay, D'Onofrio, Dibs (ice cream), Dreyer's/Edy's, Drumstick Eskimo Pie, Extreme Fab Frosty Paws, Haagen-Dazs, Hjem-IS Ice creamers, Kit Kat La Cremeria ,La Laities Lanvin (chocolate), MaxibonMövenpick
Prepared and Packaged Food and Snacks	Buitoni, California Pizza, Kitchen DiGiorno, Garden Gourmet, Herta Hot Pockets Jack's, Lean Cuisine, Libby's Lean Pockets, Maggi, Maggi noodles, Mousline, Nestlé Starz Roll Ups, Stouffer's Thomy, Tombstone
Dairy Products	Actiplus, After Eight Carnation Cerevita, Coffee-Mate, Dancow, Everyday Kit Kat, La Lechera La Laitère Milkmaid ,Nesquik, Nesquik Minis ,Rolo

	SKI
Milo	Milo granules, Milo Chocolate Bar, Milo Cereal
Petcare	Alpo Bakers, Complete Beggin' Strips, BenefulBonio, Cat Chow ,Chef Michael's Dog Chow Fancy, Feast Felix Friskies

2.4 Nestlé Bangladesh

Nestlé Bangladesh Limited started its commercial operation in Bangladesh in 1994. Its total authorized capital is TK1.5 billion and total paid up capital is TK 1.1 billion. The only factory of the company in Bangladesh is situated at Sreepur, 55 km north of Dhaka. The factory produces the instant noodles and cereals and repacks milks, soups, beverages and infant nutrition products. Today Nestlé Bangladesh Ltd. is a strongly positioned organization. The Company is continuously growing through the policy of constant innovation, concentrating on its core competencies and its commitment to high quality food to the people of Bangladesh

Since the beginning of Nestlé's operation in Bangladesh, the chairman of the company has been Mr. Latifur Rahman, one of the top industrialists of the country, his firm Transcom used to import the products of Nestlé. His business house Transcom is still involved in wide range of business like beverage, pharmaceutical, electronics, newspaper, tea export, fast food franchises etc. Still he remains as an honorary chairman of the company although his group Transcom does not capture any share today as Nestlé S.A. holds 100% share of this company

2.5 Nestlé Bangladesh at a glance

- Type of business:
Fast Moving Food and Beverage Company with local manufacturing facilities,
Reporting to regional business groups for innovation and business results.
- Operations:
Foods and Beverages
- Constitution:
Fully owned subsidiary of Nestlé S.A.

- Product categories:

Nutrition, Culinary, Dairy, Beverages, Breakfast cereals, confectionaries

- Manufacturing Facilities:

The Company has a Manufacturing and Packaging Factory situated at Sreepur, 55 km north of Dhaka. The factory produces instant noodles, cereals and repacks: milk, soups, beverages and infant nutrition products.

- Employees:

Nestlé Bangladesh provides employment to over 10,000 people directly and through its dedicated suppliers, distributors and service providers. 99.5% of NBL employees are locals and they have equal number of Bangladeshis working abroad in other Nestlé companies as expatriates.

2.6 Mission

Nestlé is the most trusted name with high quality products. —Good food Good Life|| is the mission of Nestlé, which drives the company to provide consumers with the best tasting and most nutritious choices in a wide range of food and beverage categories and eating occasions.

2.7 Vision

The vision of —creating shared value a company for every moment of everyday from Day-Night, Birth- Old age.

2.8 Goals

- Sustaining as a world’s leading Nutrition, Health and Wellness Company.
- To manufacture high-standard products.
- Reaching consumers through ensuring cost efficiency.
- Promoting Safety is by choice.
- Producing large volume to achieve production cost economies.
- Enabling quality products to be sold out at obtainable prices.
- Enhancing the awareness among people about using water resources.

2.9 Customers of Nestlé Bangladesh Limited

Nestlé Bangladesh Limited markets its products throughout the country with the help of the Distributors. A part from that, Nestlé Professional is a separate function which is responsible for the institutional sale. There are currently 80 distributors of Nestlé Bangladesh products of which 76 are retail distributors and remaining 4 are Nestlé Professional's distributors providing products for the out of home consumptions. The whole country is divided into six regions:

Dhaka North

Dhaka South

Chittagong

Sylhet

Bogra

Khulna

The retail distributors supply Nestlé products to four types of outlet, while Nestlé Professional Distributors supply products to different institutions.

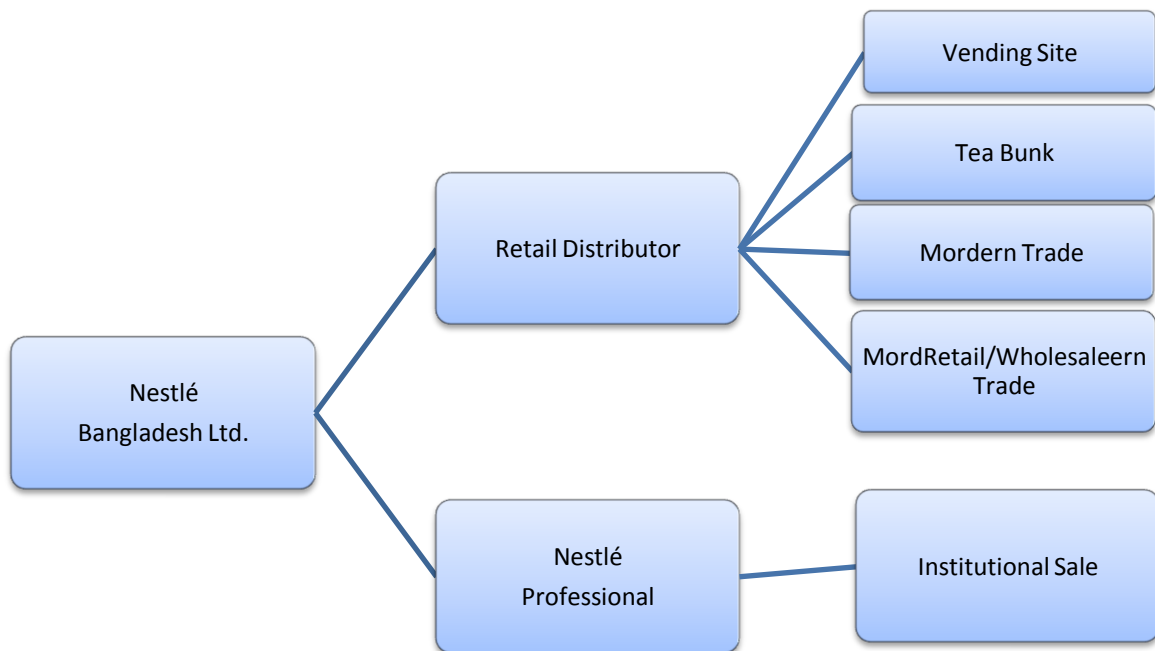


Figure 2: Customers of Nestlé Bangladesh

2.10 Functions of Nestlé Bangladesh

Day by day demand and trust on the Nestlé products are growing. Focusing on the substantial Growth and the other business perspective, the company developed its own functional areas. Currently the existing functional areas are



Figure 3: Functions of Nestlé Bangladesh

- **The General Management:** They take care of the overall operation of the company and make the key decisions.
- **Human Resource:** HR focuses on the management of employees and organizational culture; moreover HR professionals are also responsible for retaining the people who are making the difference with their competitors at the end of the day.
- **Supply Chain:** Supply chain ensures the stable supply of the products according to the demand of the customers.
- **Marketing:** looks after the existing brands, market share and product development of the products.
- **Nutrition:** Nestlé is the world's largest Nutrition Company that is why the importance of the Nutrition products is much more in comparison to the other food companies; as a result they created a totally separate team to look after the Nutrition products, such as, CERELAC, LACTOGEN.

- **Finance and control:** Finance and control deals with the financial transactions and most importantly they also apply the control mechanism to remain the company complaint financially and procedurally.
- **Sales and Nestlé Professionals:** They are responsible for earning revenue for the company, but sales goes for the retail distributors and Nestlé Professionals looks after the institutional sales.

2.11 Product of Nestlé Bangladesh

Globally Nestlé has lots of product. Near about 8000 product Nestlé has world widely but in Bangladesh we have only 20 products in the market. Nestlé believes all foods and beverages can be enjoyable and play an important role in a balanced and healthy diet and lifestyle; as a result no matter how short the product line may be but it ensures the same quality in compare to the other countries.

Category	Product Name
Culinary	Maggi: Maggi Noodles, Maggi Healthy Soup, Maggi Cube, Shad-e-Magic
Dairy	Nido Fortified, Nido Growing up Milk
Beverage	Nescafe Classic ,Nescafe 3 in 1 , Coffee Mate , Nestea (Only available for Vending Machine)
Nutrition Formula	Formula : Lactogen, Lactogen Recover ,Pre-lactogen ,All 110,Nan,Baby n Me
	Cerelac (Different Flavors)
Breakfast Cereal	Koko crunch ,Corn Flakes
Confectionery	Munch



CHAPTER- 3

Analysis of AmraKorbo Joy

Nestlé

Good Food, Good Life

3.1 Project “AmraKorbo Joy”

AmraKorbo Joy or (We shall Overcome) is an important project to sell and promote Nescafé and Nestea through using street channels of marketing. Basically it's the project under Nestle professional Bangladesh which is one the strategic business unit of Nestle Bangladesh.

The concept of this project “AmraKorbo Joy” first came from an African market of Nestlé. Basically, in 2010 Nestle Kenya came up with an idea of “MY Own Business” which is known as “MYOWBU” in Africa. This business model is developed by Nestle Professional to penetrate the street channels. Thus they can create job opportunity for the least privileged and most importantly promote their brand.

Moreover, according to global trends, coffee is the fastest growing beverage in the world. There are many different ways to consume our favorite cup of coffee like-hot, black, cold, milky, frothy, sweetened and layered; to wake up, to help you socialize and to keep you going. Many of these trends arise in out-of home where coffee sellers continuously try to innovate, differentiate and surprise their consumers. Coffee serves different daily need states and has become part of many daily rituals.

3.2 Purpose

To create a self-sustaining business model for promoting NESCAFE and NESTEA Iced Tea brand in the street channel. The model must help in creating entrepreneurs in less fortunate social classes (Termed as ‘Operator’).

3.3 Background

Lack of visibility and call to action materials of Nestlé beverages is a problem. Visibility of NESCAFE and NESTEA Iced Tea brand should be ensured in a new way that also provides a viable business model for both operator and Nestlé. In short- ‘Visibility, Profitability, Responsibility’ throughout Bangladesh.

Visibility: Every person in this nation should be able to see one seller and hear the words “Apnikiak cup NESCAFÉ khaben”? At least once every day.

Profitability: Seller wins (Through Increased Income), Operator wins (Through having a profitable business of their own) and Nestlé wins (Through increasing its product consumption). All must be profitable.

Responsibility: We must continue until we have increased the minimum wage of Bangladesh to USD 100 per month level.

3.4 Business Case

One person (employee of Nestlé distributors, Operators or is self-employed) is equipped by Nestlé with 1 t-shirt, 1 cap, 1- 3-liter flask, 2 plastic containers (For COFFEEMATE & Sugar), 3 spoons and 1 bag to carry it all in the front. Fully equipped, full kit weighs in about 5 kg. Each person operates 8 hours a day in 2 shifts per day totaling 26 days per month (Fulltime) or 4 hours in 1 shift per day totaling 26 days (Part-time). Each person should sell 1 flask or ~50 cups @10 BDT per shift (timing and amount are derived from test marketing).

Project Scope

This project includes Nestlé distributors, Nestlé professional employees, Nestlé sales team, Operators (Definition here: Any person or organization who operates commercial or institutional food or beverage outlets as a business in/out of home and complies with the legal, hygiene and operational requirements of Nestlé).

Project Financials

Financials for NESCAFÉ -Per cup	
What is the price per cup?	15 BDT
What is the cost per cup? (NESCAFÉ, Coffee-mate, Sugar, Cup, Water)*	7 BDT
What is the gross profit per cup?	8 BDT
What is the net profit per cup?	8 BDT
What are the breakeven cups?	24 (Per Day)

Financials for NESCAFÉ - Your total business		
Particulars	Per Day	Per Month
Number of cups sold	50	1300
Sales revenue	750(50*15)	19500
Gross Profit	400 (50*8)	10400
Net Profit	137.5(2.75*50)	3575

*** The End cup price is 15 BDT.

Figure: 4

3.5 Operational Objectives

In brief the objectives are below:

- ❖ Perfect Operational Efficiency
 - MOP (Method of Preparation) testing every week through weight-machine
 - 3Ws- Perfecting *Whom to sell, Where to sell and when to sell.* –Time-wise Hot spot based selection and sales management
 - Reporting daily through SMS
 - Collecting weekly consumer feedback
- ❖ Perfect Quality Efficiency
 - Ruthlessly implementing Branding, Hygiene, Safety and control requirements.
- ❖ Seller Focused Approach (Seller MUST NOT be exploited)
 - Timely incentive distribution
 - Timely salary distribution

3.6 Project Objectives

1. Visibility of Nestlé beverages throughout Bangladesh
 - a. Will be communicated upon interest

2. Profitability for operator
 - i. Each unit must be self-sustained financially
3. Responsibility towards
 - a. Consumers- Hygiene
 - i. Use Jar water or available water whichever is safer
 - ii. Not reuse unsold NESCAFE mix
 - iii. Clean mixing spoon at least once per 5 cups
 - b. Society- Include less fortunate social classes
 - i. People living under the poverty line
 - ii. Working class males and females
 - iii. Through Orphanages
 - iv. Through NGOs (Non-Governmental Organizations)
 - c. Law- Operate with full compliance
 - i. Self-explanatory

3.7 Project Operation

Recruitment-Operator,Seller,Distributor

When selecting the different players in your value chain, we recommend you ensure the following is in place:

Distributor	Operator	Seller
<ul style="list-style-type: none"> • Cash flow • Micro-Distribution • Storage for kit, etc • Hiring of supervisor • Long term view of the business 	<ul style="list-style-type: none"> • Cash flow • Food handling license • Kitchen & storage facility in line with Nestle standards • Strong focus on managing the sellers 	<ul style="list-style-type: none"> • Trustworthy • Clean • Entrepreneurial spirit • Must be 18 Years! • Food handling license (if needed) • Presentable

The recruitment of a dedicated supervisor is highly recommended if the planned numbers of kits are over 100 in a given area. This Supervisor is responsible for:

- Recruitment of operators and sellers
- Regular checks on the Operator with regards to: QA, stocks and treatment of sellers
- Be involved in taking orders and product distribution
- Regular checks on sellers on behavior and individual results
- Reporting to Nestle

Procurement of Kits

Always ensure you get a sample from already operating markets to give a clear idea of how a kit should look. The following must be considered when procuring a kit.

- **Weight:** Recommended material for fabricating the kit is fibre glass material because of its low weight
- **Flask:** Standard flasks used are 3.5 litres. Always consider the total weight of both the flask and kit before purchase. (It must be manageable considering it's used all day)
- **Comfort:** The padding of the kit on the shoulders and the strapping offer comfort when the seller is carrying the kit
- **Practicability:** Identify whether you want to use sachets or tinned product and if so, ensure that there is a place to store all the equipment required to facilitate the selling. e.g. the tin / sachets
- The flask needs to be a pumping unit. Seller cannot pour hot water!
- **Life of the kit:** The average life span of a kit is 2yrs
- Have an allocation for damaged kits as buffer stock

Branding

AMRA KORBO JOY sellers become the brand ambassador, therefore the branding's look and feel must be in line with the guidelines. Items to be branded include:

- Uniforms (T-shirts, caps, aprons (convenient for holding money), etc)

- The kit
- The flask
- Cups

Contract for the Operator and Seller

The contract acts as a guide to the terms and conditions of the business. This is crucial in any form of business as it shows the level of commitment, involvement and protection of both parties.

3.8 Project Execution

The first impression always lasts which means all efforts must be geared towards a successful launch. Proper training is important as all the stakeholders act as ambassadors of the brand. The sequence below should help to ensure a good start.

Training

The training is conducted for both the seller and the operator on the standard operating procedures and on basic Food Safety and Hygiene as explained later.

Day-to-Day Operation

- The AKJ operator buys products from an authorized NP distributor.
- The AKJ operator recruits sellers from the nearby community to sell.
- The AKJ seller picks up the kit with the flask each morning and sells HOT coffee to consumers in the allocated area.
- The AKJ operators as well as the AKJ seller earn their living on the number of cups sold per day. Daily operations are supervised by an AKJ supervisor.
- This supervisor should visit each operator weekly, during the visit he/she does a QA check, interviews at least 10 paying customers to measure consumer response and recruits new operators.
- The supervisor is under the Distributor's payroll and cost can be shared between NP and C&B in exchange for regular consumer feedback. Once a week the findings are reported back to Nestlé.
- This is a self-motivating program and both the AKJ operator and AKJ seller decide on the daily income they would like to earn, but adhering to a set minimum cups per day to ensure Nestlé's investment is safeguarded.

Roles and Responsibilities

Nestlé Professional Team	Nestlé or NP Distributor	AKJ Supervisor	AKJ Operator	AKJ Seller
Provides the general direction on taking the business forward	Provides stocks as and when required to the AKJ operator	Is appointed by a 3rd party agency who has been contracted by NP	Appointed and has signed an agreement with NP	Employed by AKJ operator
Monitors and controls the AKJ operation		Paid by the 3rd party agency	Terms and conditions	Normally from the neighbouring community
Provides training and other support		Responsible for all activities of AKJ	Standard operating procedures	Picks up stocks from AKJ operator
Appoints 3rd party AKJ Supervisor to control operation in the field		He/She has control of AKJ operators	Invests in a kitchen and space for AKJ operation as per Nestlé standards	Pays cash for all transactions with AKJ operator
		He/She reports to the Nestlé professional on results and issues	Recruits AKJ sellers for the operation within the neighbouring community and with agreement from supervisor	Pays cash for all transactions with AKJ operator
		Responsible for all day to day activities of hygiene/stocks/visual etc.	Controls the Operation of the AKJ sellers	Sells NESCAFÉ in market as specified

Figure: 6

3.9 Key Success Factors of project

1. Dedicated distributors
2. Integrate with local business practice
3. Variable incentive of sellers
4. Capture key locations
5. Fully dedicated resources and operators
6. Attractive margins for all stakeholders
7. Effective supervision
8. Training

Following is a brief discussion on how the Bangladesh market is responding to these-

1. Dedicated distributors:

We already have 13 dedicated Nestlé Professional distributors (3 more in process) in Bangladesh. 6 are located in key locations at Dhaka city who will deliver the products required to operators (Figure: 01)

2. Integrate with local business practice

The salary and incentive policy is maintained so that both the operator and seller can earn above average from market. This is implemented as per market study.

- The operator gives the seller a minimum amount as payment keeping the variable incentive ratio intact (point: 03 for the ratio) for the first 3 months only in order to motivate and retain sellers in this probation period.
- Currently this is minimum monthly BDT 7000 for 1167 cups @BDT15 or 1750 cups @BDT12 or 1500 cups with mixed pricing.

3. Variable incentive of sellers

We sell two different cups of NESCAFÉ. One at BDT 15 and the other at BDT 12

- The seller gets BDT 6 and BDT 4 for each cup. This is 75% and 67% of gross profit of each cup.

4. Capture key locations

We have in our database over 1000 unique locations around Universities and colleges to focus on (Figure: 02).

After each seller goes to these locations, 1st week is used to assess the routes (Figure: 03) and find the hot spots and perfect time of the day to focus on. Based on this the seller knows *Where to go* *When*.

5. Fully dedicated resources and operators:

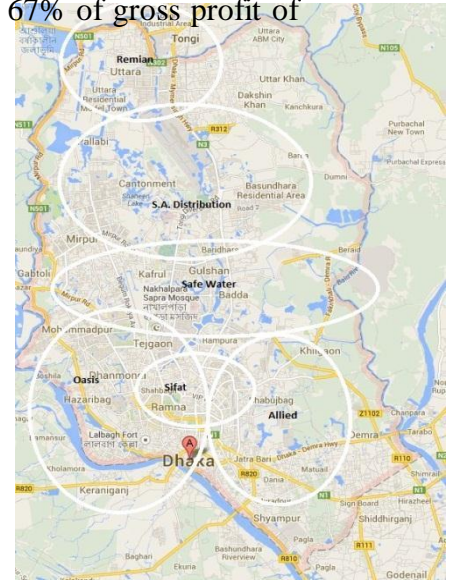
10 dedicated interns are on the field alongside the project lead to **Figure: 7**

- Recruit operators
 - Through 5000 posters put around key locations (Point: 04)
- Supervise operators
 - Point: 07
- Train sellers
 - Point: 08

6. Attractive margins for all stakeholders:

Gross margin on each cup is now at 52% and 50% (For BDT 15 and BDT 12 respectively) with a division on COGS: Operator: Seller of

- For BDT 15, in percentage, 47:13:40 and in BDT, 7:2:6
- For BDT 12, in percentage, 50:17:33 and in BDT, 6:2:4



7. Effective supervision

Supervision is maintained in the following categories

- **Branding requirements**

Sellers become the brand ambassador, therefore the branding's look and feel must be in line with the guidelines. Items to be always branded include:

- Uniforms (T-shirts, caps)
- The kit (Must be clean and stitched when needed)
- The flask- Washed with hot water daily before operation begins
- Cups- Branded cup

- **Hygiene Requirements**

- Shower or bathe daily
- Must wash hands before handling food
- Finger nails must be kept short and clean
- Wear clean clothes
- Keep hair short or held together properly
- Use a new glove every day (Figure: 06)

- **Food Safety and Operational Requirements**

- Heat clean water to boiling point
- Strap the flask to the kit
- Fasten all the straps to ensure the products and the flask is safe before starting trip
- The person operating the kit must ensure his/her clothes, health, behavior and body meet hygiene requirements
- Serve a piece of tissue paper along with each cup

- **Controls / Performance**

- Daily reporting of sales per operator(Via SMS- see Figure: 07)

- Monthly review of ACTUAL versus TARGET sales. Apply corrective action where performance is below target (Figure: 08)
- Ongoing monitoring quality assurance compliance - retraining where necessary
- Collecting and collating consumer feedback on the product(s)

- **Monitoring**

- Daily reporting of sales per operator(Via SMS- see Figure: 07)
- Monthly review of ACTUAL versus TARGET sales. Apply corrective action where performance is below target (Figure: 08)
- Ongoing monitoring quality assurance compliance - retraining where necessary
- Collecting and collating consumer feedback on the product(s)

AKJ Assessment Sheet												
Route												
Name of Seller												
Shopkeeper (Fixed)												
Street shopkeeper												
Driver												
Hangouts												
On the way												
AKJ Assessment Sheet												

Figure: 8

8. Training

Initial mandatory training is considered complete if the seller is aware and following-

- Branding, Hygiene, Food safety and operational, control/Performance monitoring requirements stated in point 9.
- Perfects the MOP (Method of preparation) of a cup of NESCAFÉ tested using a weight machine.
- Monthly training on salesmanship arranged by Nestlé.

Furthermore below is also included the standard operating procedure and division of responsibility-

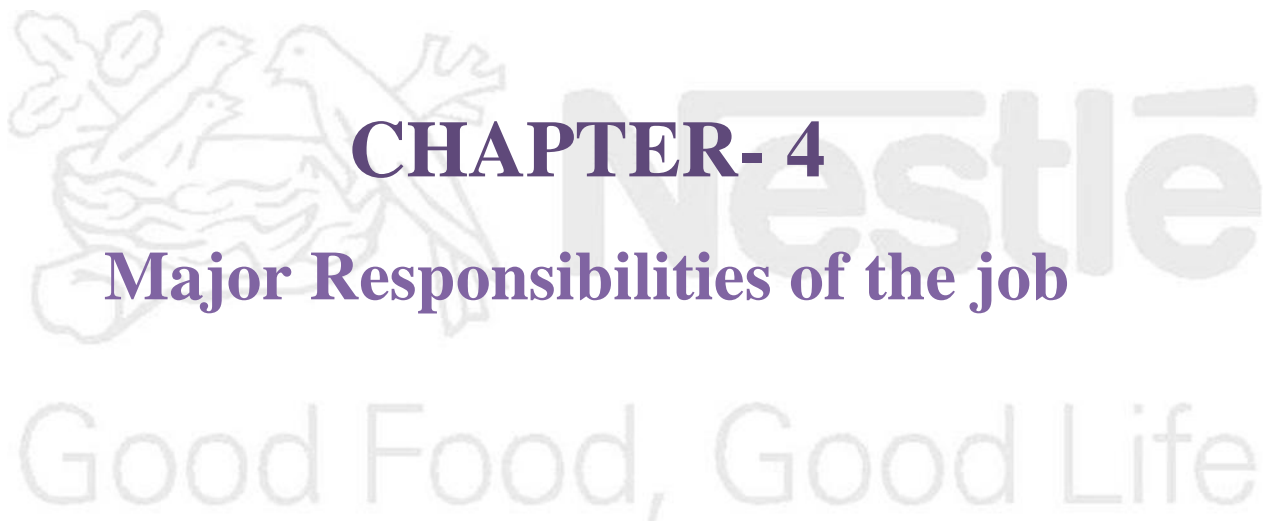
3.10 Day-to-Day Operation

- The operator buys products from an authorized NP distributor.
- The operator recruits sellers from the nearby community to sell.
- The sellers pick up the kit with the flasks each morning and sells NESCAFÉ to consumers in the allocated area.
- The operators as well as the seller earn their living on the number of cups sold per day. Daily operations are supervised by a Nestlé intern.
- This Intern should visit each operator weekly, during the visit he/she does a quality check (As per point: 07), interviews at least 10 paying customers to measure consumer response and recruits new operators.
- This is a self-motivating program and both the operator and seller decide on the daily income they would like to earn, but adhering to a set minimum cups per day to ensure Nestlé's investment is safeguarded.

Operator's Monitoring Sheet:

Name of Month:		Name of Operator:						
Date	Beginnig Balance	Cash Earned	Cash Expensed	Ending Balance	Inventory			
					NESCAFE	COFFEEMATE	Cup	Sugar
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								

Figure: 9



CHAPTER- 4

Major Responsibilities of the job

4.1 Major Responsibilities of the job

- ❖ Search, assess and then assign territory to prospecting operators
- ❖ Sales data collection
- ❖ Seller route assessment
- ❖ Seller training and consumer assessment
- ❖ Control of operators and Ensure achievement of operator target
- ❖ Reports to Nestlé on results and issues
- ❖ Responsible for all day to day activities of hygiene / stocks / visual appearance etc.

INTERNSHIP PROGRAM DETAILS	
Internship Project Title	Project Amra Korbo Joy
Internship Program Objective	<p>The intern will be responsible for the following activities of the Project:</p> <ol style="list-style-type: none"> 1. Operator Recruitment <ol style="list-style-type: none"> a. Search, assess and assign territory to prospecting operators 2. Operator and Seller Development <ol style="list-style-type: none"> a. Seller route assessment b. Seller training c. Consumer FAQ management d. Ensure achievement of operator target 3. Asset Management Efficiency <ol style="list-style-type: none"> a. Distributor management b. Keep track of new selling kits and replacement/repair of old selling kits <p>The project will enable the intern to have first-hand knowledge on entrepreneurship and how to manage a startup business.</p> <p><i>*The objectives should justify the business need along with learning requirement of the Institute</i></p>

Figure: 10

4.2 Different aspect of performance

Basically, this project is completely new project for me and other as well as for Nestle Bangladesh. So, they needed to choose the best performer for this challenging project. After assigned as an intern we had to go through a continuous assessment. Every week we had a meeting with the country business manager of the project also we had several meeting with managing director of Nestle Bangladesh. These meeting were part of their performance assessment. We had to attain in various written exam and individual presentation as well. After completion three month I had an interview with my country director and other two supervisors regarding my performance.

At the very beginning they gave us a goal to fill up regarding the project on the basis of that they assess our performance. Also, they are very concern about our way of working.



CHAPTER- 5

**RISKS & CONSTRAINTS, RECOMMENDATION,
CONCLUSION**

Nestlé

Good Food, Good Life

5.1 Risks & Constraints

- ❖ Significant turnover of employees is an issue. Control must be maintained so that the equipment (Amar Korbo Joy kit) is retained in such a situation.
- ❖ Refilling on the way. If refilling can be efficiently done, 3 flasks can be sold with~150 cups sold per day.
- ❖ Location is the key to success. Operation must be in places with a lot of people (for example Marketplace, Town square, Transport hub, Commercial & industrial location, people gathering places, hotel and restaurant locations etc.)
- ❖ Sellers aren't punctual. In most cases it has been seen they don't show up on time even after regular supervision.
- ❖ It is very difficult to find a determined seller for this business and the reasons are hesitation on doing the work which appears to be quite common because they feel shy of wearing the uniform and carry the bag and walk all around the streets and sell coffee throughout the day, criticism from others is another vital reason.
- ❖ Be long so in order to avoid high transportation costs many sellers simply rejected the job offer.
- ❖ Sellers went through many kinds of barriers while selling in specific locations, places, parks etc. in many places like parks securities usually doesn't allow hawkers to enter.
- ❖ And sell whereas parks are always jacked with people so this acts as another problem. In specific clubs or in parks, club members threaten the sellers or even ask for bribery in return for allowing them to sell otherwise they don't permit the sellers to sell in those places which are controlled by them.
- ❖ Sellers sometimes don't work according to the contract. They simply leave the job before the end of the period or even run away without informing.

- ❖ It has been seen that operator's break the company rules that is they don't pay the sellers a satisfactory amount of salary so due to low salary seller walks away. Also the operators don't take proper care of them, don't stand beside them if any problem arises thus seller decides to leave.
- ❖ If target is achieved, then per extra sale of a cup sellers receive commission so in order to sell more they don't focus on the quality of the coffee they are serving instead try to sell more in order to increase the number of sales and receive more commission.
- ❖ Customers gets dissatisfied since the quality and taste doesn't remain up to their expectation and thus the words that nestle promised to keep in terms of quality and taste simply becomes meaningless.
- ❖ Customer complaint about price, quality and quantity are a common scenario but complains on prices tends to be high than complains on quantity.
- ❖ When it comes to customer reaction, in most scenarios it has been seen our sellers created a positive image in the minds of customers through the quality of coffee they have served and many have liked the new concept that nestle have implemented but out of all the customers there have been few who passed negative comments on the sellers, didn't even bought a cup of coffee cut still made fun of the sellers or even didn't like the coffee and the new concept of selling coffee but they are very few in number. It has to be kept in mind that every scenario has a pros and cons.
- ❖ Operator sometimes seems to be out of track because we figured out they don't maintain the financial records that takes place, doesn't keep track of the sales figure on daily basis, doesn't keep the costs in mind that incurs and thus at the end of the month when figures don't match like it was supposed to be, they fail to gain their desired profit and thus had to bear a loss and there comes a point when they decide either to rise up by being more active in the upcoming days of running the business and continue with it or they shut the doors and go home.

- ❖ Huge costs associated in training the sellers, setting the sellers on various locations and other variable costs like transportation, water boiling. It may appear that if products are purchased, but sellers leave the job all of a sudden without a notice then products are left idle and it appears to be a sunk cost for the operator as long he doesn't get a seller in hand.
- ❖ Keeping an eye on sellers who are working in various locations is really tough because it appears to be like too many eggs in one basket.
- ❖ In the summer, sales of coffee goes down so sellers don't feel like walking in the street throughout the day and sell less number of cups. They either look for something alternative or decide to leave thus bring the business to a halt.
- ❖ Even after extensive training it's really hard to make the sellers work perfectly. The amount of sugar, coffee-mate, coffee they put in a cup to prepare a cup of coffee is not always accurate. Method of preparation (MOP) acts a major problem too, thus tends to increase the cost and at the end of the month it turns out to be difficult for operators to match the figures like it was anticipated in the beginning.
- ❖ Normally sellers are allowed to take a leave for four days a month but it has been seen they take more leave and doesn't follow the contract properly. Thus at the end of the month it turns out to be difficult for an operator to pay the salary due to lower number of returns from sales.
- ❖ Some sellers have built up a good connection with their regular customers e.g. - shop keepers of specific stores or street shop keepers so they ask to add more sugar, coffee-mate, coffee while making the coffee so it is not possible to refuse so again method of preparation doesn't stick to what it actually was supposed to be so it increases cost and target can't be reached.
- ❖ Sellers who came directly from the village find it difficult to get a place to live in the early stage so in fact the operators have to bear the costs of providing them with accommodation.
- ❖ If not properly guided, sellers break the rules and sell according to their wish thus it

hamper the business and quality of the coffee.

5.2 Recommendations

- ❖ Firstly the time period wasn't sufficient enough to complete my internship report with the actual outcome since I have been employed as an intern for six months whereas according to my academic schedule I am bound to submit my report within three months so right now it's not possible to display the actual outcome and knowledge I will be gaining throughout the internship period.
- ❖ It isn't certain of what the actual outcome is going to be. We have a mission and that is to spread the consumption of Nescafé in each and every corner of the city and there in the long run to spread it throughout the country but within these three months and with more three months to go it is impossible to declare whether this project is sustainable and will it live up to our vision.
- ❖ As one of the project leaders I always suggest to my supervisor to increase the seller's benefits because sellers are the heart of this project. Initially, they do not give too much attention regarding that issue but now after four months of working; everyone those are associated with this project they get to know that we have to have more benefits for the sellers if we want to keep them into the market.
- ❖ Some of the major problems that have been discussed before took place initially at a high rate but as time passed by things started to get under control.
- ❖ A huge emphasis to be paid on the preparation of coffee to make sure quality is maintained, hygiene requirements are met, to make sure ingredients are used properly, too much usage may incur costs which the operator will have to bear so extensive training on the preparation of a cup of coffee. Measurements should be done through weight machine. If proper measurements are done on a regular basis, targets will be easier to achieve and costs won't go out of hands.

- ❖ Transportation costs appear as one other major problem so sellers are asked to live near their territory and operators house so they can have easy access.
- ❖ Operators should be monitored strictly so that they follow the policies set by the company.
- ❖ Keeping track of operators' financial records is mandatory otherwise at the end of the month results won't meet the target thus operators wrap up the business and go home.
- ❖ It is the duty of the operators to regularly record the transactions in the record book and keep the territory officer updated about daily number of sales and costs that incur.
- ❖ Sometimes it has been seen that sellers don't put their best effort on work and can't meet the daily sales target and at the end of the month, operators find it difficult to pay the salary due the less revenues so it is the duty of both territory officer and operator to strictly monitor the sellers while they are on work and in extreme cases, a reduction in salary will work as an effective tool since sellers aren't willing to give their best effort.
- ❖ Usually four days leave per month is permitted for every seller but it has been seen they either skip work or they take a leave from work which on the other hand doesn't give higher returns to operator, so if they take leaves more than four, their salary will be deducted thus this will act as fear for the seller and will prevent them from taking leaves.
- ❖ Sellers should build up their own network in those areas where they are assigned to sell thus it will enable them to sell more.

5.3 Conclusion

AKJ is such a business model that can bring about massive change for all of its stakeholders. All direct and indirect stakeholders in the value chain have to be benefited from this business. This meets Profitability. For consumer end it will be that same perfect cup of worldwide recognized coffee brand- Nescafe with lower price everywhere- which ensures Visibility. As a part of Corporate Social Responsibility, AKJ is the project that has every aspect to develop entrepreneurs in less fortunate social classes which entails Responsibility. Decisions that negatively impact the seller can have a big impact on the success of the business. Price increases, change of business model, unstable operators, supply issues, etc can leave them demotivated. This can impact cup sales and ultimately result in sellers abandoning the project.

There is however 1 key factor that determines success in AmraKorbo Joy:

“The Motivated Seller”

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Appendix:

- I. OECD Report (Organization for Economic Co-operation and Development)
- II. NP(Nestlé Professional)
- III. AKJ(AmrakorboJoy)
- IV. Amra KorboJoyRouteAssessment Sheet

AKJAssessment Sheet																												
Route																												
Name of Seller																												
Shopkeeper (Fixed)																												
Streetshop-keeper																												
Driver																												
Hangouts																												
On the way																												

V. AmraKorboJoy Operator monitoring Sheet

Name of Month:		Name of Operator:						
Date	Beginning Balance	Cash Earned	Cash Expensed	Ending Balance	Inventory			
					NESCAFE	COFFEE MATE	Cup	Sugar
1								
2								
3								
4								
5								
6								
7								

-----THE END-----