

INTERNSHIP REPORT ON

SUPPLY CHAIN MANAGEMENT OF OXFO CHEM BANGLADESH

Prepared for: Muhammad Rehan Masoom

Assistant Professor

United International University

Prepared by: Md. Omar Rahman

ID: 111 141 065

Submission Date: 01.09.2019

Letter of Transmittal

01 September, 2019

Muhammad Rehan Masoom

Assistant Professor

School of Business

United International University

Madani Avenue

Subject: Submission of Internship Report

Sir,

It gives me enormous pleasure to submit the internship report on “Oxfo Chem Bangladesh.”

I expect this report to be informative as well as comprehensive.

While conducting the report, I have gathered lots of knowledge about backward and forward linkage and many unknown facts, problems, and prospect of the supply chain on different industries and field. I believed that the experience I acquired from the study would facilitate me a lot in my future career life.

It also has to be mentioned that without your expert advice and cooperation it would not have been possible to complete this report. I shall be pleased to answer any query you may have regarding the report.

Sincerely Yours

Md.OmarRahman

ID: 111 141 065

Acknowledgements

At the beginning I am very much grateful to almighty Allah for giving me strength and opportunity and sound mind to complete the internship report. It is common practice to thank all those people who contributed to the task that one has to achieve. I see no reason to change this custom.

Preparing the internship report on “Oxfo Chem Bangladesh.” it is not a most straightforward assignment where the information should be appropriately analyzed and some data yet to be disclosed on the report. This descriptive paper is the outcome of my practical working experience in Oxfo Chem Bangladesh. For successful completion of this report, I have been fortunate to have the support, assistance, and encouragement of several individuals. Many of them played a decisive role in helping me making this report, although I honestly accept full responsibility for all the errors and omission.

There are those people who contributed in conducting my report, those who have provided information and those who have read, reviewed and offered moral support and encouragement. I like to thank specially to honorable sir **Rtn PPMd. Anisul Haque**, Managing Director of Oxfo Chem Bangladesh, who allowed me to conduct my internship at Oxfo Chem Bangladesh.

Secondly, I would like to show my heartiest gratitude to **Mr. Arun Ghosh**, Chief Marketing Manager, Oxfo Chem Bangladesh, who helped me with providing lots of information regarding my internship report. My gratefulness to **Md. Yusuf Ali Khan**, Assistant Marketing Manager, who has guided me from the very beginning in marketing department and help me in gaining practical experience in marketing. They are very supportive in supervising my works, and I am so much grateful to all the employees of Oxfo Chem Bangladesh for their wholehearted cooperation.

Finally, I am very much thankful to my distinguished faculty **Muhammad Rehan Masoom**, Asst. Professor, Business School, United International University, who gave me guidelines and suggestion during the period of completing my internship report.

Executive Summary

This internship report provides an insight into a chemical company of Bangladesh and discusses their supply chain management in brief. Oxfochem Bangladesh limited is a multi-dynamic organization which serves the different companies and factories in the textile industry of Bangladesh. Upon completion of my graduate courses, the opportunity to avail the internship in the company provided me to compare the business process with the theories and practices of supply chain management in the organization. It was founded that the employees felt the urgency of supply chain management department in the organization beyond their educational knowledge.

Table of Contents

1.0.0. INTRODUCTION.....	7
1.1.0. KEY ELEMENTS IN SCM:	7
1.2.0 COMPANY OVERVIEW:	8
1.2.1. COMPANY MISSION:	9
1.2.2. COMPANY VISION:	9
1.3.0. BUSINESS PROCESS OF THE OXFOCHEM BANGLADESH LIMITED.....	13
1.3.1. MARKET RESEARCH.....	14
1.3.2. QUOTATION FROM THE BUYER COMPANY.....	14
1.3.3. CONTACT WITH THE SUPPLIER.....	14
1.3.4. OPENING L/C	14
1.3.5. SHIPMENT TO CHITTAGONG SEAPORT.....	14
1.3.6. CUSTOM DUTY IN CHITTAGONG SEA PORT.....	15
1.3.7. TRANSPORTATION TO DHAKA WAREHOUSE.....	15
1.3.8. DISTRIBUTION OF THE PRODUCTS.....	15
1.3.9. CUSTOMER FEEDBACK.....	15
1.4.0. COMPARISON OF BUSINESS PROCESS OXFOCHEM BANGLADESH LIMITED WITH SUPPLY CHAIN MANAGEMENT	17
1.5.0. OBJECTIVE OF THE STUDY:	17
2.0.0. LITERATURE REVIEW	19
3.0.0. METHODOLOGY.....	20
4.0.0. ANALYSIS AND FINDINGS:.....	21
5.0.0. IMPLICATIONS OF THE STUDY.....	22
BIBLIOGRAPHY	23

List of tables

Table 1: Overview of OxfoChem Bangladesh Limited	11
Table 2: Interview Questions of the study.	20

List of figures

Figure 1 organogram of OxfoChem Bangladesh limited	13
Figure 2 the general flowchart of supply chain management	16
Figure 3 Business process of the OxfoChem Bangladesh limited.....	16

CHAPTER ONE: INTRODUCTION

1.0.0. Introduction

Supply chain management integrates supply and demand management within and across companies. Supply chain management refers to the management of the business process, starting from the source to customer end (Park, 2005). Supply chain management has earned its attention since the use of the terms in 1980 in the production industry for controlling the raw materials (Verma, 1998). With the time being passed, the dynamic business organization has recognized and hence initiated the supply chain management for the development and overall management of their business process. Supply chain management encompasses the planning and management of all activities involved in sourcing, procurement, conversion, and all logistics management activities (Webster, 2003). Importantly, it also includes the coordination and collaboration with channel partners, which can be suppliers, intermediaries, third-party service providers, and customers. Supply chain management is an integrating function with primary responsibility for linking major business functions and business processes within and across companies into a cohesive and high-performing business model. It includes all the logistics management, as well as manufacturing operations, and it drives coordination of processes and activities with and across marketing, sales, product design, finance and information technology (Simchi & Kaminsky, 2003).

1.1.0. Key Elements in SCM

From the above definitions, SCM comprises of a lot of issues related to different stages in the supply chain.

The six key elements in the SCM (Cappello & Schmitz, 2000) and the coordination and integration between them have been given extensive research attention:

1. Service level management, including customer segmentation (Chen & Shao, 2002), service level management (Boyaci, 1998)
2. Order and demand management, including sales demand planning and forecasting (Aviv, 2001) inventory management order entry and fulfillment
3. Production management, including network configuration/rationalization (production planning and scheduling (Dickersbach, 2009)
4. Supply management, including procurement planning , supplier performance management
5. Distribution management, including network configuration/rationalization (Chopra, 2003; Jayaraman and Rose, 2003; Amiri, 2006), warehousing transportation (Morash and Clinton, 1997; Wilson, 2007
6. Integrated SCM planning and execution, which is enabled by the SCM processes, IT systems, organization and performance measurement. (Frohlich & Westbrook, 2001).

1.2.0 Company Overview

Oxfochemical Bangladesh limited is a privately owned company registered with ministry of finance, Bangladesh export import bureau; Bangladesh knits garments manufacturers association (BGMEA). The company was founded by Rtd. Public Prosecutor Md. AnisulHaquein 1988, the year after which Bangladesh started to export finished garment products. With a vision to serve the newly formed garment export industry in a large scale, the owner pioneered the import of different chemicals and raw materials. The company has more than 250 employees working in different section to complete the business process. The company was rewarded with special recognition from the Bangladesh export import bureau for their outstanding performance in imparting world-class chemical solution in 2010 by providing the existing chairman of the company with CIP(Commercially important person) status. BGMEA rewarded the company for their contribution in the development of the garment industry of the country. The mission and vision of the company is given below.

1.2.1. Company Mission

- Providing the best chemical solution for the textile industry of the country.
- Introducing world class chemical solution for the textile industry of the country.
- Introducing economically viable and eco-friendly chemical solution for the textile industry of the country.
- Effectively developing buyers/ client's relationship.
- Serving diligently our communities with integrity and pride.

1.2.2. Company Vision

- To become and sustain the position of the market leader in textile industry of the country.

The chart in the below gives an overview of the company.

Subject	Description
Company name	Oxfochem Bangladesh limited
Founder	Rtn.PP Md. Anisul Haque
Founding year	1988
Founded in	Narayanganj, Dhaka, Bangladesh.
Head office	Hazi Hashem Trade Center 55/A, S.A Maleh Road, Tanbazar, Narayanganj E-mail: oxfo786@gmail.com, oxfochembd@gmail.com
Company type	Private limited company
Industry	Textile, knit manufacturing, ready-made garment

Area of business	All over the Bangladesh
Company value	600 million BDT
Number of employees	250+
Number of branch offices	4 (including head office)
Listed in stock exchange	no
Company listed in	Ministry of Finance, Bangladesh Export Import bureau, BGMEA, Bangladesh chemical industry corporation.
Current chairman	Md. Raisul Haque
Current head of marketing	Mr. Arun Ghosh
Company products	<ul style="list-style-type: none"> • Soda Raw (Alkasol-400) • Enzyme MC-500 • Wetting Agent & Detergent Raw • Silicon Softener Raw • Fixing Agent Raw • Softener (Cationic) • Anti Creasing Agent • Leveling agent Raw • Washing Agent Raw • Peroxide • Peroxide Stabilizer Raw • Peroxide Killer Raw • Sequestering Agent Raw

<p>Top consumers of the company</p>	<ul style="list-style-type: none"> • Barnaly dyeing • Kentuky fabrics • B.L fabrics • Babylion knit composite • Total Fashion • Fair Apparels • Ruposhi group • M. L Dyeing • Taipi Bangla • Weltex group • Chaity group • Horizon group • Fabrica knit composite • NZ group • GMS composite • Norban group • Crystal composite • Nasa group • G.M group • Plummy Fashion ltd • Thermax group • Mitali group • Hams groip • Modele group • Fakir knit composite • Tua-ha textile ltd • Osman group • Kushiara composite • S.B style composite ltd
--	--

	<ul style="list-style-type: none"> • Dalas fashion ltd • Anontex • Naz group • Nur group • Amex knitting & dyeing
Top rivals of the company	<ul style="list-style-type: none"> • Alam Chemicals • Rozaree • Talukdar colors • Nurjahan colors • Printex • Diesin chemical • Mayer dowa chemical

Table 1: Overview of OxfoChemBangladeshLimited

Currently the company employs 38 persons in their offices excluding labors. The current organogram of the company is shown below:

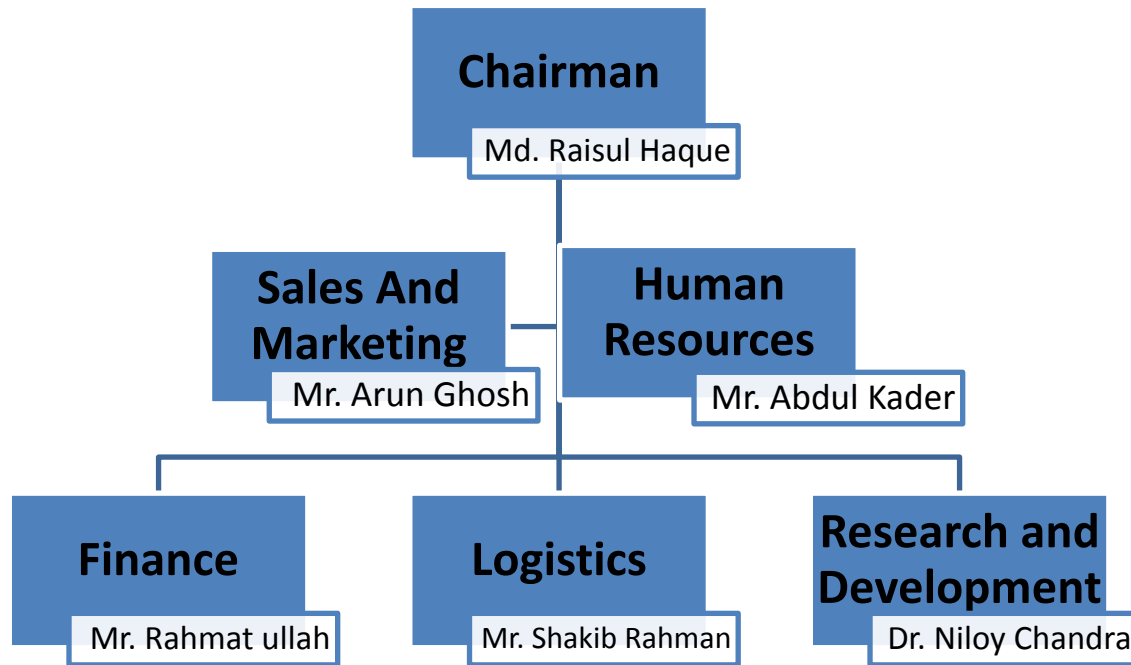


Figure 1 organogram of Oxfochem Bangladesh limited

1.3.0. The Business process of the Oxfochem Bangladesh Limited

During the internship, the job responsibility was to identify the critical functions of the business. By definition the business process that adds value satisfy the customer demand are considered as supply chain management As the company deals with the textile chemical industry of the country which is fully export-oriented, the company plays a role of a dealer of the chemical companies. Usually twenty-five to thirty-five business days is required to serve the prospective company by OxfoChem Bangladesh.

The business process can be divided into 9 parts. The description of different components is given below.

1.3.1. Market research:

A designated team of the company performs structured market research on the garment industry as well as the consumers for getting the market information of the demand of the chemicals in a quarter basis. The market research team also performs a market survey on the rivals of the company. The research team sends the report to the marketing team.

1.3.2. Quotation from the buyer company:

Upon getting the market research information, a team of marketing and sales professionals contacts with the prospective buyer company for their quotation in the quarter. The prospective company is informed the price, time required for delivery, issues after delivery etc.

1.3.3. Contact with the supplier:

As the company is merely an exporter of the chemicals, Supplier Company is contacted upon getting the quotation of the prospective. The supplier company of different regions of the world especially China, India, Argentina, Vietnam, Indonesia, are contacted with a team of export and import professionals for supply. Papers of the contracts are handed over the finance team upon settlement of supply contract.

1.3.4. Opening L/C:

An L/C on behalf of the company is opened in the bank account and the necessary documentation is sent to the supplier company for shipment.

1.3.5. Shipment to Chittagong Seaport:

With the L/C documents, the suppliers are requested for the delivery. Generally ten to twelve business days are required for the shipment of the product to Chittagong airport.

1.3.6. Custom duty in Chittagong Sea Port:

Upon the arrival of the consignment, rules and regulations imposed by the government of Peoples Republic of Bangladesh are thoroughly checked by the authority of Bangladesh customs .the process is accompanied and followed by a senior member of finance team and a senior member of logistics team. Sometimes, company own transportation facility is used for small scale transportation. Meanwhile, a technician performs required chemical testing of the shipment for checking originality and superiority of the product.

1.3.7. Transportation to Dhaka warehouse:

Upon getting the clearances from Bangladesh Customs, the transportation order is given to the KDS logistics by the logistic department of the company. Usually, three to five working days are required to reach the products in the Dhaka warehouse located in 2 distinctive places of Dhaka city corporation area.

1.3.8. Distribution of the products:

The customers are served in the following business days upon the arrival of the products in the Dhaka warehouse. The products are transported through companies own vehicles. Expertlabors of the company are used to handle the products as the products being explosive and flammable in nature.

1.3.9. Customer feedback:

Customer feedback is collected and evaluated by the marketing professionals to assess and reorder the products from the same company. Sometimes, as occurrence of unwanted events is natural, the company is bound to reimburse/resupply the products upon customer feedback. The below figure provides an integrated model of the supply chain management of a global business organization.

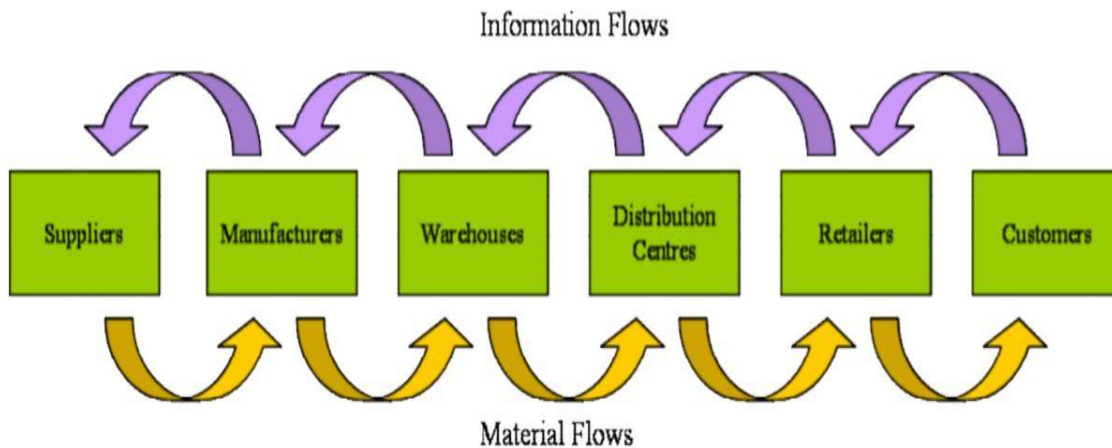


Figure 2 the general flowchart of supply chain management

The flow chart in the following page is describing the business process of the OxfoChem Bangladesh limited.

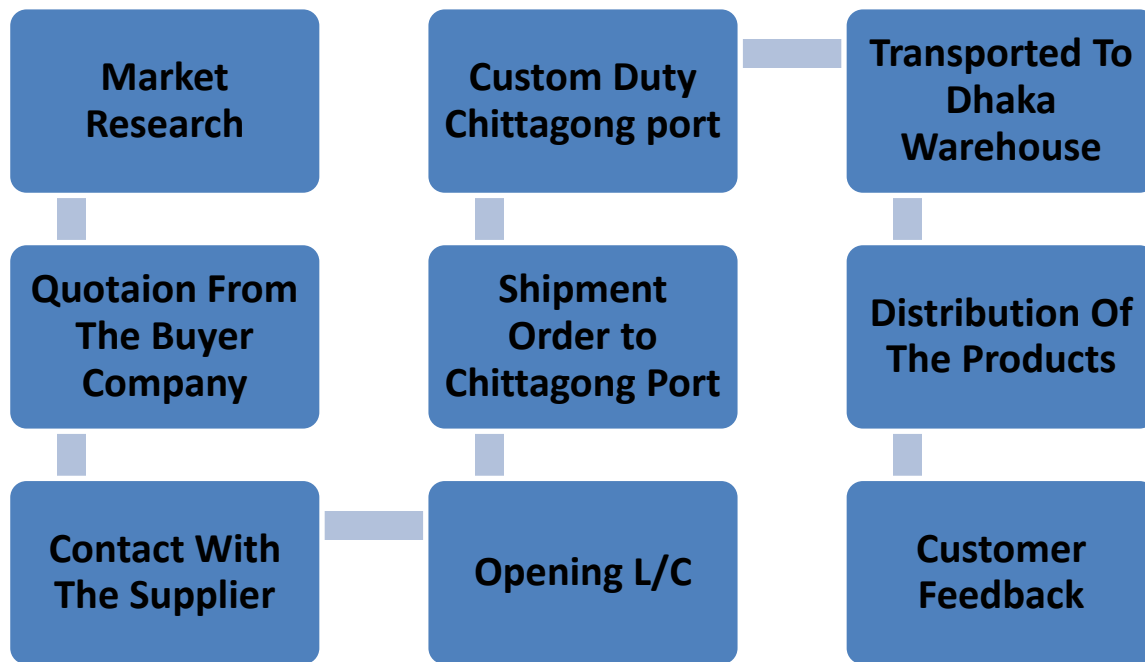


Figure 3 Business process of the OxfoChem Bangladesh limited

1.4.0. Comparison of business process OxfoChem Bangladesh limited with supply chain management

As discussed in an integral part of the supply chain management, compared to the business process of OxfoChem Bangladesh limited, it has been witnessed that there is a close similarity between them. It can be decided that the theory of supply chain management can be applied and the outcomes can be considered for making business decisions. As discussed in the business process, both a market research company and a marketing and sales professional team are tailored in the organogram of the company. During the internship, job role was being closely worked with the teams. Prospective customers are visited by the market research team with the available products and their features. A strong relationship is maintained with different reputed buying agencies and freelance garment buying experts for the information. For updating the data contact software (developed for the company) is used by the marketing research team. The sales and marketing professional's team are given the update while they are ordered to make sales calls to the prospective customers. Frequent visit and meeting with the designated persons of the perspective company the sales and marketing team are handed over the quotation paper by the prospective. The quotation paper is considered as legal order form and is valued by the different government and private bodies of Bangladesh.

1.5.0. Objective of the study

The main objective of the study is to recognize and understand the supply chain management process of Oxfochem Bangladesh limited and relate it with the traditional theories of the supply chain management process. The other objectives are-

1. Identify the role of supply chain management.
2. Identify the relationship of supply chain management with different functions of the organization.

3. Identify the knowledge and preference of the employees about supply chain management.
4. Distinguish the role of supply chain management from the logistic department.

CHAPTER TWO: LITERATURE REVIEW

2.0.0. Literature review

The integral parts of supply chain management were defined and categorized in earlier studies (Cappello & Schmitz, 2000). Comparison of different business functions with the supply chain management is studied and required for further arrangement in different industries (Park, 2005). Research on Pepsico UK found that the value of supply chain management impacted their business with the local agricultural firms (Louise, 2014).

Trends, opportunities, and practical information of supply chain management of the food supply chains in Bangladesh were found informative (karim & Hossain, 2014). The study focused on the high value of raw materials suppliers for the food processing industry of Bangladesh. An overview of the supply chain management in the fish processing industry of Bangladesh was critically analyzed and found that the lack of modern technology is hindering the development (Sheikh, Sen, & Hasan, 2012). The study also suggested ways to improve through the practice and implication of the theories of supply chain management.

A study focused on kallol group of industries found that most of the companies of the country were not recognized by most of the company (Islam, 2016). A study conducted by the academics of ICMAB tried to relate the current status of supply chain management in Bangladesh context with the traditional theories (Akhter, Uddin, & Jahan, 2018) . A study conducted on PRAN-RFL group of Bangladesh visualizes the cost-cutting and profit migration through supply chain management (Azim, 2007).

A close study related to the objectives of the study found 12 components that affected the supply chain management of the garment industry of Bangladesh as location , transportation and logistics , inventory and forecasting , marketing and channel restructuring , sourcing and supplier management, information and electronic mediated environments , product design and new product introduction , service and after-sales support, reverse logistics and green issues, outsourcing and strategic alliances, metrics and incentives , global issues (Basak, Seddiqe, Islam, & Akanda, 2014)

CHAPTER THREE: METHODOLOGY

3.0.0. Methodology

The structured interview session was conducted with different sections of the organizations especially with the sales and marketing professional and the logistics team. The data are noted and displayed for further analysis. The chart below shows the interview question

Question	Data nature and interpretation
Name Position Level of study Working Department (Eg. Sales and marketing)	Nominal data to identify the respondents
Do you know about supply chain management?	To identify the acquaintance of the respondent with supply chain management
Is Supply chain management related to your work, If how it is related	To identify the respondents understanding of relationship of supply chain management with his/her work
Do you think supply chain management is required in the organization? If, tell how the organization can be benefitted.	To understand the need of supply chain management.
Do you think supply chain management is logistic department? If not, how it is different.	To understand the difference between the logistics and supply chain management.
Do you know the suppliers of the company? Describe how frequent do you contact with them.	To understand the relationship of the employees with the suppliers.

Table 2: Interview Questions of the study.

CHAPTER FOUR: RESULTS

4.0.0. Analysis and Findings:

After analyzing the data collected for the study, the following vital information has been found:

Key findings 1: in literature, it was found that supply chain management is an integral part of the organization. But the study found that the employees of the company don't identify supply chain management due to physical unavailability of the department. Most of the employees recognize the supply chain management as a relationship with suppliers of raw materials only (84%).

Key findings 2: the knowledge of supply chain management among the employees is poor (54% have working knowledge) though most of their education level was graduation (82%). As a matter of consideration, the study showed that the education of supply chain management is required in the organization.

Key findings 3: most of the employees had an understanding that supply chain management is different to their department but are interrelated to their department (68%).

Key findings 4: most of the employees (81%) are well known about their suppliers and are frequently making communication (64%) with them regarding business purposes (61%).

Key findings 5: most of the employees found that the logistics department is closely related to supply chain management (72%).

CHAPTER FIVE: IMPLICATIONS

5.0.0. Implications of the study

Supply chain management can be initiated as a department in the organization based upon understanding the role of supply chain management by the owner or key responsible persons of the organization. The study found that the knowledge supply chain management among the employees is poor though they recognize the necessity of the role. Training on supply chain management on educational institutes can be conducted for upgrading the knowledge of supply chain management among the employees of the organization. The study also found that the employees differentiate the duties of supply chain management and the logistic department which also increases the demand for a functional supply chain management in the organization.

References

- Akhter, B., Uddin, M. B., & Jahan, L. B. (2018). Theories of Supply Chain Management:A Critical Analysis. *THE COST AND MANAGEMENT*, 46(01), 30-40.
- Aviv, Y. (2001). The effect of collaborative forecasting on supply chain performance. *Management Science*, 47, 1326–1343.
- Azim, A. (2007). *Process of Supply chain management (SCM): A Case study on Pran-RFL (Rangpur Foundry Limited) Group in Bangladesh*. Dhaka: BRAC Institute of Governance and Development (BIGD).
- Basak, A., Seddiqe, M., Islam, M., & Akanda, M. (2014). Supply Chain Management in Garments Industry. *Global Journal of Management and Business Research:Administration and Management*, 14(1), 23-28.
- Boyaci, T. (1998). *Supply Chain Coordination and Service Level Management*. USA: Columbia University.
- Cappello, A., & Schmitz, C. (2000). Supply chain inventory management and the value. *Management Science*, 1032–1048.
- Chen, C., & Shao, H. (2002). Optimal short-term scheduling of multiproduct single-stage batch plants with parallel lines. *Industrial & Engineering Chemistry Research*, 1249–1260.
- Dickersbach, J. (2009). *Supply Chain Management with APO: Structures Modelling Approaches and Implementation of SAP SCM* (Third Edition ed.). Berlin: Springer-Verlag.
- Frohlich, M., & Westbrook, R. (2001). Arcs of integration: an international study of supply chain strategies. *Journal of Operations Management*, 19, 185–200.

- Islam, M. Z. (2016). *An Evaluation of Supply Chain Management- A*. Eastern University. Dhaka: <https://pdfs.semanticscholar.org>.
- karim, M., & Hossain, S. (2014). *Exploring the Development of Food Supply Chains in Bangladesh: Trends, Opportunities and Practical Information*. Netharlands: Nyenrode Business Universiteit.
- Louise, A. (2014). *Exploring How to Manage Supply Chain Relationships for Sustainability: An Action Research Project with PepsiCo and their Agricultural Suppliers in the UK*. Cardiff: Logistics and Operations Management Department, Cardiff Business School.
- Park, Y. (2005). An integrated approach for production and distribution planning in supply chain management. *International Journal of Production Research*, 43, 1205-1224.
- Sheikh, W., Sen, S., & Hasan, R. (2012). The Supply Chain of Sea Fish from Source to Consumer: Bangladesh Perspective. *BMJ*, 02(01), 94-105.
- Simchi, L., & Kaminsky, P. (2003). *Designing and Managing the Supply Chain: Concepts, Strategies and Case Studies*. New York: McGraw-Hill.
- Verma, R. (1998). An analysis of the supplier selection process. *Omega*, 739-750.
- Webster, T. (2003). *Managerial Economics: Theory and Practice*. San Diego: Academic Press.