

# A-TEX

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Internship Report

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Spring'16

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A-TEX International LTD.

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## **Internship Report on**

### **ERP Application and Analysis in a Merchandising Concern: A case study on A-TEX International LTD.**

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#### **Submitted To**

Ms. Asphia Habib

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BRAC University

#### **Submitted By**

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ID: 12104135

BRAC Business School

BRAC University

**Date of Submission 31<sup>st</sup> August, 2016**

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# LETTER OF TRANSMITTAL

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31<sup>st</sup> August, 2016

Ms. Asphia Habib

Lecturer

BRAC Business School

BRAC University

Subject: Submission of Internship Report

Dear Madam,

As part of BUS400: Internship and under your supervision, I have completed my twelve week Internship Program at A-TEX International LTD. Hence, I am submitting my internship report on the assigned topic “ERP Application and Analysis in a Merchandising Concern: A Case Study on A-TEX International LTD.”

It was a great experience while working on this paper. However, I would like to mention that as per the limitations of resources in terms of accessibility and confidentiality of documentations, I have tried my best to provide information relevant to the required field. Therefore, I hope that you would excuse any minor errors which may have occurred while accumulating and interpreting my findings.

I hope you will accept this effort with this report coming out as the outcome of my learning and thereby assess my progress during the course of my Bachelors in Business Administration degree.

Sincerely,

Kshama Roy

ID: 12104135

BRAC Business School

BRAC University

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# ACKNOWLEDGEMENT

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As part of my internship for BUS400 from BRAC University I have been assigned this report to reflect my learning and it is with great pleasure that I express my gratitude to following institutions and individuals.

Firstly, I would thank BRAC University and the BRAC Business School for enlightening me over the period of my Bachelors in Business Administration. Every faculty of the BRAC Business School receives my greatest honor because of all their teachings which created an interest in me to stand out.

My gratitude goes to A-TEX International LTD. - for selecting me as intern out of a highly competitive environment - consequently allowing me to learn from one of the potential 'Garments Accessories and Packaging' companies in Bangladesh and from managers who are undoubtedly experts in their fields. The learning has been paramount and immensely enlightening.

At A-TEX International LTD. I had the opportunity to learn from Mr. Rajesh Singha, Senior Coordinator, in Merchandising Department at A-TEX. My supervisor had been extremely cordial, supportive and optimistic with me and my efforts since the day I joined. Along with that I would also like to show my heartfelt gratitude to all the members of 'Merchandising Department' especially Mr. Shown Faysal Ahmed who has always been very supportive throughout my internship period. Everyone in the department has helped and encouraged me to learn from them regarding any task given.

Last but not the least I must reserve my heartfelt gratitude for Ms. Asphia Habib, Lecturer, BRAC Business School and my Internship Supervisor on behalf of BRAC University. Her optimism and faith in me and my abilities gave me massive confidence in myself and my work. My internship report itself has been analyzed and dissected me meticulously under her supervision and I believe the success of this report is largely due to her contributions in identifying and cooperating with me to do the analysis.

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# TABLE OF CONTENT

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Chapter 1: Introduction	(6-7)
Chapter 2: Industry Overview	(8-11)
Chapter 3: Organizational Overview	(12-23)
Chapter 4: Job Responsibilities	(24-26)
Chapter 5: Project Part	(27-29)
Chapter 6: Functional Analysis	(30-47)
Chapter 7: SWOT Analysis	(48-50)
Chapter 8: Recommendations	(51-52)
Chapter 9: Conclusion	(53-54)
Chapter 10: References	(55-56)

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# EXECUTIVE SUMMARY

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Despite Bangladesh has glorious history and heritage in textile industry since ancient time, garments accessories and packaging industry has been in focus only from the last couple of years. The optimism about this industry arose from the success attained by a number of local entrepreneurs and few international companies who brought the name and fame to Bangladesh as a country with great potentials in garments accessories and packaging industry. Since then, the accessories and packaging industry of garments in Bangladesh did not have to look back and now new opportunities are knocking at the door to flourish this industry further. However, due to global technological advancements, an assessment of suitability to modern software like ERP in terms of global standard is of prime importance of this particular industry.

This paper focuses on studying the applications and analysis of ERP software based on merchandising perspective of A-TEX International LTD. which is a multinational company of garments accessories and packaging industry. The analysis also focuses on the basic functions of ERP applications which are used by the merchandisers frequently. Additionally, a SWOT analysis has been added to give a brief idea of the internal and external consequences of the software used by A-TEX. However, there were some limitations to make the report and due to that some information were not given with proper description. On the basis of existing condition and future vision, some recommendations have been made which might be useful for accelerating the development of this sector.

**Keywords: Garments Accessories and Packaging Industry, ERP Applications, Merchandising Perspective.**

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## CHAPTER 1: INTRODUCTION

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Earlier the merchandisers in garments accessories and packaging industry used to take sales orders and place purchase orders manually. That means, there was not any structured way of taking sales orders and placing purchases to the suppliers. Moreover, there was lack of customer service in the industry of textile apparels. Nowadays the time has changed and so the way of taking orders and placing purchases in the industry. Customers' demand of different services has also taken place in the organizations. So, now the modern technology has been brought in the organizations to monitor the orders, customer services and other related functions in the business operation.

A-TEX International LTD. supports and encourages the new era of technological advancements in its business operation. Hence, the organization maintains ERP software named Microsoft Dynamics AX for the business processes in each and every department. The merchandisers of the organization also work with the software to process the sales orders, placing purchase orders of items to its own production partners, provide necessary customer services and run internal operations through the software to make their job done. The objective of the report is to highlight and briefly describe the basic ERP functions which are being used by the merchandisers of A-TEX in a regular basis.



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## CHAPTER 2: INDUSTRY OVERVIEW

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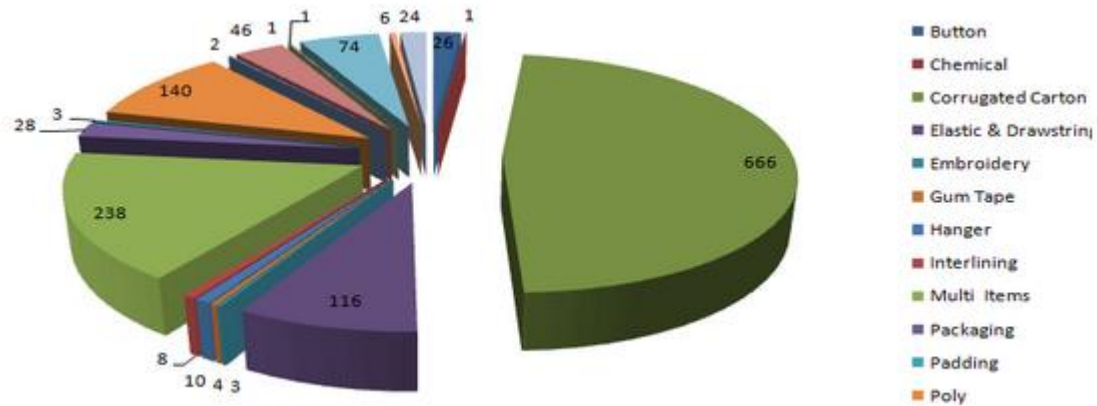
The world of garments accessories and packaging industry is huge. The global apparels industry was worth \$480 billion a few years ago and now it has become almost \$700 billion. It is no longer limited to a few skilled artisans and craftsmen. Presently, it comprises of a large number of workers, designers, manufacturers and retailers. In Bangladesh the industry is highly effective and also in global market the contribution is remarkable. Bangladesh has almost \$4.10 billion market contribution in the industry of garments accessories and packaging and around 4 million people are employed in this particular sector (BGAPMEA Report 2015).

- Growth of Bangladesh Garments Accessories and Packaging Industry on the basis of members under BGAPMEA:

Sl.	Year	Total Members
01	1991	17
02	1992	30
03	1993	49
04	1994	64
05	1995	90
06	1996	109
07	1997	137
08	1998	275
09	1999	359
10	2000	425
11	2001	508
12	2002	552
13	2003	599
14	2004	665
15	2005	710
16	2006	764
17	2007	799
18	2008	873
19	2009	932
20	2010	999
21	2011	1075
22	2012	1155
23	2013	1232
24	2014	1310
25	2015 (as on 07-12-2015)	1397

**Figure 1: Growth of BGAPMEA Members in Garments Accessories and Packaging Companies**

- Members of BGAPMEA according to the Items/Products:



**Figure 2: Item Wise Members of Garments Accessories and Packaging Industry**

- Growth rate of total export earnings, RMG and Garments Accessories and Packaging Industry in Bangladesh:

(in million US\$)

Fiscal Year	Total Export Earning (in mn US\$)	RMG Export Earning (in mn US\$)	Percentage & growth rate of RMG, Packaging & Accessories sector	Backward/deemed export of packaging & accessories
2005-06	10526.16	7900.80	75.06	1185.12
2006-07	12177.86	9211.23	75.64	1381.68
2007-08	14110.80	10699.80	75.83	1604.97
2008-09	15565.19	12347.77	79.33	1852.17
2009-10	16204.65	12796.72	77.12	1919.51
2010-11	20628.73	18340.89	78.10	2751.13
2011-12	23704.19	20360.05	78.80	3075.00
2012-13	27027.36	21515.73	79.61	4100.00
2013-14	30186.62	24491.88	81.14	4750.00
2014-15	31208.94	25491.40	81.68	5600.00
(Data source: Export Promotion Bureau)				

**Figure 3: Growth Rate of Total Export Earnings (in million US\$)**



**Figure 4: Backward/ Deemed Export Earnings (in million US\$)**

According to BGAPMEA, the sector acts as backward linkage industries of RMG and other export oriented industries like pharmaceuticals, leather, ceramic, food and beverage, vegetables, frozen food and handicraft etc. The association of Bangladesh Garments Accessories and Packaging Manufacturers and Export helps the government to formulate import and export and in fiscal policy. The association organizes trade missions to explore the new markets and to facilitate trade in existing markets. Every year the association organizes garments accessories and packaging exposition “GAPEXPO”. The members of BGAPMEA gets insurance scheme for offices, staffs and factory workers. Additionally, BGAPMEA organizes training for the member factories for skill development for example: Residential Training Program on Packaging Technology in cooperation with the Asian Packaging Federation (APF).

The activities of BGAPMEA have been spread out in many international forums. The former President of the association Mr. Safiullah Chowdhury had elected as the President of the Asian Packaging Federation (APF) for the year (2011-2012). This has enhanced the image of the association on behalf of the garments accessories and packaging industry as well as represented our country. Moreover, in the event of APF Asia Star Award-2013 held in Jakarta, Indonesia from 18-22 November, 2013, Bangladeshi participants named Avijit Saha who was the student of Shanto Mariam University of Creative Technology won trophy (student category) on behalf of BGAPMEA for making the packaging product which also enhanced fame in the world. Surely, all the success and contribution of the association has created a remarkable position of garments accessories and packaging industry of Bangladesh in the world.

# CHAPTER 3: ORGANIZATIONAL OVERVIEW

A-TEX International LTD. is a global provider of brand identity products under garments accessories and packaging industry. A-TEX International LTD. runs its business in Bangladesh according to Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA) and the company's membership no. is 1098. The company is focused on converting trends and inspiration into brand identity and thereby adding value to fashion brands. It adds value to the leading European and US Fashion brands by the products such as labels, hang-tags, packaging solutions and in-store decorations. The company's design and brand development teams are based at the head office in Herning, Denmark where A-TEX employs a total number of 90 people. The company's 350 other employees handle procurement and distribution services where most of them are based near the manufacturing sites in Asia. A-TEX has logistics operation in Turkey, India, Bangladesh, Hong Kong and China and sales offices are in Denmark, Sweden, Germany, Italy, the Netherlands, the UK and the USA. A-TEX is a provider of innovative design delivered on time using efficient and quality logistics solutions.

### **Background of the Organization**

A-TEX International was founded in 1991 by Bent Fogh Povlsen. The idea behind the company was to develop and produce trims and technical products for the textile industry such as labels, hangtags, stickers etc. The organization started its operation in Bangladesh from 2007 with only 5 employees as its distribution and logistics center. Before 2015 the organization was under Polaris Private Equity fund which is a Danish/Swedish private equity fund based in Copenhagen focusing on buy-out investments in well-established lower mid-market companies in Denmark and Sweden. Polaris invests in companies with strong development potential and a typical turnover of EUR 25-200 million. Later on (August 15, 2015), A-TEX International LTD. was acquired by Trimco Group. Trimco group was established in 1979 in Hong Kong which is a global solution provider and producer of a full range of garment labels, tags and trimming products for blue-chip apparel customers around the globe. Trimco supports its global clients by multiple facilities with in-house production through subsidiary companies like CLOTEX, LABELON and A-TEX. CLOTEX was founded in 1978 by Miranda Kong with the idea of high quality and reliable label supplier to the fast growing garment industry. LABELON was founded in 1984 in order to serve UK High Street retailers and grew as production expanded round the world. Both companies joined forces in 2012 in order to combine their expertise to focus on

offering the best possible label solution to their customers. Miranda Kong remains as the CEO of CLOTEX-LABELON. In 2015 all these three companies were acquired by Trimco Group and all rights have been reserved the group. The purpose of the acquisition with Trimco was to make one team and one concept.



**Figure 5: Logo of Trimco Group**

## **Objectives**

The objective of the organization is to make unique, innovative and custom made design solutions through innovative design philosophy, creative mindset, dedication and craftsmanship which enable to translate ideas and current trends into brands' identity and DNA.

## **Vision**

“To be the industry leader for Brand Identification (BI)”

## **Mission**

“Innovative label solutions with a personal touch”

## **Goals for 2016**

- Increasing in-house sourcing
- Enhancing cross selling opportunities
- Being more cost conscious
- Making growth 10% on top and also on the bottom line

## **Values**

A-TEX International follows five values in all its worldwide offices. A-TEX believes in passion for customers, creativity, excellence, being responsible and team spirit. A-TEX highly appreciates the team contribution and bonding with all its departments.

## **Code of Conduct**

A-TEX International follows Business Social Compliance Initiative (BSCI) code of conduct which considers in accordance with the International Labor Organization (ILO) Conventions. BSCI code of conduct aims to attain compliance with certain social and environmental standards. Production partners of the company must ensure that the code of conduct is also observed in terms of production processes of final manufacturing stages which are carried out on behalf of BSCI members. The organization aims to implement such compliance based criteria such as legal laws and regulations, freedom of association and the right to collective bargaining, compensation management, working hours, workplace health and safety, prohibition of child labor, prohibition of forced and compulsory labor and disciplinary measures, environmental and safety issues and safety management. The organization also aims to maintain the freedom of work, office attire, respecting each other and most importantly working as a team.

A-TEX also operates according to REACH/ Restricted Substances List (RSL) Complaint, OKO-TEX Certification, Forest Stewardship Council (FSC) Certification and as a member of SEDEX.

## **Brands**

The organization works as brand guardian for more than 50 well-known European, the UK and the USA brands. Among them DK Company, Bestseller, Tom Tailor, Next, Otto, St. Tropez, Peek and Cloppenburg, O'Neil, Matinique and Dornbusch and Co. are the most loyal and nominated brand owners.

## **Products**

A-TEX International covers trims, stickers, packaging, safety pins, foil and store decorative items of garments labels and accessories industry according to the customer demands in the market.

## **Trims**

In the trim items there are paper items, woven labels, printed labels and strings. The trim items and their characteristics are given below:



## Paper Items

### Coated Papers for Hang Tags

The colours must be used and colors should be on top of the paper. On coated paper, there is a layer of chalk. Coated papers are lightly coated/medium coated and highly coated depending on layers of chalk. The paper is available in both matt and shiny. It can be one side coated or coated on front/uncoated on back.



### Uncoated Papers for Hang Tags

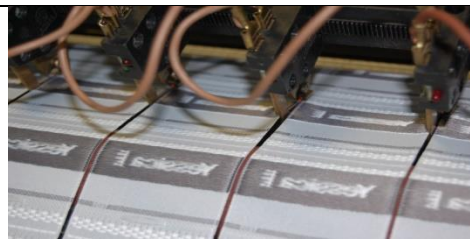
The colours must be used and are soaked into the paper. There should be a matt rough surface. Colours are not as clear and bright as on coated paper. A small effect of laquer is available in such paper items.



## Woven Labels

### Broadloom

Both heat cut and ultrasonic edges are done on broadloom.



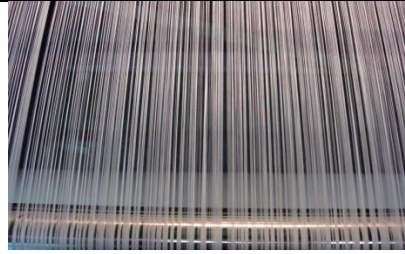
### Needle Loom

Woven edges are done on needle loom. Needle loom is used for both mid-folded and end-folded labels.



**Wrap**

Taffeta, cotton and satin wraps are made.



**Shuttle Loom**

Shuttle loom is like woven labels with soft edges.



**Tubular Labels**

Tubular labels are made with hollow and the labels are double sided. The edges are heat cut.



**Photo Label**

Such labels are made with four colored process. If the label is black/white than made in satin loom and if the label is colored than made in taffeta loom.



## Finishes

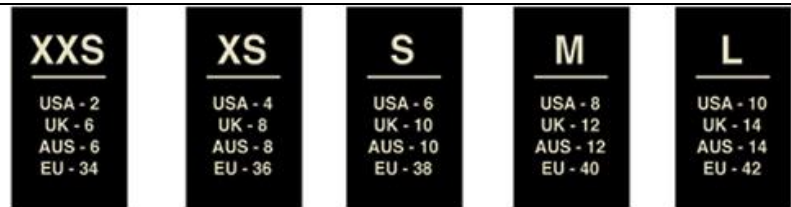
### Types of finishes:

- Lasercut
- Overlocked edge
- Non-wovng backing
- Silicone
- Pillow effect
- Print
- Embroidery
- Iron on glue
- Self-adhesive



## Size Label

Size labels are used as size tags in the clothing.



## Printed Labels

## Fabrics

### Types of fabrics:

- Canvas
- Satin
- Linen
- Denim
- Washing instruction material (nylon)
- Twille/Herringbone/Reps



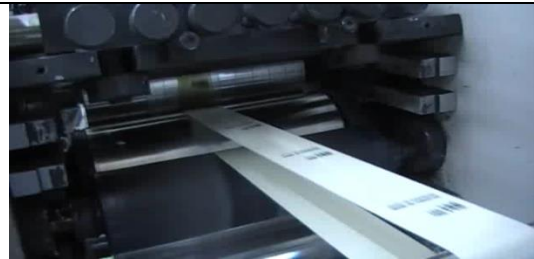
### Screen Print

It is made with thickest layer of ink and mostly used for outside labels.



### Flexo/Rotary Print

It also called focused print. It is mostly used for washing instructions and inside label.



### Strings





Types of Strings on the basis of quality:

- Cotton
- Rayon
- Jute
- Satin
- Leather
- PVC
- Velvet



### Stickers

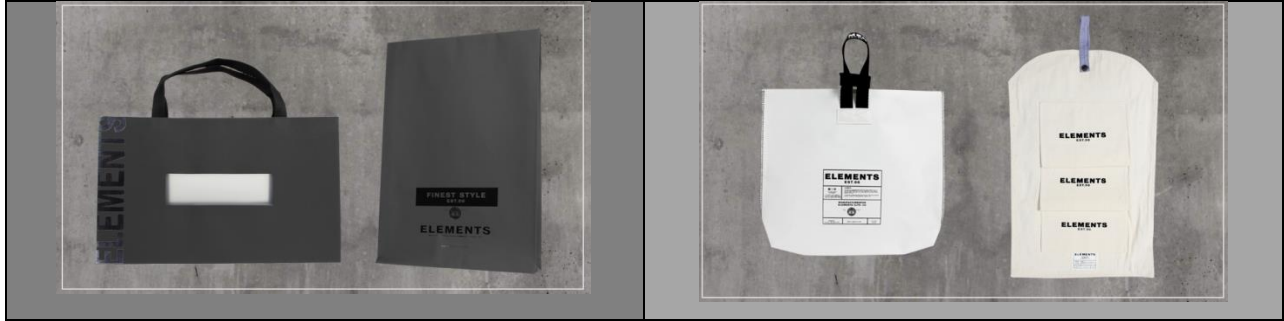
In the sticker items there are barcode, double barcode, price tag and logo stickers etc.

<p><b><u>Barcode Sticker</u></b></p> <p>It's an optical machine readable representation of data that describes about the object.</p>	
<p><b><u>Double Barcode</u></b></p> <p>Barcode can be made either single, double or even triple. It looks like the logo is in relief.</p>	
<p><b><u>Price Tag</u></b></p> <p>Price tag shows the prices of the object.</p>	
<p><b><u>Logo Sticker</u></b></p> <p>Logo sticker is used to show the brand mark in the clothing and packaging.</p>	

**Packaging**

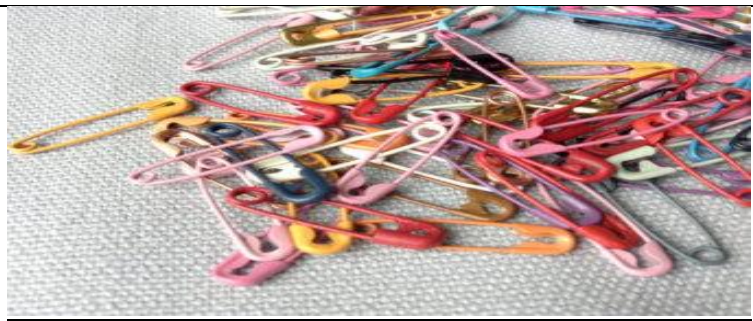






## Safety Pins

- Standard length (19mm, 23mm) – can also get other sizes.
- Standard colours - silver, gold, black
- Shape (standard, special)
- Mounted/delivered separately



## **Foil**

- Foil is heated on the paper with pressure and requires a tool.
- If the foil is applied with hard pressure, the tool gives the hangtag an embossing at the same area as the foil.
- Foil is available in standard colours according to a colourcard.



## **Store Decorative Items**

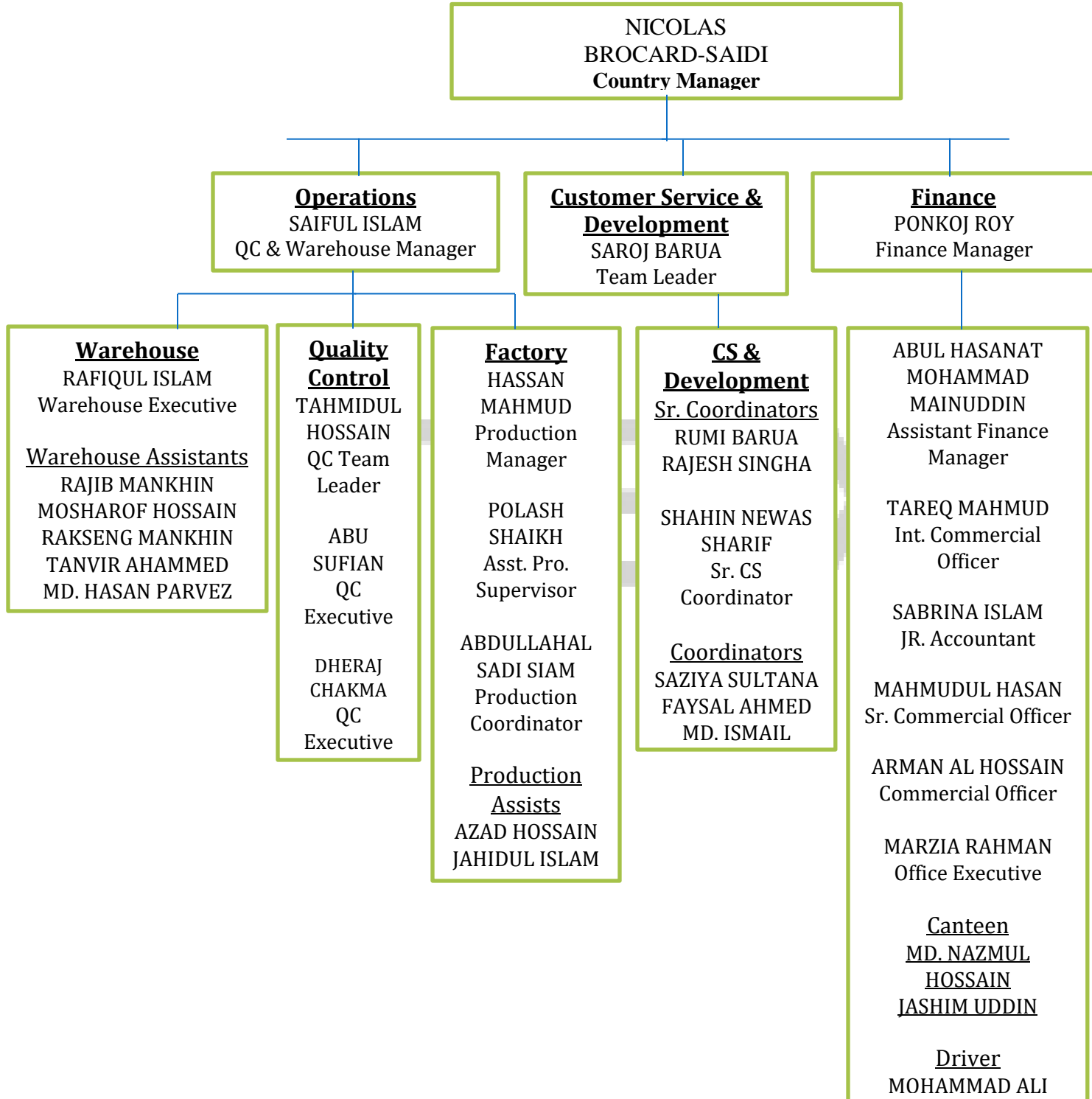
### Types of Store Decorative Items:

- Posters
- Flags
- Ribbons



## Organization Organogram

A-TEX International Ltd. maintains a very flat organizational hierarchy which is as follows:



**Figure 6: Organizational Organogram (A-TEX International Ltd.)**



# ARTIX

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## CHAPTER 4: JOB RESPONSIBILITIES

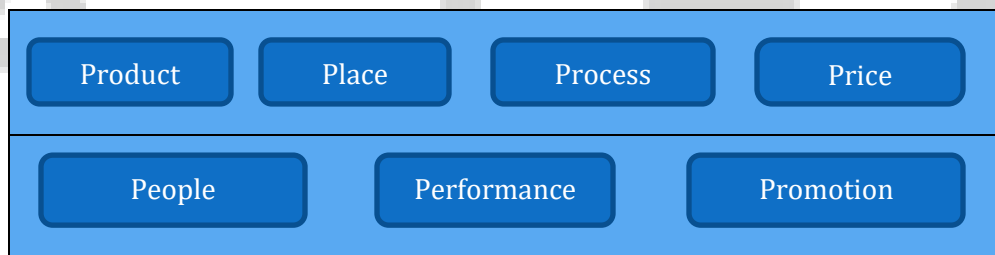
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## **Departmental Responsibilities**

The report is prepared on the basis of internship experience at A-TEX International Ltd. I was assigned to work as a ‘Customer Service (CS) Intern’ in the department of ‘Merchandising and Product Development’ of the organization. To work in such a department has helped me to understand the products of garments accessories and packaging and also to acquire practical knowledge of both supply chain management and marketing in the garments accessories and packaging industry.

### **Merchandising and Product Development Department of A-TEX**

The department is mainly concerned to deal with production partners for goods, developing products according to buyers’ requirements, handling customers’ sales orders, making on-time delivery and also coordinates among all the concerned parties including all the sales and logistics centers of A-TEX regarding overseas sales. The departmental team follows 7Ps of marketing mix which are shown in below:



**Figure 7: 7Ps of Marketing Mix in Merchandising and Product Development Department**

According to the 7Ps of marketing mix, the team of the department works with product, suitable place for proceeding production and handling sales, processing the whole operation of sales, setting accurate price for production partners and also settle down price with customers, working with people related to both internal and external environment, keeping track record of performance on time being and also helps to promote the products by giving discounts and customer visits to promote the brands and the organization etc.

## **Key Job Responsibilities**

The whole working process in the organization runs through ERP software named Microsoft Dynamics Axapta AX (version 2012) which is directly designed and bought from Microsoft Corporation and the communication for both internal and external purposes runs through Microsoft Outlook. In the organization all my tasks and responsibilities were given for daily basis. My key job responsibilities are given in below:

- Processing purchase orders for production partners and sales orders for customers
- Creating purchase and sales orders for pre-planned or projected items
- Product item lines reservation for issuing Pro forma Invoice (PI) and Sales Confirmation (SC)
- Checking stocks to reserve goods for sales orders
- Price checking for both sales and purchases before confirmation
- Working with released product options to check the items measurement, color and other quality issues
- Checking planned orders to make stocks for needed goods
- Updating the confirmation dates of sales and purchase orders if delivery dates get delayed
- Moving sales orders to Hong Kong office (the largest logistics center of A-TEX) for particular items which are not produced in Bangladeshi Logistic Center
- Follow up for the on time delivery of goods from production partners
- Confirm the on time order delivery to the customers
- Assisting on product development to make sure the quality of products
- Assisting on inter departmental coordination to get the job done in time

However, being a CS Intern both the accessibility in the Microsoft Dynamic Axapta system and the working procedures in the department were restricted so all the above responsibilities had been given for my entitled job.

## CHAPTER 5: PROJECT PART

### **ERP Application and Analysis in a Merchandising Concern**

## **Overview of the Project**

To analyze the business processes and functions based on ERP software used by the merchandisers of A-TEX International Ltd. The analyses contain the merchandisers' basic activities which they use in their daily working days.

ERP software which is named Microsoft Dynamics AX has been used for every department in A-TEX International to run the organizational activities in a smooth way and to achieve the business strategies effectively. In the organization, merchandisers use the technology for both selling and in-house sourcing of goods which are done by the software. However, there are some limitations in the software which get recovered in an ongoing process of improvement by the IT department from the head office of A-TEX. The organization believes that *'the customers are always right'* hence all the functions and communications are done based on this key factor to maintain a proper organizational culture and business setting in the industry. A-TEX supports the technological enhancements and so it uses the ERP software and other related software to make the working procedure more effective, flexible and also supportive for better experience.

## **Objective of the Project**

A-TEX attempts to develop its working procedure more flexible and supportive for the customers of particular brands so that the customers have a helpful and privileged feeling while working with the organization. Thus the strategy leads to develop some user friendly software which are already been used by the organization. MS Dynamics AX, one of the software of A-TEX helps to track the operational functions of each and every department. In the merchandising department the system plays a vital role to invoice the goods and also to serve customers according to their requirements. The project will be reflecting the system's vital functions which help to achieve the goals and objectives of both merchandising department and the organization itself.

## **Methodology**

For convenience, I have collected data using both primary and secondary sources. I have got the data based on my authorized accessibility in the organization. So, there was some considerable boundary of getting information for my project.

## **Primary Sources**

- The primary collection of data was from employees through interviews, training and also while working with them in the office. So, the data collection process has been followed both formal and informal method.

## **Secondary Sources**

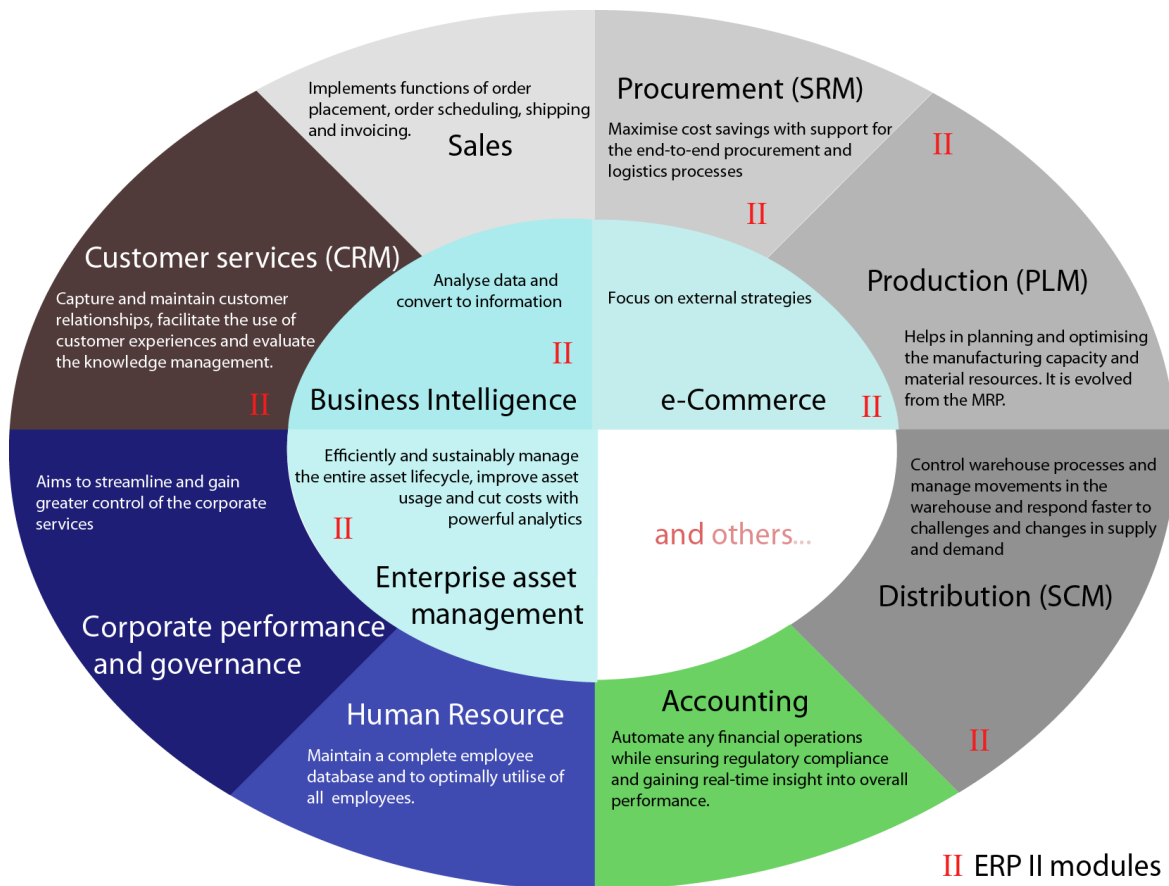
- As secondary sources, I have tried to use some help from organizational web-site, news reports, different articles and journals.

## **Limitations**

To prepare the report I have got enough support from my colleagues in the office. However, it would be helpful for me to prepare the report if I could include some sales reports such as sales growth, pricing of products, cost analysis, unique selling proposition, and comparative analysis with competitors and other related financial information of different brands and the organization itself. But it was not possible to include all the related data because of some confidentiality issues according to the organization policy. Additionally, I was given accessibility of working only in some basic points of the ERP software. So, there were some limitations in the working functions of the system which I could not use in the project. The merchandisers of A-TEX use other software such as creator, mya-tex web portal and targit. But I had permission to work only with MS Dynamics AX, the basic of ERP software in A-TEX. Despite of these two limitations, I tried my best to collect necessary data and information that has been analyzed in the subsequent sections.

# CHAPTER 6: FUNCTIONAL ANALYSIS

Enterprise Resource Planning (ERP) is categorized as business management software which is typically used for a suite of integrated applications by organizations to collect, store, manage and interpret data from many business activities. The software includes production planning, purchase, manufacturing or service delivery, marketing and sales, inventory management, shipping and payment, finance and related processes of an organization into a unified Information System (IS). An ERP system uses a central database to handle multiple hardware and software components.



**Figure 8: Typical ERP Modules**

Above ERP modules show the core business processes of the software. These modules help to track the records of following business activities:

- **Procurement (SRM):** Supplier Relationship Management (SRM) is a comprehensive approach to managing an enterprise's interactions with the organizations that supply the goods and services it use. Procurement actually helps in the SRM system to maximize



cost savings under this B2B system of SRM. However, in A-TEX International the production partners (suppliers) are not from any third party organizations. The partners are under Trimco Group and they are categorized based on different items/products in terms of procurement purposes and the information based on this category is stored in the ERP software.

- **Production (PLM):** Product Lifecycle Management (PLM) is the process of managing the entire lifecycle of a product from inception through engineering design and manufacture, to service and disposal of manufactured products. PLM helps to integrate people, data, processes and business systems and thus provides a product information backbone for companies and their extended enterprise. A-TEX keeps its released products information with the product dimension, color, components used etc. in the ERP software to manage the production planning and optimizing the manufacturing capacity and material resources.
- **Distribution (SCM):** Supply Chain Management (SCM) module manages the flow of product items from manufacturer to consumer and consumer to manufacturer. SCM involves demand and supply management, sales returns and replacing processes, shipping and transportation tracking etc. A-TEX maintains its product manufacturing to distribution system through ERP software of SCM module by purchasing goods from the production partners on the basis of the customer requirements, checking quality control of products, counting the total ordered quantity, returning the damaged products, making stocks in the warehouse (both in general and bonded warehouse), reserving items in the system for the particular order and finally delivery goods to the customers.
- **Accounting:** The finance and accounting module covers the whole inflow/outflow of money or any other capital of organizations. This module keeps track of all account related transactions like expenditures, balance sheet, account ledgers, budgeting, bank statements, payment receipts, tax management etc. Financial reporting is easy task for this module of ERP system. Any financial data that is required for running business is available on one click in financial module. The finance department of A-TEX manages mostly the functions of approving the sales orders, invoicing sales orders, payment (both long term credit/LC and prepayment), credit control, freight cost, foreign demand draft/FDD, pay order, telegraphic transfer/TT payment (both in the country and for overseas),

cost allocations, tax payments and auditing reports etc. through the accounting module of ERP software.

- **Human Resource:** Human resource module includes recording the employees' information and optimizes the utilization of employees. A-TEX keeps databases for employees to record manpower planning, recruitment and selection process setting, compensation and increments, training facilities for (both in general and particular departments), gratuity, provident fund, insurance facilities, medical facilities, tax payments record, leave applications controlling, food and entertainment facilities, entry and exit timing of employees and both daily and monthly stationary expenditure recording etc.
- **Corporate Performance and Governance:** Governance, Risk and Compliance (GRC) issues are a top priority because company leadership increasingly understands that even small operational control weaknesses can significantly impair corporate performance. A-TEX International is certified and compliance by REACH/RSL, OKO-TEX, FSC and also has got membership of BSCI and SEDEX. Additionally, A-TEX International is nominated by brand owners (BO) and so all the business activities and governance are maintained with high corporate performance and sincerity.
- **Customer Services (CRM):** Customer Relationship Management (CRM) helps to boost the sales performance through better customer service and establishing the healthy relationship with customers. All the stored details of customer are available in CRM module. It manages and track detailed information of the customer like communication history, meetings, details of purchases made by customer, contract duration etc. CRM module can be integrated with sales module to enhance sales opportunities. In A-TEX the CRM is managed in several ways such as by helping customers to make orders through the official online site (myA-TEX.com), recording the customers' order information, making changes if needed in the order by the customers' requirement, recording total transaction with customers, keeping contact by mails (using Microsoft Outlook) and over phone calls, recording the product developing procedures to upgrade the sales and evaluating product knowledge of customers based on brand requirements and physical customer visits by merchandisers etc.

- **Sales:** A sales module encompasses functionality for sales order management, sales forecast and analysis and dispatch to boost up the revenue. It involves order entry, order tracing and status reporting, pricing, invoicing etc. It also provides a basic functionality for lead tracking, customer information, quote processing, pricing and rebates etc. In A-TEX International customers at first place order by the official web-site and then the merchandisers handle the order according to their assigned brands. The merchandisers make reservation of the items, take invoice and sales confirmation and later on forecast the total sales of particular brands and compare with the monthly and yearly budget.

## **ERP Application: Microsoft Dynamics AX**

A-TEX International uses Microsoft Dynamics AX version 2012 formerly known as Axapta for its ERP applications in the business processes. Microsoft Dynamics AX is a powerful purpose-built business solution for global enterprises that renders support to industry-specific and other business processes and also provides a comprehensive, core ERP functionality for financial, supply chain, procurement and sourcing, production, sales and marketing, project management, business intelligence (BI), reporting and human resource management. The software delivers sophisticated out-of-the-box business analysis, reporting, dashboards and scorecards supported with user friendly Microsoft tools in addition to business process workflow and document and content management functionality. The software is used in every country offices of A-TEX and the system is controlled by the head office of A-TEX which is in Herning, Denmark. A yearly maintenance cost is charged by Microsoft Corporation as the software is officially bought by the company.

### **Purposes**

The purposes of using Microsoft Dynamics AX are based on three categories which are as follows:

- ***Powerful:*** Microsoft Dynamics AX is a powerful solution that helps boost value and supports industry-specific operational processes across with a global perspective.
- ***Agile:*** The software opens gateways to expand business opportunities and also improves process with ERP functionality for unparalleled agility.

- **Simple:** The software promotes user involvement and advancement through a solution that is easy-to-use, implement and manages effortlessly.



**Figure 9: Purposes of Using Microsoft Dynamics AX**

### **ERP Implementation Services**

Microsoft Dynamic AX is used to utilize in-depth experience and proven implementation methodology to guarantee all solutions that are implemented in accordance with the business process requirements. Microsoft Dynamics implementations are done in four stages which are:

**(1) Analysis**

**(2) Design and Development**

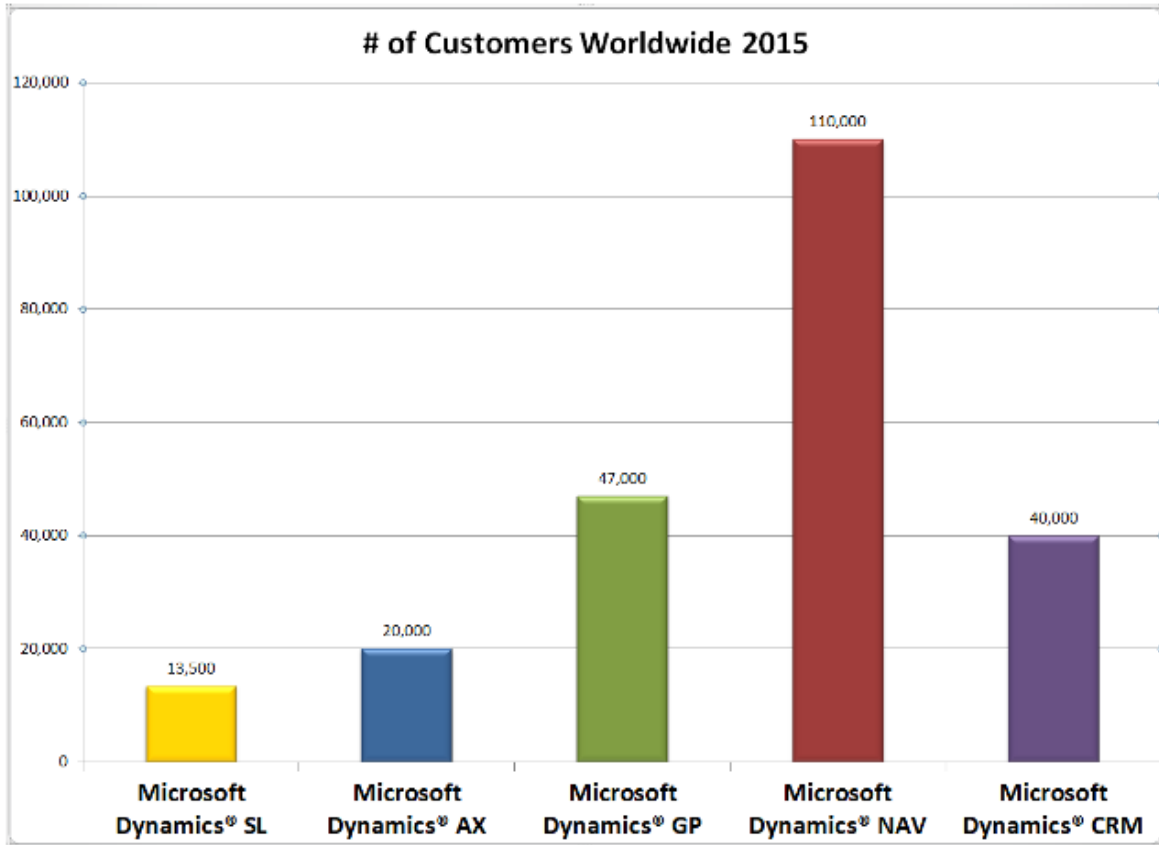
**(3) Deployment**

**(4) Operations**

The methods of the software reduce the risk, offer better transparency, deliver improved accuracy and easily handle customizations and migrations to an ERP system.

### **Uses of MS Dynamics AX**

Following is the graph which shows the software usage by companies worldwide (according to the updates numbers from Convergence 2015):



**Figure 10: No. of Companies Uses MS Dynamics AX Worldwide**

### **Uses of MS Dynamics AX in Garments Accessories and Packaging Industry**

There are many potential arenas where the software is used in garments accessories and packaging industry. Some are mentioned in below:

- Production Planning and Control
- Manufacturing Resource Planning
- Master Production Schedule
- Customer Relationship Management
- Bill of Material (BOM)
- Warehouse Management
- Inventory Management
- Purchasing Management
- Shop Floor Control (SFC)

- Capacity Requirements Planning (CRP)
- Cost Reporting/ Management
- Lot Traceability
- Engineering Change Control
- Repetitive Manufacturing
- HR Management
- Plant Maintenance
- Service Management
- Finance Management
- Purchase Order Management
- Quote Management
- Quality Management

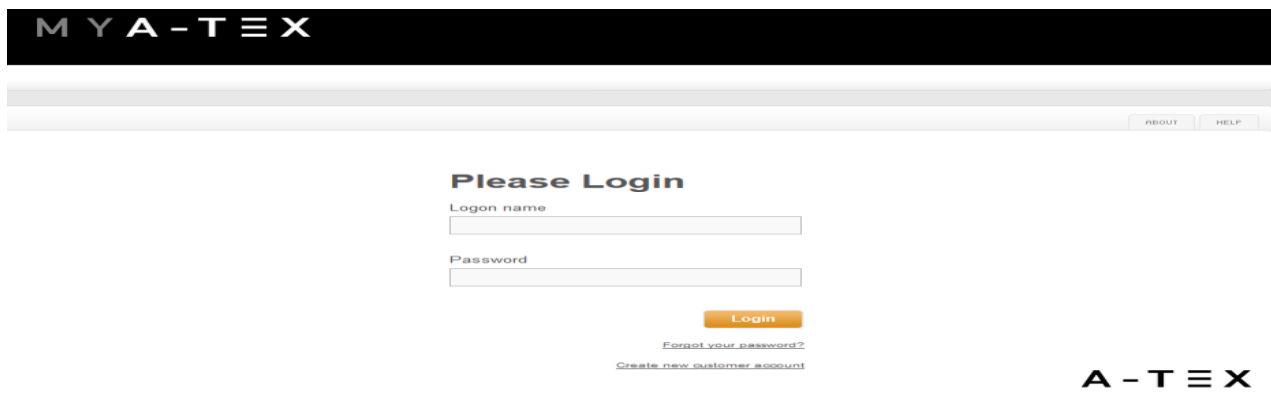
## **Functions from Merchandising Perspective**

The functions of merchandisers in the ERP system are very board. Due to my limited accessibility in the system I have written only about some basic functions of merchandising in A-TEX.

### **1. Sales**

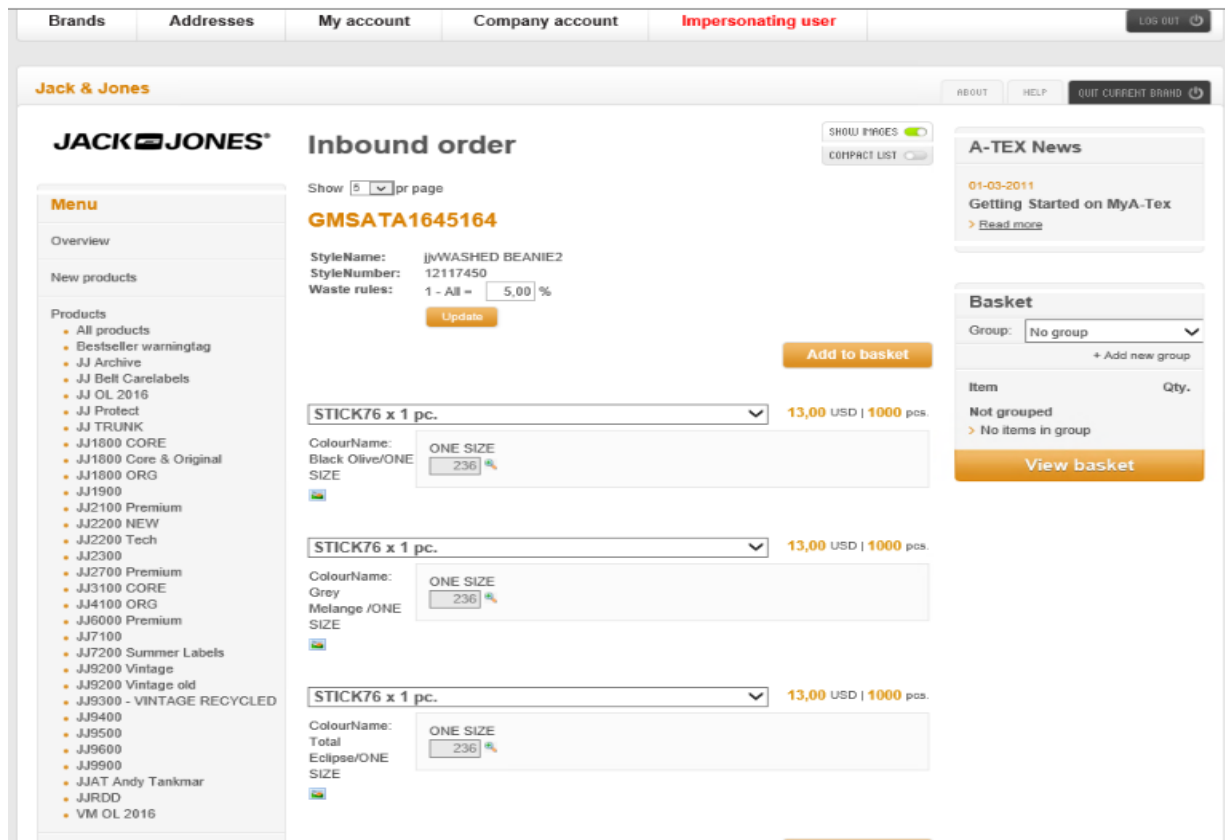
#### **1.1 Placing Sales Orders**

Normally all the sales orders are placed by the customers through [www.mya-tex.com](http://www.mya-tex.com) and customers at first login to the web portal of A-TEX and make orders.



**Figure 11: [www.mya-tex.com](http://www.mya-tex.com) (Web Portal)**

The sales orders made by customers include brands name, customer name, item reference, unit price, quantity and total price.



**Figure 12: Typical Order with All Necessary Details**

### **1.2 Flipping Sales Orders**

Later on the orders will be imported to AX2012 as journals which are needed to be flipped to sales orders. For identifying relevant journals at all times, it is highly recommended to use the relevant cue setup in role center. In the role centers particularly merchandisers can make cues for their respective brands orders.

To flip the order, the relevant journal will be found and the journal can be made sales order from header view. If the ordered items are available in stock than the confirmed ship date will be filled automatically in the line view. But if the items are not available in stock or not in production or purchase order (PO) has not been confirmed yet than the items will not take reservation in the order lines. It will show a cross mark in the reservation status of the ordered item lines.

Type	Error	Reservation status	Requested ship date
			04-02-2013
			04-02-2013
			04-02-2013
			04-02-2013

**Figure 13: Cross Mark in the Reservation Status**

Otherwise, confirmed date will be set automatically when the items are already ordered and reservation status will show entire yellow for order reservation.

Type	Error	Reservation status	Requested ship date
			28-02-2013

**Figure 14: Yellow Mark in the Reservation Status**

The confirmed date will be set automatically as well when the items will be available in-house of the warehouse. In that case, tick marks will be shown in the reservation status.

Type	Error	Reservation status	Requested ship date
		✓	28-02-2013
		✓	28-02-2013
		✓	28-02-2013
		✓	28-02-2013

**Figure 15: Tick Mark in the Reservation Status**

Usually, when merchandisers wait for the delivery of a purchase order (PO), they make sure to correct confirmed delivery date of sales order (SO). Once PO is confirmed then the date for SO gets confirmed as well and also if delivery date in the PO is improved.

When sales order is ready to be confirmed to customer then a sales confirmation needs to be sent to the customers including the confirmed ship date. From the menu bar named (sell) the sales confirmation button needs to be pressed. A posting box will be pop up and all selected orders in overview will be found and then only 'OK' needs to be clicked. Later on it will automatically



generate including the customer address, item details, and confirmed ship date in the merchandisers' inbox of mails.

Sales order (1 - hkg) - Sales order: HKG-SO133836, United Clothing(HK), Sandwich

File Sales order Sell Manage Pick and pack Invoice General

Credit Note Charges VAT Confirmed delivery dates Multiline discount Total discount Sales order confirmation Quotation confirmation

Create Charges Tax Calculate Generate Process Apply Journals

Sales order	myA-TEX sales order	Customer account	Invoice account	Created date and time	Order ty...	Status	Currency	Name	Payment	Approved
HKG-SO131277	157340	443231-01	443231	29-01-2013 07:04:03	Sales order	Invoiced	usd	United Clothing(HK), Sandwich	AR-m+20day	<input checked="" type="checkbox"/>
HKG-SO131279	157341	443231-01	443231	29-01-2013 07:06:03	Sales order	Invoiced	usd	United Clothing(HK), Sandwich	AR-m+20day	<input checked="" type="checkbox"/>
HKG-SO131284	157345	443231-01	443231	29-01-2013 07:16:10	Sales order	Open order	usd	United Clothing(HK), Sandwich	AR-m+20day	<input checked="" type="checkbox"/>
HKG-SO131285	157347	443231-01	443231	29-01-2013 07:19:21	Sales order	Invoiced	usd	United Clothing(HK), Sandwich	AR-m+20day	<input checked="" type="checkbox"/>
HKG-SO131288	157351	425468-02	425468	29-01-2013 07:28:31	Sales order	Invoiced	usd	United Business, O'Neill US	AR-m+15day	<input checked="" type="checkbox"/>
HKG-SO131736	158111	443231-01	443231	01-02-2013 02:35:37	Sales order	Invoiced	usd	United Clothing(HK), Sandwich	AR-m+20day	<input checked="" type="checkbox"/>
HKG-SO131835	158217	443231-01	443231	01-02-2013 08:27:32	Sales order	Invoiced	usd	United Clothing(HK), Sandwich	AR-m+20day	<input checked="" type="checkbox"/>
HKG-SO133494	161282	443231-01	443231	19-02-2013 05:10:06	Sales order	Open order	usd	United Clothing(HK), Sandwich	AR-m+20day	<input checked="" type="checkbox"/>
HKG-SO133583	161435	443231-01	443231	19-02-2013 10:33:53	Sales order	Delivered	usd	United Clothing(HK), Sandwich	AR-m+20day	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> HKG-SO133641	161548	443231-01	443231	20-02-2013 02:22:24	Sales order	Open order	usd	United Clothing(HK), Sandwich	AR-m+20day	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> HKG-SO133820	161889	443231-01	443231	21-02-2013 01:52:21	Sales order	Open order	usd	United Clothing(HK), Sandwich	AR-m+20day	<input checked="" type="checkbox"/>
<input checked="" type="checkbox"/> HKG-SO133836	161911	443231-01	443231	21-02-2013 03:27:30	Sales order	Open order	usd	United Clothing(HK), Sandwich	AR-m+20day	<input checked="" type="checkbox"/>

**Figure 16: Making of Sales Confirmation (SC)**

Confirm sales order (1 - hkg)

Parameters Other

Parameter Quantity: All Posting:  Late selection:

Print options: Print: After Print confirmation:  Use print management destination:  Print COD:  Print shipping labels:

Select Arrange Totals (b) VAT (d) Printer setup

Overview Setup Lines Line details Sales orders

Update	Sales order	Name	Currency	Customer delivery note number	
<input checked="" type="checkbox"/>	Confirmation	HKG-SO133641	United Clothing(HK), Sandwich	usd	
<input checked="" type="checkbox"/>	Confirmation	HKG-SO133820	United Clothing(HK), Sandwich	usd	
<input checked="" type="checkbox"/>	Confirmation	HKG-SO133836	United Cloting(HK), Sandwich	usd	

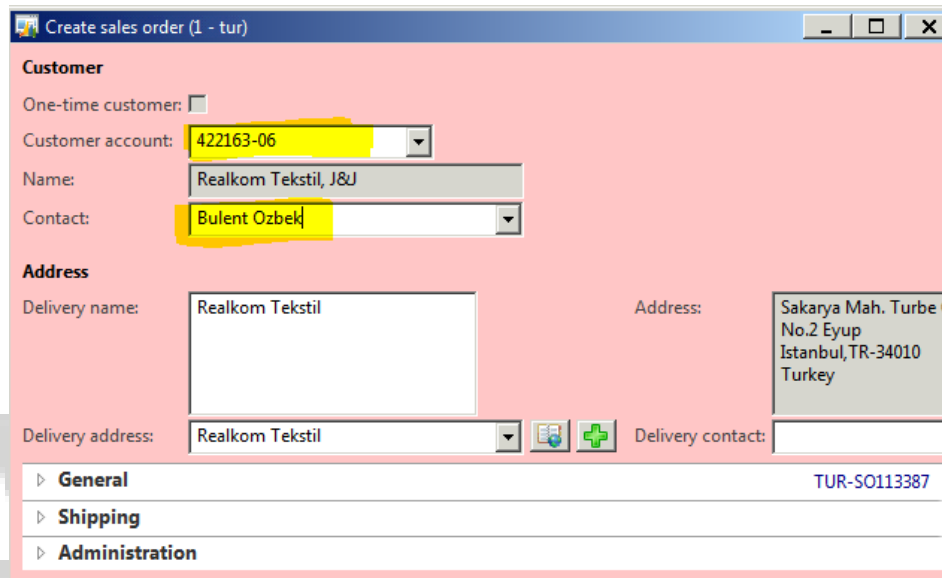
OK Cancel Batch (g)

Print without update?

**Figure 17: Posting Box of Sales Confirmation**

### **1.3 Create a Sales Order Manually in AX2012**

At first, merchandisers go to sales ledger then sales orders and then select all sales orders. In the all sales orders, there is an option which is create sales order, after pressing that the particular customer account and contact need to be selected and press 'OK' to create a manual sales order for customer.

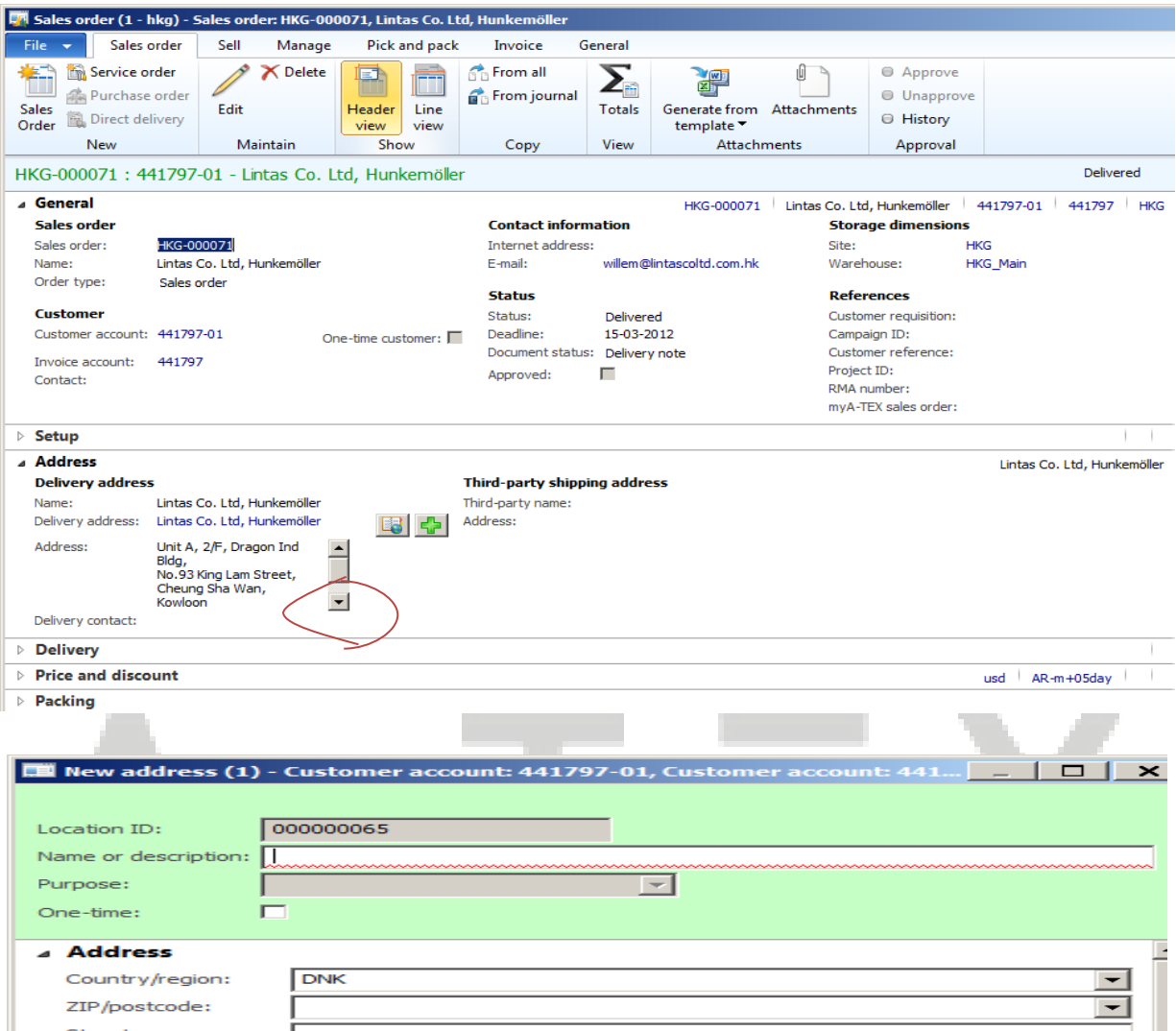


**Figure 18: Creating a Manual Sales order for Customer**

After making the sales order for customer, item numbers and quantities need to be filled and then merchandisers go for header view. In the header view, customer reference and customer requisition need to be filled and lately, confirmed ship date need to be filled up if known by the merchandisers. Lastly, order type needs to be made 'sales' from 'journal' just like *1.1 flipping sales orders* on above.

### **1.4 Alternative Delivery Address on Existing Sales Order**

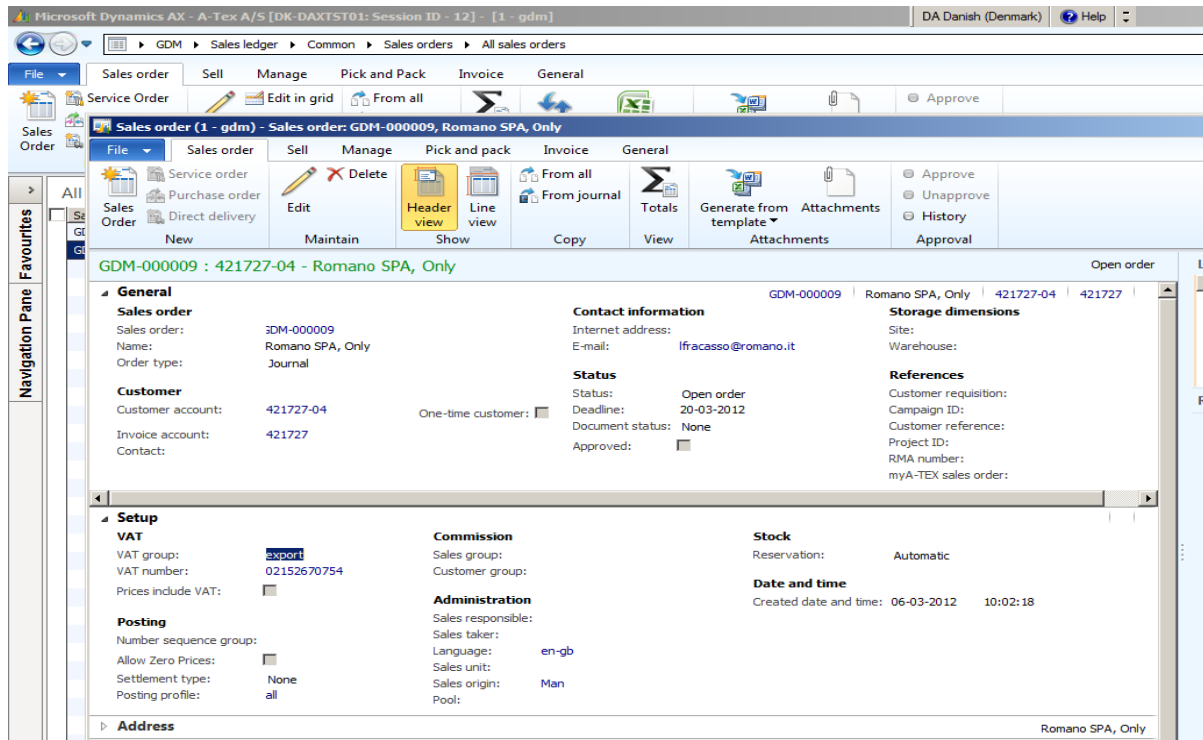
Alternative delivery address in AX12 can be added directly on open sales orders and be saved. To make that, merchandisers go to sales order at first and then go to header view. In the section of address in header view, the delivery address of customer can be customized.



**Figure 19: Adding Customer Address in Header View**

**1.5 Create Sales Order with Discount**

To add discount in sales order lines, the discount amount needs to be added in percentage in each item line. Later on, ‘allow zero prices’ should be selected in header view with proper financial dimension which requires mentioning that why the discount has been added. The procedure requires to be followed in terms of adding certain discount percentage.



**Figure 20: Addition of Discount Percentage**

**1.6 Sales Order: Pro forma Invoice (PI)**

Merchandisers send Proforma Invoice to invoice the sales orders and send to customers. It includes the customer address, invoice date, item details, total amount, payment terms, delivery terms and the sales takers name. The Proforma Invoice is generated from the menu bar named 'Invoice' and after generating the invoice it automatically shows up in the inbox of merchandisers.

**Pro forma Invoice**

Customer Name  
Customer Address

Invoice Date:  
Number  
Sales Order  
Web Order  
Invoice Account  
Our Reference  
Brand  
Printed Page

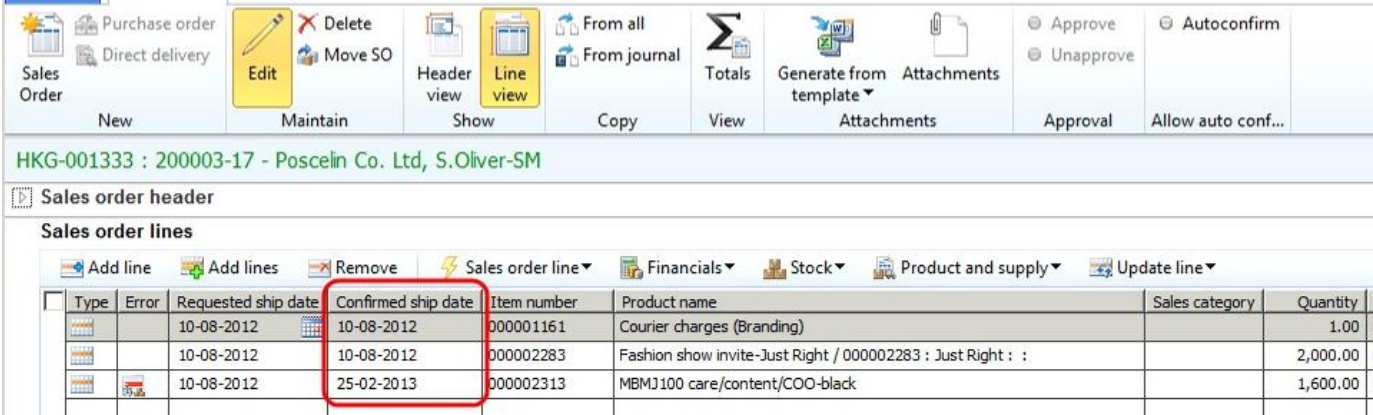
Item Number Quantity Description Price Unit Unit Price Discount Percent Discount Amount

<u>VAT Code</u>	<u>Amount</u>	<u>Origin</u>	<u>VAT</u>	<u>Amount</u>	
<u>Sales Subtotal</u>	<u>Amount</u>	<u>VAT</u>	<u>Total Charges</u>	<u>Currency</u>	<u>Invoice Amount</u>
<u>Terms of Delivery:</u>					
<u>Terms of Payment:</u>					

**Figure 21: Typical Structure of Pro forma Invoice**

**1.7 Confirmed Delivery Date**

MS Dynamics AX calculates the confirmed delivery date automatically for open sales orders. Sometimes, the delivery dates are required to be updated due to unavailability of items for particular sales orders. At that time, the merchandisers edit the confirmed ship date according to the possible availability date of items.

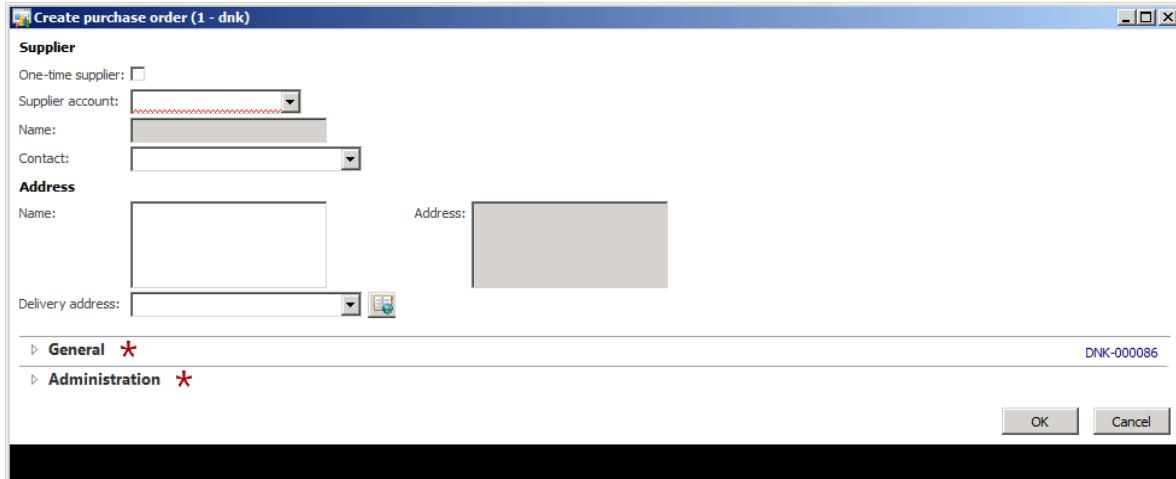


**Figure 22: Customizing Confirmed Delivery Date of Open Sales Orders**

**1.8 Create Purchase Order (PO)**

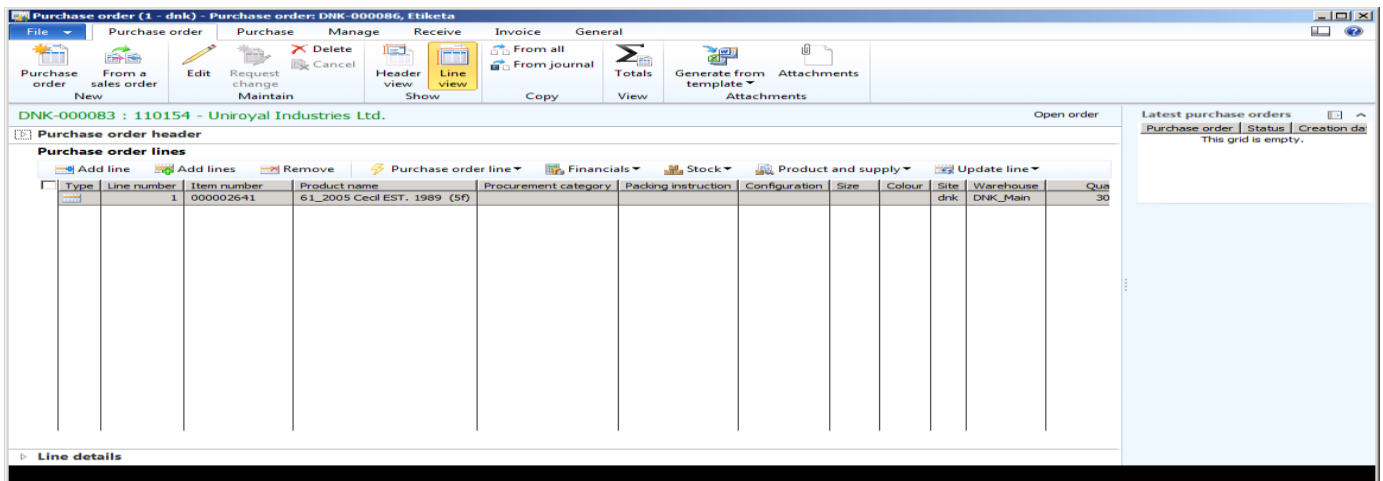
A-TEX has their own production partners (CLOTEX & LABELON) and from the partners it gets the production done. So, when an order comes from customers and if the products do not remain available in the stock of A-TEX that is the time the organization places purchase order to its

partners. Purchase order is created from the purchase ledger where merchandisers manually select supplier's name and contact details. By the selection of these tools the purchase order gets created according to the production partner's (supplier) name.



**Figure 23: Creation of Purchase Order (PO)**

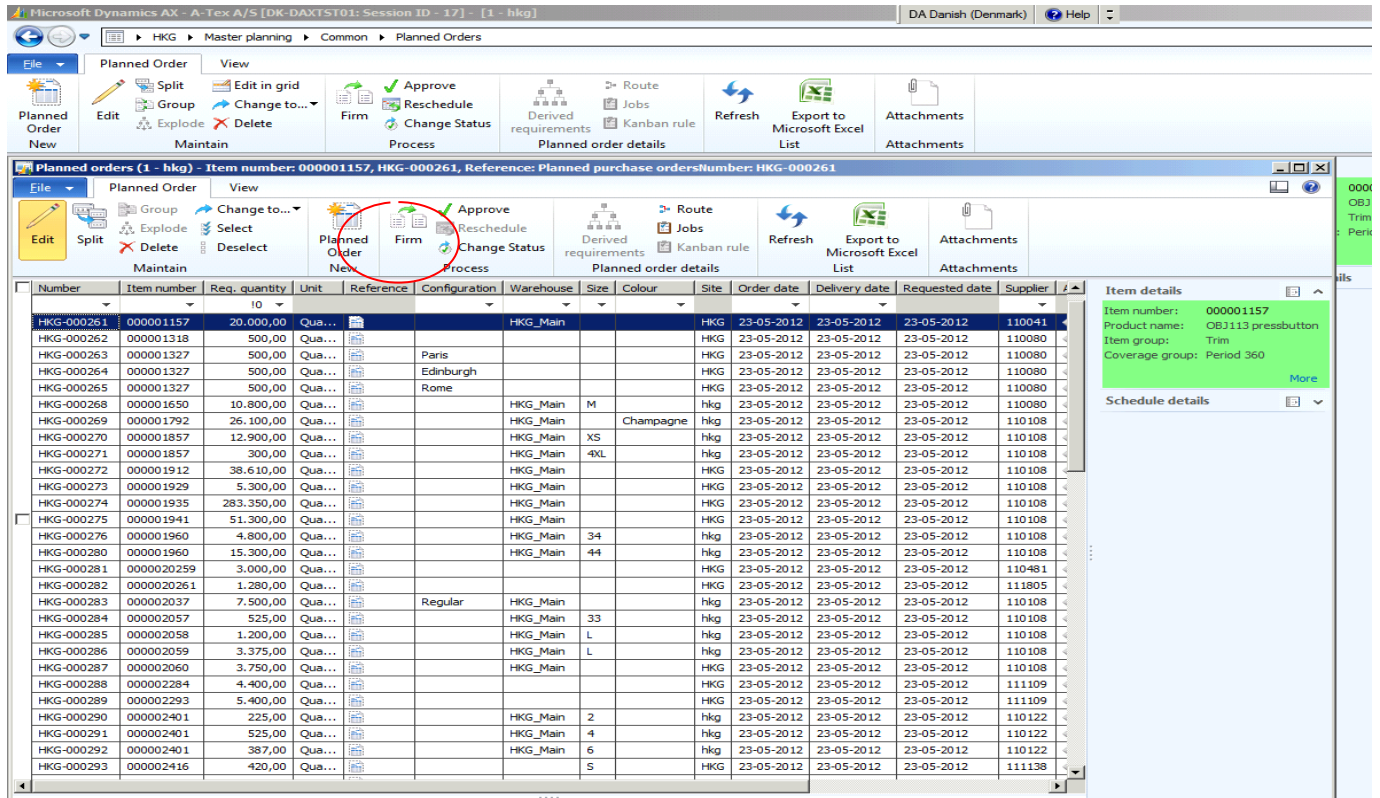
After creating the purchase order, merchandisers add item details (quantity, description), total amount and required delivery date in each line of the items. Once, the partner companies confirm the delivery date then the dates are added in the confirmed ship date by counting the extra days for transport, quality control of items, counting of items and received time in the system. Lastly, when the items get received in the system then the sales orders for particular items take reservation and the delivery gets done for the customers accordingly.



**Figure 24: Customization of Purchase Order (PO)**

### 1.9 Master Plan/ Planned Orders

According to AX12 of A-TEX, master plan is set each day in every 3 hours starting at (00:00). Once master plan is updated and gets approved by the brand coordinators from their respective head office of A-TEX then the local merchandisers can firm the planned orders and place required pre-planned production for items.



**Figure 25: Firming of Approved Planned Orders for Production**

After firming the planned orders, the orders automatically show up in the all purchase of purchase ledger. Thereafter, merchandisers place purchase orders to the production partners according to the procedure of *1.8 Purchase order* on above.

### 1.10 Moving Sales Orders to Hong Kong Part

A-TEX International Ltd. in Bangladesh does not produce each and every item ordered by the customers as there is some material scarcity in the market. So, sometimes sales orders for particular items need to be moved to its Hong Kong Part which is the largest logistic center of A-



TEX. To move the sales order (SO), at first the items need to be selected from the line view and then ‘MOVE SO’ should be clicked. Then a dialogue box will appear in the screen and from there Hong Kong (HKG) should be selected and then press ‘OK’. Typically, this is the way to move the items of sales orders to the Hong Kong logistic center.

BGD-SO135385 : 055782 - Orient Allure Knitwear, Selected Femme Open order

▸ Sales order header

Sales order lines

Location	Requested shi...	Confirmed shi...	Item number	Modified by	Update line	BOM	Reserve lot	Unreserve lot	Update confirmed ship date	Warehouse
<input checked="" type="checkbox"/>	25-08-2016		0000038464	?						
<input checked="" type="checkbox"/>	Inbound	25-08-2016	0000037423	?						
<input checked="" type="checkbox"/>	25-08-2016		0000029438	?						
<input checked="" type="checkbox"/>	25-08-2016		0000038464	myatex						
<input checked="" type="checkbox"/>	25-08-2016		000002436	?						
<input checked="" type="checkbox"/>	25-08-2016		0000020096	?						
<input checked="" type="checkbox"/>	25-08-2016		0000020096	?						
<input checked="" type="checkbox"/>	25-08-2016		0000020096	?						
<input checked="" type="checkbox"/>	25-08-2016		0000020096	?						
<input checked="" type="checkbox"/>	25-08-2016		0000038138	?						
<input checked="" type="checkbox"/>	25-08-2016		0000029438	?						
<input checked="" type="checkbox"/>	25-08-2016		0000029438	?						
<input checked="" type="checkbox"/>	25-08-2016		0000029438	?						
<input checked="" type="checkbox"/>	25-08-2016		0000029438	?						
<input checked="" type="checkbox"/>	25-08-2016		0000020096	?						

Microsoft Dynamics...

**Move SO**

Sales order: BGD-SO135385

Company: bgd

Company: HKG

OK Cancel

ID for the company you can select

**Figure 26: Moving Sales Order (SO) to HKG**

Once the moving is done then the merchandisers of Hong Kong, China get back to the customers and issue Pro forma Invoice (PI) and Sales Confirmation (SC). The shipment and payment terms for the order also get handled by the merchandising and finance department of Hong Kong accordingly.

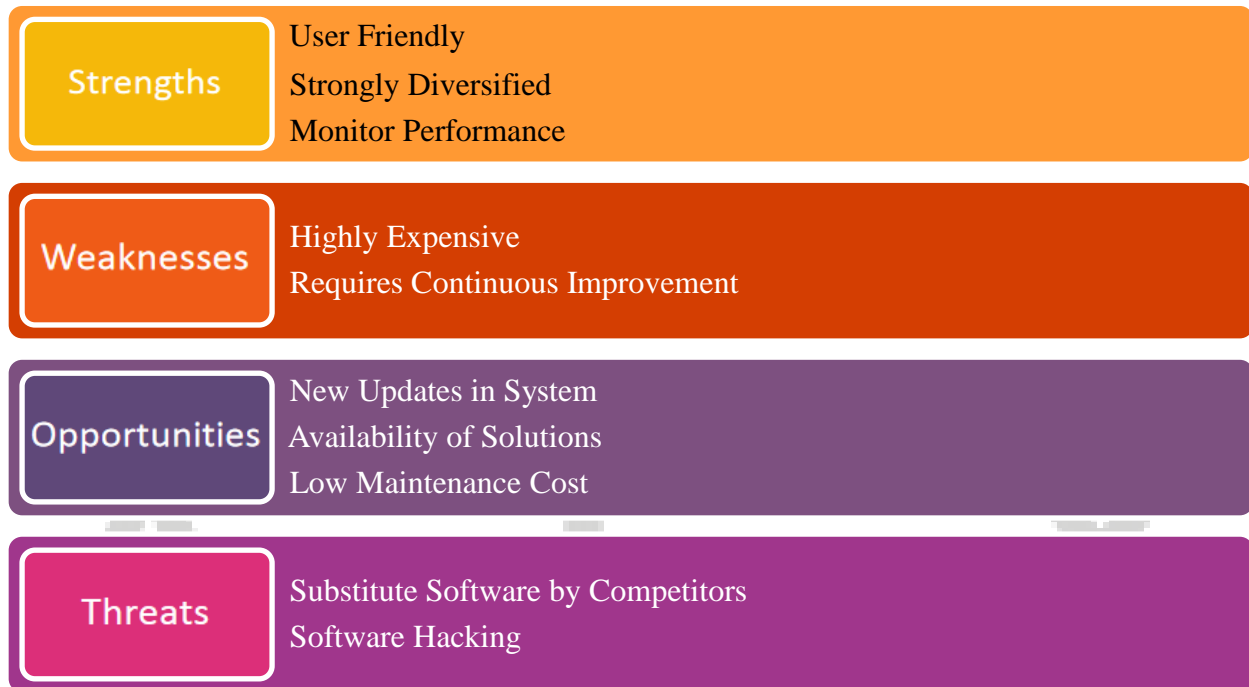


# A - T E X

CHAPTER 7: SWOT ANALYSIS

## **SWOT Analysis**

Based on the application and analysis of ERP software (MS Dynamics AX) for merchandising concern in A-TEX International Ltd. I have tried to come up with a SWOT Analysis which is described in below:



**Figure 27: SWOT Analysis of ERP Application and Analysis in Merchandising Concern**

### **Strengths:**

A-TEX International Ltd. runs its operation in a very technologically advanced way which undoubtedly includes a very advanced and smart team of Merchandisers in the organization. Firstly, the ERP software application has made the working system more users friendly, easy and supportive for the employees. Secondly, the system has made the working procedure highly diversified which ultimately makes the working environment co-operative. All the departmental employees are making communications through the system which creates a good communicational balance in the organization. Lastly, the system has made the organizational monitoring system more powerful and advanced which helps to measure performance of both of the employees and the organization itself.

### **Weaknesses:**

Firstly, the ERP software of A-TEX is highly expensive which requires a lot of money for the license charge and maintenance cost. It definitely puts a great impact in each year's financial report. Lastly, the software requires a continuous improvement which gets solved by the IT department from the head office of A-TEX. So, the local employees need to wait for some time because of the required solution in the system.

### **Opportunities:**

The new updates in the system always make the work easier for the employees. It also helps to make an invisible motivation for the employees at the working place. Available solutions for the software save both time and money of the organization. If the organization can manage to make the cost of the software lower than before than it would be a great opportunity and also a tool for cost saving for A-TEX. These possible opportunities may lead to gain both the employee motivation and market leadership for A-TEX in future.

### **Threats:**

Locally in Bangladesh, there are very few competitors of A-TEX who are using MS Dynamics AX version 2012 and other related software. Somehow, if the competitors may find more advanced technology or substitute software in the market for doing the business operation than it will cause a very high competition for A-TEX. That may lead to a threat for the organization. Additionally, the software hacking may cause a high threat for the organization which is also in against of the law. These two possible threats may lead A-TEX to lose the market in Bangladesh as well as in the international market.

# CHAPTER 8: RECOMMENDATIONS

From the twelve weeks internship program in A-TEX International LTD, I have learnt that the organization is at a very good position in the Garments Accessories and Packaging Industry both locally and internationally. The organization is working very hard to expand, grow and excel in the market. However, the main concern is to achieve the product in-house sourcing ability, improve customer experience, improve team spirit of all departments, enhancing employees' motivation and maintaining a good relation with the partner companies of Trimco Group. In order to make sure all these issues, the organization engages many activities but I would like to add some recommendations for the company only in local establishment that I feel it should take into consideration. They are as follows:

- A-TEX may give more product related trainings to the employees in entry level.
- They may concentrate on succession planning to build the expert workgroup and building the future leaders.
- A-TEX can make participation of sponsoring events at popular and well-known institutions.
- They may organize events and get together with the partners under Trimco Group.
- A-TEX may set key performance indicator (KPI) for every employee in the merchandising department to indicate the employees' performance of sales for particular brands and can provide performance based bonus and increments to raise their motivation.
- They may carry out surveys from time to time by the current and potential customers to understand the customers' expectation and market demand.
- Though the promotional activities in the garments accessories and packaging industry are very low still the organization may plan to make a little bit modern promotional activities to grab the attention of the new customers and hold the existing ones.

# A - T E X

CHAPTER 9: CONCLUSION

One of the brand guardian and identity provider name in the world of garments accessories and packaging industry is A-TEX International LTD. and it's in the market which steadily experience changes. In order to stay competitive in the market the organization has adhered to the trend according to the brands and made changes that it felt were important to exist and keeping it's potentiality in the market. The organizational new management idea of merging with Trimco Group has also put a great impact in its operations and achievements. In the world of technological era, the organization has established a strong position with the modern advancements of software and new technology of production in its operation both locally in Bangladesh and also in the international market.

The report shows the ERP software application and analysis in the merchandising concern of A-TEX. The functional analysis in the report shows the main merchandising functions which are mostly used and practiced in the organization for both internal and external purposes. The SWOT analysis has been established to bring the outcomes of the system for both present and future consideration. The journey in A-TEX as a '*Customer Service (CS) Intern*' was an inspiring experience as I have got so many learning opportunities with a talented and hard-working team in merchandising department. By improving different factors mentioned in the report keeping pace with the new technology and providing quality products to the customers, A-TEX has a bright future ahead.

# A - T E X

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## CHAPTER 10: REFERENCES

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5. Microsoft Dynamics CRM. Retrieved From: [www.microsoft.com](http://www.microsoft.com)

A - T E X