



Internship Report  
On  
**“Perkins Distributorship Performance”**  
Of  
Spare Parts Division,  
Energypac Power Generation Limited

**Submitted by**

Iftakharul Alam  
Id- 14164024

**Submitted to**

Suman Paul Chowdhury  
Assistant Professor  
BRAC Business School

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## LETTER OF TRANSMITTAL

**Date: 26 February 2017**

**Dr. Suman Paul Chowdhury**

Assistant Professor  
BRAC Business School  
BRAC University

Subject: **Submission of internship report.**

Dear Sir,

I would like to take this opportunity to thank you for the guidance and support you have provided me during the course of this report. Without your help, this report would have been impossible to complete. With deep gratitude, I also acknowledge the help provided by my supervisor Md. Moudud Hossain Feroz, Deputy Manager, After Market Care for providing me utmost supervision to prepare the report.

To prepare the report I collected what I believe to be most relevant information to make my report as analytical and reliable as possible. I have concentrated my best effort to achieve the objectives of the report and hope that my endeavor will serve the purpose. The practical knowledge and experience gathered during report preparation will immeasurable help in my future professional life.

I would really appreciate it you enlighten me with your thoughts and views regarding the report. Also, if you wish to enquire about an aspect of my report, I would gladly answer your queries.

Thank you again for your support and patience.

Thank you

Sincerely Yours

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Iftakharul Alam  
ID- 14164024  
BRAC Business School

## ACKNOWLEDGEMENT

Prosperous conclusion of any course requires support from various personnel and I was fortunate to have that support, direction, and supervision in every aspect from my teacher and ENERGOPAC officials.

First of all I would like to thank beyond measure grace and deep kindness of the Almighty Allah.

I like to express my deep sense of thankfulness to my supervisor of Internship Program and BRAC University for his frank encouragement as well as guidance in preparing this report. I acknowledge my gratitude to **Md. Moudud Hossain Feroz**, Deputy Manager, After Market Care for his help and valuable suggestion from time to time and for being my supervisor in my organization in achievement of my internship program as well as preparing the report.

I also show my utmost gratitude to all the officials of Energypac Power Generation Limited. The speed and helpfulness of the officers really helped me in obtaining the necessary information in time.

## EXECUTIVE SUMMARY

Energypac started its venture in 1982; it has grown to become the largest Power Engineering Company in Bangladesh and is in fact emerging as a first choice global supplier of electrical equipment. “Energy works wonders” is its motto and it commits to bring about these wonders into the lives of people with the most advanced technology and the least power consumption. Energypac Power Generation Ltd. was founded in the year 1995 and today it has established itself as a major supplier of standby and base load generators, low voltage electrical accessories, Bus bar systems and luminaries and fixtures including energy saving lamps in a commitment to conserve energy. The company aims to provide reliable, safe, and environmental friendly power to the industrial, commercial, and residential facilities of Bangladesh and has indeed, succeeded in significantly contributing to the country’s power engineering, management, generation and distribution system.



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## **Chapter One: Introduction**

I have worked under the Spare Parts Department for past two years. My internship program is an educational requirement of MBA Program under an assigned faculty of BRAC Business School of BRAC University, which is a professional degree. MBA students have to do an internship program as a practical orientation to the workplace where he/she can amalgamate the traditional hypothetical knowledge with practical work experience.

### **1.1 Objective of the Report**

#### **Broad Objective**

- To utilize the experiences gathered during the internship
- To observe the activities in Spare Parts department of EPGL.

#### **Specific Objective**

- To analysis the target vs achievement of Perkins
- To identify the challenges of the business
- To present my observation and suggestions regarding Perkins Distributorship Performance of EPGL

### **1.2 Methodology**

The data needed to prepare this report has been collected from both primary and secondary sources.

#### **Primary Data Source:**

Primary data has been collected through unstructured personal interviews and discussions with officials of Sales & Commercial department and also from the field visit. These data is used to collect historical sales, reasons for shortfall and other aspects of distributorship business

#### **Secondary Data Source:**

The secondary data have been collected through EPGL's official site. These data is used for describing about Energypac and its business in Bangladesh.

### **1.3 Limitations**

Internship report is one kind of research work. Research work requires enormous time and effort. But the time provide to us is not enough to do the report. Moreover mine was on job training rather than Internship. As I am working in Spare Parts Department of EPGL, it's fully prohibited to disclose some information. This affects the quality of the report.

## Chapter Two: Company Overview

### 2.1 About Energypac:

Energypac Power Generation Ltd. (EPGL) was incorporated as private limited company on July 15, 1995 vide registration number C-28822 (103)/95 under the Companies Act 1994. Subsequently, the company was converted to a public limited company on December 27, 2011. Energypac has become one of the leading Power Engineering Companies in Bangladesh. Currently, it is emerging as a first choice global supplier of electrical equipment. The company supports the business of its customers by providing them with complete solutions. While creating better and environmentally compatible technologies, Energypac focuses on meeting customer's demand with appropriate products and solutions as well as services. The authorized capital of the company is BDT 5 billion and paid up capital as at June 30, 2014 is BDT 1,427.33 million. It is an ISO 9001: 2008 certified organization.

**“Energy works wonders”** is EPGL's motto. The company is committed to bring about these wonders into the lives of people with the most advanced technology. Energypac Power Generation Ltd. endeavors to eradicate the deficit in country's power generation system and to improve the quality of the lives of its employees and the communities it serves. The company aims to achieve this mission not only through best quality products but also through excellence of its service. Energypac Power Generation Ltd. is committed to provide complete power engineering solution to customers.

The company is engaged in several diversified businesses including trading of standby and base load generators, JAC brand auto mobiles and construction machineries and material handling equipment and operation of CNG station along with aftermarket service. The company is also engaged in installing power plants under engineering, procurement and construction (EPC) contracts, operation and installation of CNG refueling station and conversion kits and providing installation and maintenance services to power plants. The company strives to provide reliable, safe, and environment friendly power to the industrial and residential customers of Bangladesh. The company intends to hold the leading position in power generation and engineering management sector of the country.

## **2.2 Vision**

Provide best in class end to end engineering solutions ensuring highest value addition to those we associate.

## **2.3 Values**

- ✓ We say “YES” to all our customer need
- ✓ We achieve leadership through innovation
- ✓ We ensure integrity above everything else
- ✓ We take responsibility for what we do
- ✓ We encourage respect to all

Energypac Power Generation Ltd has an extensive and effective marketing and distribution network across the nation. Our proactive customer service and logistic support team has undertaken the responsibility to reach our products to its end users through maintaining multilevel customer service touch point.

## **2.4 Product:**

- ✓ Diesel Generator by FG Wilson
- ✓ Gas Generator by Guascor
- ✓ Backhoe Loader, Compactor, Excavator, Wheel Loader, Skid Steer Loaders, Super Loader made by JCB
- ✓ Forklift, Hand Pallet, Pallet Stacker, Reach Truck by Heli
- ✓ Commercial Vehicles by JAC
- ✓ Agro Machineries by John Deere
- ✓ Centrifugal Compressor
- ✓ Rotary Screw Compressor
- ✓ Piston Compressor
- ✓ CNG conversion kits
- ✓ Lift
- ✓ Waste Heat Recovery Boiler
- ✓ Chiller



## **Genuine Spare Parts**

Energypac Product Support Department offers the complete range of genuine spare parts and kits from Perkins at competitive prices with six months warranty. Through investment in equipment, technology and people, EPGL strive to keep our customers' equipment running in low operational and life cycle cost. EPGL's highly trained engineers, specialized workshop along with specially designed services offer comprehensive solutions to our customers. With direct access to the Perkins, FG Wilson Network, latest technical information, product updates, and Caterpillar expertise, EPGL have all that it takes to deliver effective and exemplary service.

Some of highlighted features of Spare Parts Division are:

- One point contact solution
- 24/7 Support
- Extensive parts inventory and our links with the Perkins facility and other dealers
- Dedicated transportation service to expedite parts delivery

## **Service Team**

Service Division in Energypac is noteworthy for the exemplary services it provides to its patrons. Hundreds of skilled engineers and service personnel work relentlessly round the clock to provide support to the wide range of generator machinery, engines and equipment all across the country. Because Energypac value "Customer Success and Satisfaction", Energypac provide unparalleled nationwide product and service support through our 24/7 Service, Energypac's well-trained technical personnel, well-maintained dedicated fleet of Service vehicles and delivery vans, and through nationwide Service Satellite Stations (SSS). Be it anywhere and anytime, Energypac is always ready and happy to walk an extra mile for supporting our customers' interests and for safeguarding their investments.

Energypac also have topnotch technical expertise for specialized functions like: Commissioning, Preventive Maintenance, Trouble Shooting of Gas and Diesel Engines, and Providing Machine and Marine support service. All this and many more only to give premier customer services. Energypac also carry out Scheduled Oil Sampling (S.O.S) fluid analysis to escalate the life span of technical products or engines.

Energypac also deliver expedite and excellent field services to esteemed patrons through a range of support undertakings. Since customer success and satisfaction is paramount concern, Energypac organize frequent sessions/ programs for training customers regarding the operation and maintenance. Additionally, Caterpillar Service Reps' are also available for supervising and for providing extra support facilities. Service department also has a CAT Care program to improve customer service; in addition, Energypac also implemented Customer Experience Program (CEP) and Continuous Customer Satisfaction Survey to improve customer satisfaction in all facilities & branches and to enhance the quality of service respectively.

Customer care services also contain CSA for providing premium support to customers. As an exclusive CAT dealer, Energypac is committed to offer you will all sort of services for heightening the efficacy of every aspect of y operation. Complete Engineering Solutions, Constructive Work Order processing by Enterprise Resource Planning (ERP) project, and Well-equipped inspection & testing equipment & tooling are all in conformity with Standard CAT guidelines for process improvement.

### **Workshop**

Energypac's Tejgaon (G3) Workshop is a proof of successful orchestration of resources, and unsurpassed teamwork and dedication. Capability of overhauling engines, and repairing and maintaining power generator sets and machine components are one of many ways of contributing to customers' success and satisfaction. Besides, stakeholders and counterparts in the industry have lauded our facilities of engine overhauling, repairing and rebuilding. Energypac's workshop also conforms to actual guidelines of contamination control compliance. Energypac also follow a Production Line Methodology to ensure quick service for all products.

### **Warehouse**

Energypac's strategically located distribution centers, and world class ERP system, Energypac can provide quick support to our customers for all their needs. Energypac's logistics services are driven by commitment to meet customer needs. To support emergency customer support Energypac have warehouses open 24/7 for best customer service.

## **EPC**

EPC stands for Engineering, Procurement and Construction. Power Generation Division is extensively involved in the engineering, procurement and construction (EPC) of the power plants on turnkey basis. A customer who wants only to invest money giving all the responsibilities to other company to build and commission the power plant are served with the EPC works.

EPC contract by BPDB for setting up two HFO fired power plants (100 MW in Gopalganj & 50 MW in Faridpur).

## **O&M**

PGD does the operation & maintenance of plants equipped with diesel and/or gas generators. The customers are usually contracted for long term to be served with the manpower, parts & service including load management. It is the responsibility of PGD to

- Ensure smooth functioning to the plant by all possible means.
- Prevent approaching faults & reduces downtime.
- Ensure the optimum performance of the plant with better reliability & availability.
- Reduce unscheduled Parts consumption

Currently there are seven plants under O & M contract. Total size of the plants is 99.40 MW.

## **Power Rental**

Energypac is the leading power solutions provider in the country and believe in providing our esteemed patrons with reliable power in the most productive and cost-effective way. Energypac harbor a large rental fleet ranging from 200KVA to 1000KVA with a total fleet capacity of more than 20MW. This allows to meet the demands of almost any magnitude in the right way and at the right time. The rental generator sets that provide have been designed and engineered for easier transportation, faster installation and simpler maintenance. Designed to work alone or in redundancy, these generators are guaranteed to meet ultimate power need with maximum efficacy. Additionally, generators have been maintained and serviced to the highest standard using original Spare parts and highly qualified engineers for warranting the original quality. Furthermore, Energypac's rental agreement allows for the maximum operating hours in the industry and the engines have the best fuel consumption efficiency.

## **Machine Rental**

At the Energypac Rental Store, the customers are offered a wider product range of new, used, and rent-to-use solutions, at different price scope, to choose from. Machine rental fleet encompasses new and well-maintained used equipment like the excavators, wheel loaders, bulldozers forklifts, dump trucks, drilling hammer, rollers, cranes, trailers and many more. Energypac also offer short- and long-term machine rentals in addition to the sale and service of new and used equipment. Energypac's technical expertise, well-rounded support and service, exemplary standards and nationwide network allow to give unsurpassed services to stakeholders.

## **Chapter Three: Responsibilities as Intern**

### **3.1 Responsibilities:**

I am working under After Market Care (AMC) division of Energypac Power Generation Limited. Energypac is the authorize distributor for FG Wilson & Perkins Diesel Spare Parts & Service. My responsibility are:

- To supervise the overall spare parts sales related work & monitor the regular activities of my team members (FG Wilson & Perkins). The team consists another eight persons. The main activities includes regular visit to existing/new customers, collect their generator spares & service related query etc.
- Prepare my wing's internal budget to achieve the Perkins target for each year. The budget is prepared based on generator population, size of generator as per kVA, maintenance schedule per year. The internal budget is matched with current inventory and Perkins target for the year to meet the principal target.
- Monthly, Quarterly achievement report preparation for higher management. The achievement report includes sales, collection, number of offer prepared to customer & their value and prospect sales.
- Market analysis for spare parts & service industry in Bangladesh to know the market share pie of Energypac in this business. On this basis, management can take branding, marketing and strategically decision to capture more market share.
- Planning for the market promotion of FG Wilson & Perkins Diesel Generator spare parts & service in new Industrial sector. My responsibility is to design, prepare and execute this marketing promotion. Some marketing promotion we performed includes customer meet, core service training, seminar at customer's premises etc.
- Prepare the offer against query from customer. Customer inquiry for generator service & spares. I prepared offer based on their generator capacity, model and type of servicing needed.
- Engage in negotiation with the clients to acquire sales.
- Planning to build up the spare parts stock as per client's query. As I am always in the receiving end of the query, I maintain data for the most frequent spare parts and according to this order is placed to Perkins.

- To maintain liaison with all kind of Clients & Foreign Principals.
- Maintaining logistic support to the client for spare parts & service. The logistic support means delivery to customer's premises. In this process, I have to book a vehicle in advance. Accumulate 2-3 clients order in one vehicle and delivery at a convenient day to their facility.
- All support of spare parts (Diesel) to the EPGL in house.
- Others clients support for spare parts out of Dhaka. Usually it is done by phone/letter. The goods are delivery by courier and service have to be engaged to attend the site after goods are received by the customer.
- Prepare quarterly/Yearly KPI report to Perkins. This report includes target vs achievement, query attended, inventory of parts, marketing activities of Perkins in Bangladesh.
- Lead, Opportunity etc. generate / update in Oracle Sales Software
- Any other works given by Line Manager as and when required basis
- Following up with customers for Credit Recovery.

### 3.2 KPI (Key Performance Indicator):

Start of each fiscal year line manager provides KPI for each employee. My KPI for FY 2016-17 is as follows. From the KPI, I am responsible to meet Perkins Principal Target which is GBP 163,000. I have chosen this distributor performance analysis for my report.

Particulars of KPI	Type	Target	Weight
1. Sales Target of Achieving a target: Achieve sales of diesel spare parts & service	Financial	BDT 2.32 Crore	30 %
2. Collection target Collect the overdue amount from sales (90% of total sales)	Financial	BDT 2.20 Crore	20 %
<b>3. Meet Principal Target</b> Achieve Perkins order target	<b>Financial</b>	<b>GBP 163,000</b>	<b>15 %</b>
4. Reporting and Documentation Prepare reports and documentation as needed	Non-Financial		10 %
5. Parts Identification Identify the parts of diesel engine accurately	Non-Financial		5 %
6. Customer Satisfaction Ensure the customer satisfaction	Non-Financial		5 %
7. New customer acquisition. Acquire new clients	Non-Financial		5 %
8. Team Work Work as a team player	Non-Financial		5 %
9. Value Exercise Establish the value of Energypac in work	Non-Financial		5 %
<b>Total</b>			<b>100%</b>

The above table indicates after each year in which parameter management will evaluate me and the weightage shows the importance of each parameter. As a sales person my major focus is on sales, collection and principal target meet. My topic (*Perkins Distributor Performance*) is one of my core duties and it have 15% of my job responsibility.





applications up to 2264kVA diesel or 804kWe gas. Perkins also offers a dedicated family of engines for CHP installations.

#### 4.2 Perkins Powerpart

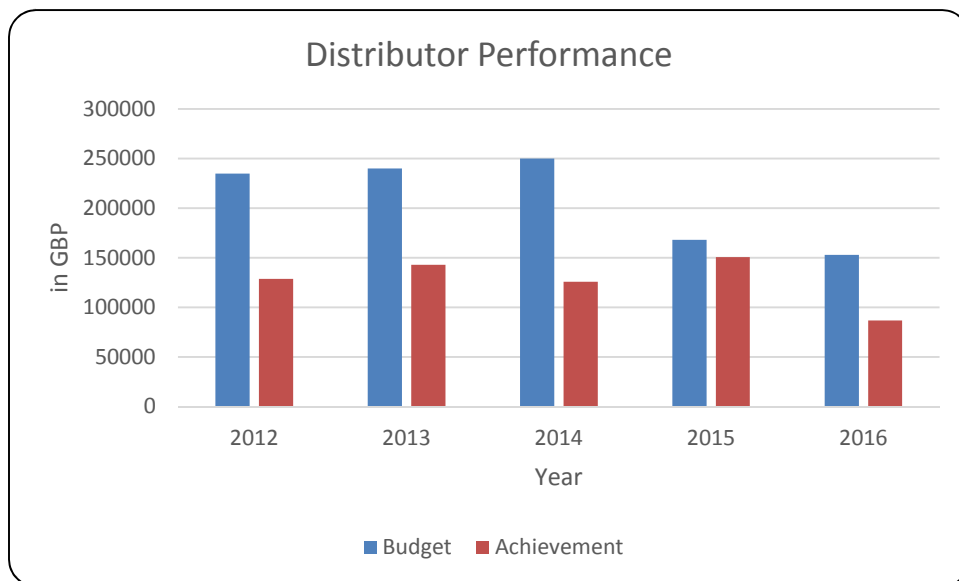
Perkins engines have earned a reputation for ease of service coupled with low costs of maintenance and repair. With a large global network of distributors and dealers, and parts warehouse located in Singapore and England, Perkins are able to keep parts and support close to all our customers throughout the world. This also means high levels of availability and fast shipment that keeps your machine running.

Perkins follow three distributor model:

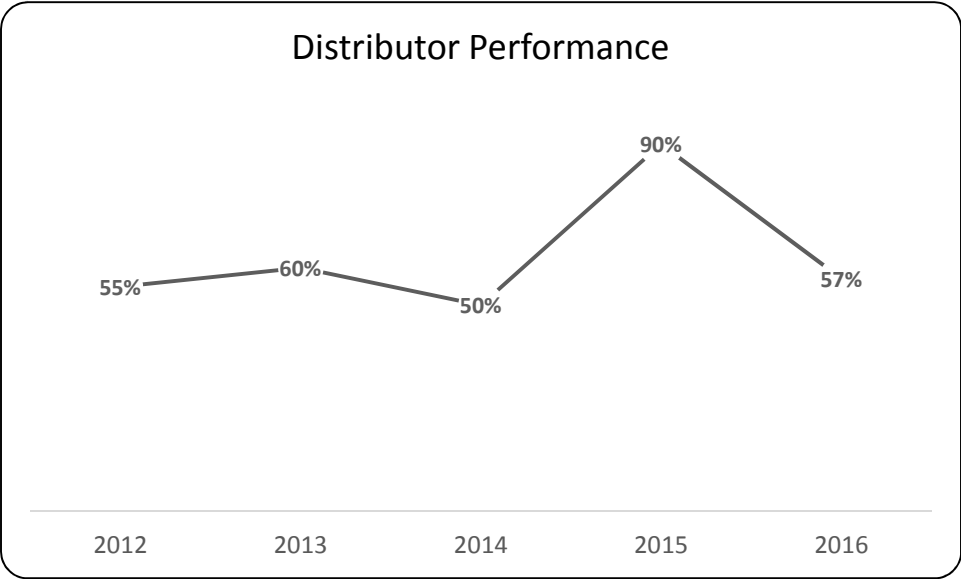
- Parts and Service Distributors
- Engine Distributors
- Solution Distributors

#### 4.3 EPGL performance as distributor of Perkins

Each year Perkins gives spare parts order target to Energypac. I have accumulated the historical order target and achievement from 2012 to 2016. The stats shows that Energypac never meets the target in any year. In 2015, Energypac was closest to the target with 90% achievement rate. From 2012 to 2014, the targets were more than 200K and after 2014, target was reduced to 150K.



Energypac’s average achievement is in 50-60% and in 2015 it touches 90%.



From 2012 to 2014, the target was higher (above £200,000). As the sales force in new and penetrating the market was very tough, Energypac failed to meet the target. In 2015, the target was reduced to £150,000, some marketing initiative like customer meet, seminar was taken to boost the sales. Energypac missed the target by 10%. Unfortunately, the some order delivery time was delayed because of some financial problem of Energypac and the orders arrived in 2016. So, the first quarter target of 2016 was missed. Later 2016, as a result of Brexit, the value of GBP was dropped significantly and the order value was decreased whereas the quantity is same. As a result of existing inventory and Brexit effect the achievement was only 57%.

#### **4.4 Major Issues of shortfall**

1. OEMD supplying channel of OEMD from Perkins (as per their claim) for Perkins spares with a much cheaper rate claiming originality from Perkins. More than 60 Perkins Engine Driven Generator company is operating in Bangladesh which are also providing spare parts from their Generator Principal (ALLAM MARINE, FERBO, DALE, GENERAC, Welland Power, AJ Power, Chinese Brands etc.) with cheaper price and favorable credit terms.
2. OEMD's doesn't purchase from us normally unless for emergency stocks availability, major service breakdowns where ever they are unable to detect the problem and troubleshoot, Warranty support necessary. Therefore counterfeit or non-genuine needs to be addressed.
3. Delivery schedule (for Singapore unavailability, 6-8 weeks from UK) and VOR pricing for emergency support needs to get faster engagement.
4. Minimum Documentation Charge for order is high (GBP 125). For small order, so the price goes up.
5. Customers using Fleet guard, Donaldson etc. filters as these are cheaper than OEM filters
6. Alternative/Counterfeit Perkins parts availability in market (source of parts: Turkey/India/Singapore/Middle East/UK etc.)
7. Reintroduce Perkins AI policy; The duty structure of Bangladesh Govt. give provision to Govt. organizations & export oriented industries to import spare parts duty free.
8. Special discount consideration for prospective/large/stock order based on mutual discussion.

#### **Few Snaps from Site whose are using non-genuine products**



#### **4.5 Reason for Target shortfall in 2016 (Internal Stakeholder)**

- EPGL are unable to stock products before July as our financial year starts from July and EPGL face pressure to reduce inventory by 30th June. So, EPGL have only 6 months for building inventory.
- Though Spare Parts Department initiated the requisitions to achieve YTD target, they were never placed to Perkins on time and the delivery was delayed most of the cases, therefore inventory planning vs availability never matched with respect to the principal target.
- Order placement from date of requisition is extended due to inventory analysis, negotiation with Perkins for discount & EPGL financial issues. Therefore, deviation from requisition and actual order list & value results in less achievement. Also, it usually delays next order placement.
- Delivery time for stock order delayed from 34 days (min) to 51 days (max), average 44 days. This indicates, stock orders are coming after 1.5 months from expected date. This impact planned sales for the quarter.
- Current inventory of 2.68 cr. among which 1.3 cr. is very slow moving. Therefore, EPGL are facing hard time to place new orders.
- Total target was GBP 163K, Spare Parts Department placed GBP 108K, YTD as per PRK 87K. Current achievement is 53%, it would have been in a better position as previous year if above issues were mitigated/minimized.

#### **4.6 Reason for Target shortfall in 2016 (Perkins)**

- Huge inventory is badly hitting Energypac financially. So EPGL are not considering for ordering large volume.
- Outbound sales is decreasing as power situation in Bangladesh is improving and maintenance is extended by customers.
- Alternative/Counterfeit Parts is dominating the market as the price is lower than Energypac and market is becoming price sensitive.

## **Chapter Five: Recommendation & Conclusion**

### **5.1 Recommendation (Internal Stakeholder)**

- Joint analysis and agreement among SCM and Spare Parts Department for 2017 orders to meet principal target which is GBP 150,000.
- Discounted MRP to stock out inventory and increase sales.
- Very slow moving inventory to be viewed & dealt with separately.
- In-time delivery for all items as per plan/requirements.

### **5.2 Recommendation (Perkins)**

- Slow moving/Idle Inventory withdrawal from Energypac.
- Documentation charge reduction for smaller order.
- Consider Perkins AI policy for Govt. organizations and large volume order.
- Special discount consideration for prospective/large/stock order based on mutual discussion.

### **5.3 Conclusion**

The report gives an idea how Energypac is doing as an authorized distributor of Perkins Spare Parts & Service. It shows the historical date of the distributorship performance, the reasons for shortfall and the ways to overcome the difficulties to achieve the distributor target for 2017 and onwards. I have collected the data from my supervisors and interviewed number of persons from different departments (such as supply chain, finance, store etc.) to understand the reasons behind the lacking. I have learnt how the distributorship business works in Bangladesh, the aspects of distributorship business operations, principal company's strategy to acquire new business.

Energypac is one of the leading provider of state of the art diesel generator, Substation, and Power solution with excellent service and maintenance support, countrywide service network with comprehensive range of quality spare parts of Perkins. Currently Energypac is occupying 8% of total market share of Perkins Spare Parts. From my findings I believe, if Energypac can reduce their current MRP price, bring operational excellence with significant reduction in current slow moving inventory, they can grab 15% market share by 2018 and 20% market share by 2020.

**Reference:**

- Energypac website ([www.energypac.com](http://www.energypac.com))
- Perkins website ([www.perkins.com](http://www.perkins.com))
- Internal reports of Energypac
- Communication between Perkins & Energypac
- Annual report of Energypac 2015-16