

# Paxar Bangladesh Ltd.

(A Subsidiary of Avery Dennison Corporation)



***An Internship Report***  
***On***

**"The Export and Import Activities of Paxar Bangladesh Limited (A  
Subsidiary of Avery Dennison Corporation, USA)."**

***Prepared For:***

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**Date of Submission: 04 May, 2017**

## LETTER OF TRANSMITTAL

04 May, 2017

Mr. Mahmudul Haq  
Associate Professor  
BRAC Business School  
BRAC University

**Subject: Submission of internship report on “The Export and Import Activities of Paxar Bangladesh Limited (A Subsidiary of Avery Dennison Corporation)”**

Dear Sir,

This is my great pleasure to submit the Internship report as a requirement for the course. It is great pleasure for me to present you with the above mentioned report as a requirement for the course. The title of the report is “The Export and Import Activities of Paxar Bangladesh Limited (A Subsidiary of Avery Dennison Corporation)”.

I am really grateful to you for allowing me to prepare a report on this topic from which I have gained a lot of practical exposure. This has enhanced my knowledge and developed my professionalism. I have put my best effort in order to complete this report and I hope that you will find worth of my labor from this report.

I will be glad to provide any further explanation regarding this report if required. Thanking you.

Sincerely Yours,

.....

Md. Ferdows Alam Milon  
ID: 13164138  
Intern, Spring' 2017  
MBA Program  
BRAC Business School  
BRAC University

## **ACKNOWLEDGEMENT**

At first I would like to express my thanks and gratitude to Almighty Allah. Then I would also like to convey my gratefulness to my parents for all their encouragement and motivation to pursue my higher education.

In the process of preparing this report, I would like to acknowledge the guidance of Mr.Mahmudul Haq, Associate Professor of BRAC Business School, BRAC University, for his kind and hearty cooperation.

I would like to thank Mr.Bipil Kanti Banik, Assistant Manager-Credit Control, supervisor of my internship period. My graduated goes to Ms.Shibli Akter, Senior Executive, Paxar Bangladesh ltd. Who always inspired me to do my job well and accomplish my report. I am also thankful to Ms. Fahmida Sharmin and Mr. Tahsin Rahman for their kind support to learn many practical and effective work outlines for a multinational company like Paxar Bangladesh Limited, a subsidiary of Avery Dennison Corporation, USA).

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## **Executive Summary**

Paxar Bangladesh Ltd is a subsidiary of Avery Dennison Corporation, USA. It started its journey in Bangladesh as Paxar Bangladesh Ltd in 2002 and since then it has been dominating garment accessories business sector. The company imports most of its raw materials from foreign countries as well as from local sources and exports its products to garments manufacturers. Therefore, the export team of Paxar Bangladesh Ltd plays an important role in its success.

This report has enriched with the AR Management activity of Paxar Bangladesh Ltd (A subsidiary of Avery Dennison Cor., USA). When the order is recorded, is updated to the AR that is sales report. Every day the sales report is updated and the data is used by the credit control department. According to the AR credit control sets the contracts as per the maturity of the contract. Then the follow up process starts. Before going to follow up, the credit manager sets a projection target for individual collector. The accumulated is the collection target of the specific month for the company. The individual collector starts follow up to customer by mail, phone call and visit depends of customer nature to get the overdue payment. The contract may be two types, sales contract and letter of credit. These contracts are 7 days, 30 days, 45 days, 60 days or 90 days. If customer or Customer's bank confirm that they release the overdue payment and the concern bank of Paxar received the payment that is consider as to be credit. If the customer not pay the due amount on time the concern collector send reminder 3 times and finally hold the customer's next goods delivery until make the full overdue payment. And this information is passed to the concern sales person, Sales Manager, Credit Control Manager and Finance Director.

## **Chapter-1**

# ***The Organization***

## **Introduction**

Paxar is a global leading organization in providing innovative merchandising systems for the retail and apparel industry. It is doing business in more than 75 countries all over the world and continues to expand worldwide. Paxar designs and manufactures tickets, tags and labels, and provides the technology, including the printers, software control systems and necessary suppliers for retail product identification. Paxar is generating new ideas, creating new products, making sales, purchasing raw materials and components, producing goods and providing service to Paxar's customer. Paxar customers include the world's major retailers, branded apparel companies and contract manufacturers. In Bangladesh it is operating as a subsidiary of Avery Dennison Corporation.

Avery Dennison Corporation completes the acquisition of Paxar Corporation in 2007 which is one of the top MNCs of USA and operating in more 50 countries around the world. Avery Dennison Corporation (NYSE: AVY) is a FORTUNE 500 Company. It was established in 1935 by Mr. Ray Stanton Avery. Avery Dennison is renowned for its labeling and packaging materials and solutions all over the world. The head-office is situated in Glendale, California. After the acquisition of Paxar, Avery Dennison now has more than 30,000 employees in over 75 countries worldwide. Avery Dennison Corporation (Avery Dennison) develop, manufactures and distributes pressure-sensitive labeling materials, packaging materials, display graphics, retail graphic embellishments, a variety of tickets, tags, labels and radio-frequency identification (RFID) tags.

PAXAR is generating new ideas, creating new products, making sales, purchasing raw materials and components, producing goods and providing service to PAXAR's customer. Within the Distribution phase of the retail supply chain; Paxar can handle Global Data Distribution, Security Solutions and Inventory Tracking needs. And to the final sale at the Retail In-Store level, Paxar offers Inventory Tracking System, Retail Control Systems, and Pricing Systems to meet the needs.

As a global leader, Paxar Corporation always comes up with innovative merchandising system for world known retailers. PAXAR objectives are to compete aggressively but fairly, deliver one-stop shopping to its customers "from concept of check out" and provide value to its shareholder. In Paxar everybody is treated as equal irrespective of his or her job responsibilities and designation.



## **PAXAR History:**

Paxar Corporation has a long, rich history of growth, innovation and timely response to industry trends. While the company has divisions dating back as far as the late 1800's, the central Paxar story begins in 1918 with the launch of Meyer Tag and Label Company in New York City. Paxar's founder, Leon Hershaft, a young immigrant from Europe worked at Meyer Tag and Label as a pressman. The company grew to become a well-respected business, and Leon was appointed General Manager. His brother Fred also joined the company, and in the 1940s, the two brothers bought the company. Other family members joined the business, including Arthur Hershaft, Leon's oldest son who served as Paxar's Chairman of the Board from 1986 to December 2006. During the 1960's, as more and more retailers began to adopt self-service product packaging, Paxar began a secondary, carded visual packaging business in response. In 1969, it changed its name to Packaging Systems Corporation and became a publicly held company.

Although Paxar has divisions dating back as far as the 1870's, the central Paxar story starts in 1918 with the beginning of a company in New York City called the Meyer Label Company owned by two brothers Louie and Jack. After awhile, the two brothers split up and Leon Hershaft stayed with Jack, and forms a new company 'The Jack Meyer Label' Company. During the 1940's, Leon and Fred bought the company from Jack Meyer and in 1951 moved his principle factory from Brooklyn, NY to Sayre, PA to avoid labor problems in the City and because his biggest customer was located nearby.

During 1960's Leon's envision, came true after his invention of "FASCO", the coated fabrics and colorfast inks that chemically cross-linked with the fabric, a label manufacturer could produce 5 million label a day on an offset paper, was a major breakthrough and Paxar soon became the dominant printed fabric label manufacturer in U.S.A, after the new invention was officially launched on September, 1971 and this put into operation 1 July 1972.

In 1986, the company went for setup the factory in Europe and opened fabric coating plant in England and bought the FASCO division of company's U.K, Italian as well as German distributor, giving Paxar its own companies in these important countries to confront and get remedy of the inevitable situation arose from dollar got its strong position against local currencies of those countries and high cost of production in

U.S.A. 1987 also started the era of Paxar acquisitions. Besides the three European additions its first drive to woven label, it bought two woven label company in New York and North

Carolina, as well as a big operation in Hong Kong. This made us a major woven label producer in America and the Far East. In 1988, it purchased Rospatch of Lenoir, North Carolina, and its biggest competitor in the printed label business, and make PAXAR, the largest printed fabric label company in the world. In 1991, Paxar acquired the National Tag Co. of Vandalia, Ohio. Side by side it's expand its business in European by marketing a three-legged stool –

Woven labels, printed labels and machine systems which turn it into a "ONE STOP SHOP" for all products. Paxar got owned companies in all important European countries, by setup or acquiring amazing number companies in short time: Paxar Iberia (Spain), Paxar Poland, Paxar Benelux, Paxar Turkey, a sales office in Athns, Greece, as well as buying Orvac, a coated abric company in Italy. These all acquisitions occurred between 1994 and 1997. Paxar France followed in 1998. The Paxar also took threshold into the Latin America, taking the full opportunities of NAFTA. Paxar acquired or set up companies in Mexico, Columbia, Honduras, the Dominican Republic and Brazil. Paxar Canada was inaugurated.

### **Global Leadership 1995 to present**

Avery Dennison got the global leadership in 1995 by rapidly expanding consumer markets in developing economies in Europe, Asia Pacifica and Latin America. Adoption of new technology accelerated its opportunities to a great extent. Avery Dennison made further acquisition of Jackstädt GmbH, RVL Packaging and L&E Packaging in the year 2002. In 2007, Avery Dennison retained sales of \$6.3 billion and ranked 382 on the 2007 Fortune 500 list of the largest U.S. corporations. Combined with Paxar, Avery Dennison now employs more than 30,000 people around the world. Today, we manufacture and distribute labeling and packaging materials in over 50 countries. In just over 75 years, it has grown from one bright idea into a global corporation which has set new standards for quality and innovation in materials science.

Bangladesh, being an emerging country in global economy, is the beneficiary of Paxar Bangladesh, encroached with its up-growing demand of Paxar's type of product identification and tracking systems for its local RMG market.

## Paxar Corporation at a Glance

<b>Name of the company:</b>	<b>PAXAR</b>
<b>Origin:</b>	Netherland
<b>Inauguration</b>	1920 1970 (Licensed) 1980 (Operation Start)
<b>Headquarters:</b> <b>105 corporate park drive</b> <b>White plains, New York</b> <b>Tel:(914) 697 6800</b> <b>Fax:(914) 696 4128</b>	Paxar corporation
<b>Workforce :</b>	18000
<b>Operation:</b>	77 countries

### Activities of Paxar

Paxar Corporation is a global leader in providing innovative merchandising system to retailers and apparel manufacturers. The company's business includes the design, manufacture and distribution of a wide variety of tags and labels, including bar-coded labels, as well as printers and the associated suppliers for customers who prefer the flexibility of creating labels and tags on an "as-needed" basis in their facilities. Paxar has core competencies that range from graphic design to coating, weaving, and design of mechanical and electronic printers, systems integration, and creation of software.

### Global Reach and Further Expansion of Business

With a change in strategic decision in 1987, Paxar started the era of acquisitions. To grow the company's tag and label business, the carded visual packaging division was sold and resources were re-allocated in order to. This landmark facilitated Paxar to its first European operations in England, Germany and Italy. Paxar continued to acquire new businesses over the next 17 years and companies were established in Europe, Asia, Africa, the Middle Latin America and North America. Paxar brought innovation and designed new product and later

they introduced woven labels, bar code products, graphic tags, soft apparel labeling, heat transfers and other items. It bought two woven label company in New York and North Carolina also a big operation in Hong Kong which led us to be the major woven label producer in no only in America but also in Far East. In 1988, it became the largest printed fabric label company in the world and formed PAXAR after purchasing Rospatch of Lenoir Inc, North Carolina (its largest competitor in the printed label business). Paxar acquired the National Tag Co. of Vandalia, Ohio in 1991. In the mean time, Paxar utilized all the opportunities of NAFTA. Gradually it expanded its businesses and made acquisition in European countries and became MNC through setting up Paxar Poland, Paxar Benelux, Paxar Turkey, Paxar France, a sales office in Athens & Greece, as well as buying a coated fabric company in Italy from early 1994 till late 1998. In the following years, Paxar acquired/formed companies in Columbia, Mexico, Brazil, Honduras, Canada and Dominican Republic. Among the South East Asian Countries Bangladesh is greatly emerging country in global economy, and by this time it has become the proud beneficiary of Paxar Bangladesh. Paxar Bangladesh Limited is the largest producer of Paxar's type of product for the RMG market among South East Asian countries.

#### **Avery Dennison Corporation Completed Its Acquisition of Paxar Corporation (2007)**

Avery Dennison Corporation completed its acquisition of Paxar Corporation following the approval of the transaction by Paxar's shareholders at its Annual Meeting on June 14, 2007. President and chief executive officer of Avery Dennison, Dean Scarborough said "This acquisition will strengthen a dynamic and important part of our business". Avery Dennison announced a classic agreement to acquire Paxar for \$30.50 per share on March 22, 2007, in a cash transaction valued at approximately \$1.34 billion. The purchase of Paxar has been funded through the commercial paper market, supported by a bridge facility arranged by JPMorgan Chase Bank, N.A.

#### **Locations of Avery Dennison**

Avery Dennison is now serving the major portion of the world by its distinguished. The location of the company's customers is provided below:



Paxar Bangladesh Ltd is the newest arena of Paxar family. This state-of -the-art factory opened for business in November 2002 but start business from December 1st 2002. The company is set up in Dhaka Export Processing Zone (BEPZ, Savar Factory) and the corporate office is situated at 3/F Uday Tower, 57 Gulshan Avenue, Dhaka 1212. Altogether there are almost 1500 employees and 500 employers working in this organization. Paxar Bangladesh is accountable for report to Paxar Hong Kong.

### **Paxar Bangladesh Ltd. At A Glance**

- Paxar Bangladesh is the newest arena of Paxar family.
- This state-of -the-art factory opened for business in November 2002 but start business from December 1<sup>st</sup> 2002.
- The company is set up in Dhaka Export Processing Zone
- Altogether there are 1500 employees and 500 employers working in this organization.
- Paxar Bangladesh is accountable for report to Paxar Hong Kong.

## Types of products:

Paxar is a part of the garments industry manufacturing the labels of the garments.

They are in the business of manufacturing five types of label

Litho	Flexo	Rotary	Thermal	Woven
<ul style="list-style-type: none"> <li>• Promotional tickets</li> <li>• Swing tickets</li> <li>• Tickets</li> <li>• Tags</li> <li>• Inside card</li> <li>• Over rider</li> <li>• Hanger tag</li> <li>• Book label</li> <li>• Price ticket</li> </ul>	<ul style="list-style-type: none"> <li>• Hook Label (HK)</li> <li>• Hanger Label (HL)</li> <li>• Hanging Promotional Labels (HPL)</li> <li>• Blank Transit Label (TRL)</li> <li>• Blank Unit Price Label (UPC Blank)</li> </ul>	<ul style="list-style-type: none"> <li>• Fabric Label or Care Label</li> <li>• Size Label</li> <li>• Age Label</li> <li>• Two Ups</li> <li>• Book Style</li> </ul>	<ul style="list-style-type: none"> <li>• TRL (Transit Label)</li> <li>• BEL (Box End Labels)</li> <li>• UPC (Unique Price Labels)</li> <li>• ONS</li> <li>• Tags</li> </ul>	<ul style="list-style-type: none"> <li>• Damask Label</li> <li>• Taffeta Label (B&amp;W Background Color)</li> <li>• Satin Label</li> </ul>

### a) Litho:

Paxar Bangladesh Ltd prepares millions of Tickets and Tags in the Litho printing section.

This is called offset printing. Different types of offset papers are used for printing Tickets and Tags. Such as:

- Promotional tickets
- Hanger tag
- Tickets
- Tags
- Price Ticket



### b) Flexo:

Paxar gets orders of huge quantities of Stickers & Tags on a daily basis from different parts of the world. In The Flexo section stickers and T/T tickets are being produced on a large scale. A board paper or broad 250mm sticker paper is used to print on Flexo machine. The items are:

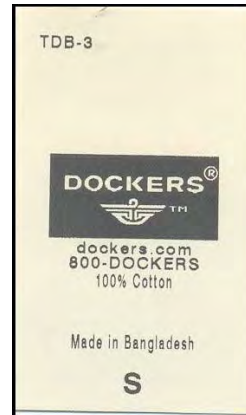
- Hanger Label (HL)
- Hanging Promotional Labels (HPL)
- Blank Transit Label (TRL)
- Blank Unit Price Label (UPC Blank)



### c) Rotary:

Using Rotary Printing System, Fabric Labels are printed and the main technologies which are used in Rotary are mainly Hot Stamp technology & Wet ink technology. Different types of label are being printed using Rotary technologies which include:

- Fabric label or Care label
- Size label
- Age label
- Two ups
- Book style etc.



### d) Thermal:

Paxar Bangladesh used this printing technology only for semi-finished goods. BY Using the thermal technology, bar code is printed in the colored part of a label though flexography. The ways these bar codes are being printed are called thermal technology. Proper care needs to be taken to use this type of technology. By using Thermal Paxar produces the following items:

- TRL (Transit Labels)
- BEL (Box End Labels)
- UPC (Unique Price Labels)
- ONS
- Tags

### e) Woven:

Paxar Bangladesh Ltd produces woven label. Woven department produces woven labels for which the raw material which is needed is called yarns. Yarn is used to weave as Warp ends (horizontal yarn) and Weft ends (vertical yarn). The leather patch which we usually see behind the Jeans pant, jackets etc. are called woven. There are various types of woven label:

- Damask Label
- Taffeta Label
- Satin Label

**f) RFID:**

As a global leader in RFID, our track-and-trace technologies can help accelerate inventory process speeds, prevent losses and improve efficiencies throughout the stages of our customers' supply chains. Healthcare facilities, factories, libraries, airlines, retailers and document management services are just a few of the industries that have enhanced the effectiveness of their operations with our RFID solutions.

**Vision of Paxar Bangladesh Ltd.:**

The vision of Paxar Bangladesh Ltd (Avery Dennison) is to make every brand more inspiring and the world more intelligent. Paxar deeply place emphasis on creating more lucrative brand, increasing brand value, making products more charming, brands more convincing, more productive and fruitful inventories, making information more valuable and worthy and the environment more reasonable. From apparel branding to food and beverage packaging, building graphics and traffic safety signs Paxar play a powerful part in the human life all over the world. Paxar Bangladesh Limited is working to be recognized as the fastest growing organization and to be most profitable unit in Paxar worldwide by generating outstanding revenues in the upcoming years. Paxar Bangladesh Limited will set their high standard by providing excellent product quality, ensuring business ethics, complying the rules & regulations imposed by Bangladesh Export Processing Zone Authority (BEPZA) and also by ensuring better working environment in Bangladesh.



## **Mission of Paxar Bangladesh Ltd.:**

- ❖ **Best Quality of Products and Services:** Paxar's innovative labeling & packaging technology frees the imagination of customers to look at the brands with fresh eyes, and unite form, function and messaging. Our product labels portfolio offers a vast range of functional options, from eye-catching finishes, including embossing, to holograms. Paxar provide good quality products within the shortest lead times.
- ❖ **Further Business Growth:** Paxar is continuously working towards achieving further growth of the business and it greatly focuses on its organizational goals. We share and discuss consumer insights and emerging trends in order to create home and personal care label solutions that can achieve true product differentiation.
- ❖ **Customer Satisfaction:** Paxar always maintain a good relationship with their customers. Large RBOs and other customers are equally important to us and we are working closely with converters and brand owners. Our customers are so loyal & always think about Paxar first whenever they need to order.
- ❖ **Working Environment for Employees:** Paxar is committed to ensure best kind of working environment for its employees. The rewards & benefits provided to them are very special than other organization.
- ❖ **Stakeholders:** Paxar value their stakeholders. Paxar provides the highest possible return to our investors and dividend amount always shows a lucrative figure.

## **Competitors of Paxar Bangladesh Ltd.:**

- Checkpoint
- R-pack
- SML
- Label-1

## **Chapter-2**

### ***Job***

I am working as senior office, credit control under Finance department. There are various types of activities done in different department of this company.

When the customer's order is recorded, it is uploaded to the AR that is sales report. Every day the sales report is uploaded and the data is used by the credit control department. According to the AR credit control sets the contracts as per the maturity of the contract. Then the follow up process starts. Before going to follow up, the credit manager sets a projection target for individual collector. The accumulated is the collection target of the specific month for the company. The individual collector starts the collection by a soft call to the customer on and after immediate maturity of the contract. The contract may be two types, sales contract and letter of credit. These contracts are 30 days, 45 days, 60 days or 90 days. If the first reminder is successful and the collector is satisfied then the collectors update the data to the "To Be Credit" file and submit to the credit manager. If it's not then the collector goes for the second reminder, third reminder. At last if the customer is not able to pay the credit then the controller holds the goods by the fourth and final reminder. And the information passed to the CC Team, Bank, Credit Control Manager.

Besides these my formal activities of the finance department are:

### **Prepare Collection Report**

I am responsible to prepare collection target report for individual collectors.

### **Responsible for Pricing**

I am also responsible for product selling price update and prepare report for price discrepancy.

### **Making of payment voucher of local suppliers**

I made the payment vouchers of all local suppliers. For making vouchers, I need to know the vat and tax slip. Because, those suppliers who do not provide their VAT challan with their invoice, I need to cut the vat and tax from those invoice.

### **Auditor in the warehouse**

I am one the inventory auditors. I counted all the consumable item and spare parts to see whether the stock balance given by the warehouse manager is right or wrong.

## **Chapter -3**

# *Project*

## Background of the Report

Business world is becoming very much complex day by day. Without sufficient practical experience business become difficult and in some cases impossible. The whole world is moving because of business relation. Business plays a very important role in developing economy of country. So, in the business world, practical experience is regarded as a media through whom we have an acquaintance with the real world.

I was authorized to prepare a report on Export and Import activities of Paxar Bangladesh Ltd (A Subsidiary of Avery Dennison Corporation). for partial fulfillment of my course requirement. This report has been prepared based on my practical experience on the day-to-day company activities and under close supervision of my internal guide.

## Objective

The main objective is to prepare myself in such a manner so that I can equip myself with the practical field as well as I will be able to know the different aspect of the multinational company and to evaluate how a multinational company is performing with maintaining their business law. In addition, the study seeks to achieve the following objectives:

- To be familiar with the activity of Export and Import activities.
- To be familiar with supply chain activities.
- To be familiar with BEPZA rules and regulation.
- To evaluate how much the company successful to achieve collection target.
- To identify how much credit policy effective for Paxar Bangladesh Ltd.

## Methodology

**Primary:** The primary information is collected through face to face interview, observation and by participating in the recruitment process directly along with a survey amongst the employees of different departments.

**Secondary:** The secondary information collected from website, magazine, memorandum, journals, internal database and some other relevant sources. Both primary and secondary data sources were used to generate this report. Primary data sources are scheduled survey among the employees of the different departments of the organization, informal discussion with professionals' and observation while accomplishing day to day jobs. The secondary data

sources are website, different published reports, manuals, different publications of “Paxar/Avery Dennison”.

### **Limitations:**

Collection of data is also challenging since confidentiality is an important issue for every organization.

### **Export & Import Activities**

Paxar Bangladesh Ltd is 100% export and import oriented business organization. They need to import the raw materials from abroad and export the products to foreign countries and within country.

Paxar Bangladesh Ltd has an expert team on Supply Chain Management who is basically controlling this important task of export and import. As I am working at credit control department. Therefore, I could not get that much practical knowledge on export and import activities of PBL. For making this report fruitful, I talked with Senior Executive of export team Mr. Zahid Chowdhury and Mr. Taufiq Elahi who provided me with necessary information. According to him, they maintain a safety stock in hand when they make any import order. The reason is that they do not want to hamper the normal production schedule by any inconvenience. When they select the suppliers, they think about the low cost provider with maximum quality.

Since it is 100% export oriented organization, they need to export their products in foreign countries. When they select buyers, they think about the highest price provider. At the same time, they need to think about other benefits as well. For example- which buyer can maintain long-term relationship, which buyer is willing to buy a huge quantity etc. They basically exports five types of products. These are Litho, Woven, Thermal, Rotary and Flexo.

However, for both export and import they need to follow the government rules and regulations strictly. PBL has their Factory in Savar EPZ. All of us know that in EPZ, the organization does the dealings of foreign business. More specifically, it is the place where the organization dispatches their produced products for exporting purpose.

Like other MNCs, their price is also affected by the price change in other countries of their wing. As a result, the export team needs to be very careful about this kind of information when making any agreement of buy or sell.

In addition, any kind of discrepancy or misinterpretation of information can make the contract illegal or void. So, the export team always wants to give hundred percent of their effort. There can be a maximum difference of 99 cents in the contract value. Anything more than that will make the contract discrepancy. For export and import purpose, PBL mostly use LC for the transaction benefits. The documentation charges and other charges are borne depending on the contract

### **Foreign Export Procedures:**

- To provide PI to buyer by CSR and to prepare Shipping Documents.
- To receive L/C from buyer and to prepare delivery challan by dispatch.
- To put Price information in CI by credit control department.
- To prepare EP document and certify Exp by bank and collect EP from BEPZA.
- To deliver all shipping Documents and consumption to C&F agent for custom procedure.
- To deduct material from bond register as per consumption by C&F agents.
- To confirm booking with the forwarder and to collect B/L or AWB from Forwarder.
- Collect CO from Export Promotion Burro (EPB) or Dhaka Metropolitan Chamber of Commerce & Industries (DMCCI).
- Provide flight details or vessel schedule to buyer by mail.
- Prepare bank negotiation documents and to submit documents to bank for payment collection.

### **Import Procedures:**

- To receive PO and Collect PI from supplier.
- To get prior permission from BEPZA (only for capital machinery & construction equipment)
- To open insurance for goods as per PI (if needed).
- To open L/C as per PI.
- To Collect import permission (IP) from BEPZA.
- TO receive Original-shipping documents, B/L(Bill of lading) or AWB, IC (if needed) from supplier.
- To forward documents to company selected C&F agent to clear the goods.

- To Receive goods from C&F agents and ensure entry in bond register
- To send goods to store or consignee department.

#### **Local Export Procedures:**

- To receive L/C or S/C and to prepare delivery challan (DC) by dispatch.
- To put Price information in CI by credit control department
- To prepare Shipping Documents and to collect EP from BEPZA.
- To prepare EP document and certify Exp form by bank.
- To send bill of exchange, Delivery Challan/Truck receipt for attestation by buyer.
- To deliver EP to buyer selected C&F agents.
- To receive bill of exchange, Delivery Challan/Truck receipt attested by buyer.
- To prepare consumption & deliver to C&F agents.
- To ensure the Custom assessment & to deduct material from bond register as per consumption by C&F agents.
- To give goods clearance certificate to C&F agent.
- To deliver goods to C&F agents by dispatch as per clearance certificate.
- To prepare bank negotiation documents and to submit documents to bank for payment.
- To receive payment by DD or TT, if export by sales contract.
- To collect payment as per payment method.

#### **Necessary documents for BEPZA Permission**

- To operate business inside BEPZA, every company has to follow the below rules & regulation,
- Legality of the company and legality of the product needs to be ensured.
- Export/import payment must be made in foreign currency.
- Whether the product is under duty free or not needs to be mentioned.
- Company must have a bond license under warehouse.
- The company must have Code of Business Ethics.



## **Documents to get EP from BEPZA**

- Commercial Invoice & Packing list are needed to get EP.
- Prescribed forwarding is needed for export permission.
- Copy of sales contract or Letter of credit (L/C) and also undertaking for export permit.

## **Method of payment:**

All payment in Paxar dealings are being executed in US Dollars and therefore, their price is also affected by the price change in other countries of their wings. The documentation charges and other charges depend on the contract. Paxar has three types of payment systems for its customers, such as:

- Through bank by letter of credit (L/C) or sales contract on exceptional case subject to approval by General Manager
- Sales contract: The customer can pay in advance for which the account will be credited with the progress of delivery. But these advance can pay in two way:
  - a) Dollar draft (If any order less then USD 1000 then Customer have to provide USD Bank Draft before taking delivery of the goods) and
  - b) Telegraphic Transfer

## **Company policies:**

To streamline the existing credit to customers and ensure the internal control Paxar have a clear guideline regarding credit for the customer. The following credit policy has been proposed to the customer

- 1) General Credit Terms: 60 Days
- 2) Extended Credit Terms: 90 Days
- 3) Fixing Credit Terms: Credit Control department will finalize credit rating report with the information about volume of business and L/C terms from sales & marketing and commercial department respectively. An approval from General Manager may need for this report.
- 4) Grace period: 3 bank working days for banking purpose
- 5) Credit limit: Maximum USD125k
- 6) Mode of payment: Bank Draft, Telegraphic Transfer in advance or by Letter of

Credit (L/C) in US Dollars only.

**7) On hold transactions:** Under the following cases Paxar Bangladesh will stop to accept further order or deliver any shipment:

- a. If customer fails to clear payment of 2 (two) consignments within a month after expiry of the credit term, or;
- b. If customer fails to clear payment of consecutive outstanding of 2 (two) consignment after expiry of the credit term, or;
- c. If the maximum credit limit exceeds.

**8) Standard L/C term:** All the customers have to incorporate the following terms and condition in L/C to be acceptable to Paxar Bangladesh Ltd before taking delivery of the goods:

- a. L/C value should be minimum US\$ 1000.00, otherwise only S/C is acceptable
- b. Irrevocable Letter of Credit
- c. At-sight Or 60/90 days deferred
- d. Value payable in US dollars
- e. Partial Shipment is allowed
- f. Presentation Period is 15 days.

**9) Other Conditions:**

- Maturity of all LC will be counted from the date of negotiation
- Applicant will pay interest at LIBOR (in case of 60 days credit) + 1% (in case of credit Period is 90 days) for the credit period from the date of negotiation.
- All Bank charges outside the Applicant's counter from Beneficiary's A/C.
- In case of any exception of any L/C term and Paxar need to deliver then Customer Service Department is bound to justify the reasons behind that.
- In such cases, approval needs to be taken from General Manager or Finance Director before delivery of the goods.
- If there is any exception of the L/C term and Paxar need to deliver then Customer Service have to justify the reasons and prior approval to be taken from General Manager before delivery of the goods.

## Company Analysis

*SWOT Analysis of Paxar* The strength and weakness that helps Paxar Bangladesh Limited (Avery Dennison) to draw the future plan of the business entity. The company runs SWOT analysis to update the organizational strategy.

### **Strengths:**

- ✓ **Value & Ethics:** Values and Ethics are strictly followed by the employees of Paxar Bangladesh Limited. The terms are introduced with the consideration of the organizational environment and structure.
- ✓ **Market Leader:** Paxar Bangladesh Ltd. is a wholly owned subsidiary of Avery Dennison. Paxar is the world's leader in identification products for the apparel and retail industry and commenced operations in Bangladesh in October 2002. For their standard service, Paxar Bangladesh Limited is the market leader in the respected sector in Bangladesh.
- ✓ **RFID:** Paxar is the global leader in RFID tags. It is famous for its track and trace technologies which very efficient for the stages of supply chain by preventing loss of goods and by accelerating inventory process speeds.

### **Weaknesses:**

- ✓ **New Oracle Implementation:** Paxar Bangladesh is going to implement the new oracle system. It will leave its Texas System and while entering the orders the employees have to login into the new Oracle System and have to input data. Since, this is new process, therefore, for the first few months the working process will be delayed, documentation processing will be delayed and this will lead to late delivery of goods.
- ✓ **Appropriate Documents:** Paxar Bangladesh has own policies for delivering goods in accordance with documentation. However, here in Bangladesh, the local customers are willing to have an urgent delivery of goods with a short time period. Therefore, the company sometimes loses business from local customers.
- ✓ **Time zone:** Being a multinational corp., Paxar group has been doing their businesses in more than 60 countries around the world. Paxar Bangladesh Limited is interlinked with the Paxar group and therefore regional time zones of different countries sometimes interrupt in the function of its businesses.

### ***Opportunities:***

- ✓ ***Launching of New Oracle Technology:*** Paxar Bangladesh will run the business in the new oracle system and will leave its Texas System. All the previous Texas data will be gradually transferred in the Oracle system. The company is expecting that this will bring more accuracy of data, smooth customer services etc. Order entry procedure, creation of Pro-forma invoice and delivery procedures would be easier than before.

### ***Threats:***

- ✓ ***Competitors:*** Paxar Bangladesh Ltd has some competitors such as Check Point, SML, Label 1, R-Pack, Shore to shore and few local companies.

## **Findings & Recommendations**

### **Findings:**

After the collection and analysis of data, I have got some findings. These findings are completely from my personal point of view. Those are given below:

- The analysis of the target collection statement 2016 shows that the company sets a secure collection target.
- From the collection chart 2016 they are successful to achieve the estimated collection target. The standard deviation analysis shows that the STD less than one so this study shows the team have an excellent corporate performance.
- While setting the collection target the company has to report the Paxar Hong Kong Ltd, so sometime it becomes difficult to adjust credit policy with the reporting company.
- Paxar Bangladesh Ltd. follows the master credit policy set by the higher authority, 30 days, 45 days, 60 days, 90 days.
- Credit Control team of this company is very efficient about their work. In last year, December 2016 they collected US \$7 million of their outstanding sales. It was the record target achievements of this company.

### **Recommendations:**

For the probable solutions of the identified problems ensure better progress to Paxar Bangladesh Ltd. in future. Some necessary steps are recommended below on the basis of collected data, observation, expert staff's opinion and my knowledge and judgment:

- After completing the survey findings I recommend that customers are satisfied regarding Global Product Development of paxar Bangladesh Ltd.
- Delay of System Upload (KEA). KEA does not upload timely in many cases. That's why CSO are not found any Idea about production stutas. That makes the customer Unhappy.
- GPD should have the involvements on production.
- Delay process Of QC Department.(layout after approved by the customer not need to recheck the Positives or Negatives).
- Need to improved KEA system.
- Need to recruit Skilled Operator.

- Increase more machine and machinery to improve the production capacity of the factory. To maintain the technological support strong, hire more efficient IT expert.
- Though the overall process of documentation has decreased from 8 hours to 2 hours, the company should be more concern about decreasing the process timing.
- The company is following the standard credit policy but in the Bangladeshi perspective it will be more effective if it is relaxed by 7 days or 15 days.
- Software coordination will decrease the documentation timing. So the software's should be linked up.

## **Conclusion**

Paxar Bangladesh is the newest arena of Paxar family. They started their operation from 2002. In eleven years, they have established themselves as the leading labeling company of our country. All the departments are doing well to reach their goal. The environment of working in Paxar is really different from other organizations. The environment is very friendly and informal. So, there is no communication gap between the superiors and the juniors. There is also no communication gap between the departments. All are very cooperative to solve other problems. If they keep their current growth rate they will capture maximum portion of labeling market of our country.

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## Abbreviation:

EP= Export Permission  
AD= Avery Dennison  
PBL= Paxar Bangladesh Limited LC=  
Letter of Credit  
DC= Delivery Challan  
TIN= Tax Identification Number  
CC= Credit Control  
TRL = Tansit Label  
RFID= Radio Frequency Identification