

VALUE DRIVERS OF SUPPLY CHAIN
IN
URMI GARMENTS LIMITED



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Urmi Garments Limited

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Submitted in Partial Fulfilment of the Requirements for the Degree
Bachelor of Business Administration



June 04, 2021

Internship Report Approval Form

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Letter of Transmittal

June 04, 2021

Mr. Shubhankar Shil

Assistant Professor, ULAB School of Business (USB)

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4/A, Satmasjid Road, Dhanmondi, Dhaka 1209

Subject: Submission of Internship Report.

Dear Sir,

I am very glad to inform you that I have completed my internship at Urmi Garments Limited: A Concern of Urmi Group. My Internship report 'Value Drivers of Supply Chain in Urmi Garments Limited' has been completed as a requirement of completion of my BBA program at ULAB School of Business, University of Liberal Arts Bangladesh (ULAB).

In doing the report, I have gathered both practical and academic knowledge. At first, I got experienced with organizational culture of garments industry and the report has given me the opportunity to improve my communication skill in working with other departments. I have tried my level best to meet the requirements of internship report by following your guidelines and gives an effort to cover all the necessary points. I have also made attempt to make this report an informative one. Thank you for your help and co-operation during the internship program. Please consider my limitations on this report with your kindliness.

Therefore, I pray and hope that it will be kind enough to accept my internship report and oblige thereby.

Sincerely,

Noshin Farzana

ID No: 171011005

Acknowledgement

Before all, my expression of gratitude to the almighty ALLAH for giving me the resistance to accomplish my accountabilities as an intern and also complete the report within the required time. As a part of the requirement of BBA program, I did my internship at Urmi Garments Limited: A Concern of Urmi Group. It is one of the readymade garments manufacture company of Bangladesh.

I would like to start my thankfulness towards my honorable supervisor Mr. Shubhankar Shil who has advised me with necessary information to complete the internship report. Again, I would like to thank Mr. Md. Mainul Hasan, Chief Financial Officer (Urmi Group) for all his support, necessary instructions and guidelines at the time of internship period, and his whole team for being cooperative and helpful to me when I needed as well as giving me the chance to carry out my best performance.

Secondly, I would like to show gratefulness towards my organization supervisor Mr. Tushar Kanti Poddar, Manager (Accounts & Finance Department, Urmi Group) for assisting me to understand the official work along with collection of data for the report. Besides, I cannot overlook the contribution of other departments who have assisted me with other information.

At last, my gratitude towards my family, friends who also stayed with me in this tough time. Therefore, my thankfulness to everyone who have involved with me during preparing my report.

List of Abbreviation

RMG = Ready-made Garments

UGL = Urmi Garments Limited

FTML = Fakhruddin Textiles Mills Limited

MD = Managing Director

AGM = Assistant General Manager

COO = Chief Operating Officer

HSBU = Head of Strategic Business Unit

SOP = Standard Operating Procedure

LC = Letter of Credit

ERP = Enterprise Resource Planning

BOM = Bill of Materials

QC = Quality Control

FOB = Free on Broad

CPT = Carriage Paid To

FCA = Free Carrier

BGMEA = Bangladesh Garment Manufacturers and Exporters Association

BAE = Bangladesh Apparel Exchange

COC = Code of Conduct

Table of Content

Particulars	Page No.
Executive Summery	11
Part A: Internship Experience	12
Chapter 1: Overview of Urmi Garments Limited- A Concern of Urmi Group	12
1.1 Organizational Overview	12
a. Corporate Profile	12
b. Company's Short Profile	14
c. Mission and Vision of UGL	14
d. Products of UGL	15
e. Their Valuable Clients	16
f. CSR Activities of the Company	17
1.2 Industry Analysis	18
a. SWOT Analysis	18
b. Porter's 5 Forces Analysis	20
1.3 Management	23
a. Organogram	23
b. Employee Benefits	24
Chapter 2: Financial Analysis	24
2.1 Growth Analysis	24
a. Sales Growth of UGL	24
b. Growth of Gross Profit/Loss	25
c. Growth of Operating Profit/Loss	25
d. Net Profit Growth	25
e. Growth of Property, Plant and Equipment	25
f. Growth of Retained Earnings	26
g. Growth of Accounts Payable	26
2.2 Liquidity Analysis of UGL	26
2.3 Activity Analysis of UGL	27
2.4 Profitability Analysis of the Company	28
2.5 UGL's Solvency Analysis	28
Chapter 3: Internship Involvement	29
3.1 Internship Role & Responsibility	29
3.2 Observations	30
Chapter 4: Findings & Conclusion	30
4.1 Findings	30

4.2 Conclusion	31
Part B: Research Project	32
Chapter 1: Research Design	32
1.1 Research Title	32
1.2 Background of the Study	32
1.3 Introduction	32
1.4 Objectives	33
1.5 Methodology	33
1.6 Scope	34
1.7 Limitations	34
Chapter 2: Value Drivers of Supply Chain in Urmi Garments Limited	35
2.1 Theoretical Background	35
2.2 Understanding the Supply Chain Process of UGL	38
Chapter 3: Analysis & Findings	43
3.1 Analysis	43
3.2 Findings	51
Chapter 4: Recommendation & Conclusion	54
4.1 Recommendation	54
4.2 Conclusion	55
Chapter 5: Bibliography	56
Appendix	58

LIST OF TABLES, GRAPHS & FLOWCHARTS

<u>Graphs</u>	
1. Sales Growth	58
2. Gross Profit/Loss Growth	58
3. Operating Profit/Loss Growth	58
4. Net Profit Growth	59
5. Growth of PP&E	59
6. Retained Earnings' Growth	59
7. Accounts Payable Growth	60
8. Liquidity Ratio	60
9. Activity Ratio	60
10. Profitability Ratio	61
11. Coverage/Solvency Ratio	61
12. Export Share 2019	30
13. Total Turnover	31

14. Number of Garment Factories in 10 Years	61
15. Employment of Workers (In Million)	62
16. Export of RMG (In Million USD)	62
<u>Flowcharts</u>	
Figure 16: The Organogram	16
Figure 18: The Supply Chain Process	35
Figure 19: Elements of Supply Chain Management	36
Figure 21: The Action of Order Procedure	44
Figure 22: Plan of 90 Days	45
Figure 23: Raw Material Procurement Process	46
Figure 24: Stages of Inventory	47
Figure 25: The Process of Manufacturing	48
Figure 26: Shipment Procedure of UGL	49
Figure 27: Days Allocation for 500 Pieces Order	52
<u>Tables</u>	
Table 1: Purchase Journal Entry	54
Table 2: Sales Journal Entry	54
Table 3: Number of Employees	63

Executive Summery

This report is prepared based on my three-month internship experience at Urmi Garments Limited (UGL). The internship opportunity has helped me to learn about the practical scenario of a Garment's Company. The report is divided into two parts, Internship experience at UGL and a research project on Value Drivers of Supply Chain Process of the company. Besides, the report will provide an insight into a garment's organization of Bangladesh as well as has discussed their supply chain Management in brief. UGL is a renowned ready-made garments' manufacturer company in Bangladesh. It is a concern of Urmi group which has started its journey in 1984 as a private limited company. They are ensuring high quality products by delivering on time to their buyers. In this report, I have tried to cover a short view of UGL, it's management overview as well as a financial analysis of the company.

RMG industry is one of the biggest and most GDP earning sector in Bangladesh. A successful company of the industry needs an efficient supply chain management process. Thus, UGL is one of them. The company is maintaining compatible Supply Chain process for delivery excellence towards their buyers. Hence, this report's objective is an understanding related to SCM and an analysis of its efficiency conducts by UGL.

The report provides some findings related to SCM. It also shows some recommendation that how UGL can be more well-organized in Supply chain process. After all, an importance of supply chain in garment's industry has been written in the report.

By following the instructions of my supervisors at ULAB and UGL, I have gotten an opportunity to improve my skills and also acquired about functions of an accounts department of a company. Besides, I have gathered a practical experience of garment production functions as well as Supply chain process. Therefore, the report reflects my understanding on Supply Chain Process of RMG industry and my total experience in the corporate world.

Part A: Internship Experience

Chapter 1: Overview of Urmi Garments Limited- A concern of Urmi Group

1.1 Organizational Overview

a) Corporate Profile

Urmi Group is one of the leading Ready-made Garment's manufacturer in Bangladesh. It was incorporated in 1955 by commencing Fatulla Brick Field, but later the operation of it had been closed. Then actively, the company has started with different concerns like Urmi Navigation Limited, Urmi Shipping Company Limited, Urmi Garments Limited, Fakhruddin Textiles Mills Limited and so on. They have certification of Oeko-tex and GOTS. Along with these, the company had got certification for Platinum Green Factory, they had earned two times HSBC export excellence award and actively attaining highest the taxpayers award from the last three years. At present, they have ten different concern companies in which the company has become one of the largest diversified group. The concerns are as follows-

- i) Fakhruddin Textiles Mills Limited (FTML)
- ii) Urmi Garments Limited (UGL)
- iii) Attires Manufacturing Co. Limited (AMCOL)
- iv) UHM Limited
- v) Dots & Marks
- vi) Poly Corr Packaging
- vii) AgroSAL Limited (Fishing, Nursery, Starch)
- viii) Urmi Shipping Company Limited
- ix) Urmi Navigation Limited
- x) FNM Sourcing Limited (Trading Company)



Figure 1: FTML



Figure 2: UHM



Figure 3: Urmi Garments Limited

A concern Urmi Garments Limited (UGL) was incorporated in 1984 as private limited company under the Companies Act 1913, amendment in 1995. The company is working under apparel and fashion industry. UGL's main activity is manufacturing and marketing of garments products along with exporting it to foreign markets. Their compliance standard is as per BSCI as well as their buyers (S.Oliver, Puma, H&M, Decathlon, Tchibo, KGS, Auchan, Otto, Toray) have approved the company's facilities by own COC. The working manpower is 1,689 people, and they are very active in their work. They also have 300 professionals in different sectors. Recently, they have started 'Demra' Project in Demra. They have got GU partner certification of 2015 for producing products under GU label and also got the award of Sustainable Apparel Forum from BAE. Therefore, UGL becomes competitive in the industry by maintaining standards in production, innovation and growth.



Figure 4: GU Partner Certification



Figure 5: Sustainable Apparel Forum Award

b) Company's Profile at a Glance

1. Name	: URMI GARMENTS LIMITED
2. Year of Establishment	: 1984
3. Chairman	: Mr. Ashfaq Ahmed
4. Managing Director	: Mr. Asif Ashraf
5. Location (Head Office)	: SAM Tower, Gulshan-1, Dhaka
6. Location (Factory)	: Tejgaon Industrial Area, Tejgaon, Dhaka
7. Area	: 800,000 Square Feet
8. Production Lines	: 30
9. Production Capacity	: 40,000 pieces (Per Day), 100,000 pieces (Per Month)
10. Total Manpower	: Officer & Staff: 361 Workers: 1328
11. Total Investment	: 60 Million US Dollar
12. Exported Products	: T-shirt, Polo Shirt, Sports items and so on.
13. Foreign Buyers	: PUMA, M&S, AUCHAN, GU, FULL BEAUTY etc.

c) Mission and Vision of UGL

Urmi Garments Limited have recognized their directorial policy for the upcoming years, as the company is doing constant progress in the industry. The MD of the company said that the main goal of the company is industrialization, but environment needs to be thought at first and for the progress the environment has not been ruined by anyone. He also said that he and his associate always thought about the carbon footprint of the environment and always tried to decrease it at the time of production as well as there is an impression in every activity of UGL. They believe to become perfect in the business field, and eventually this will help them to be successful in attaining the company's goal effectively.

UGL's main purpose is to develop business and human welfare through sustainable activities. The company's DNA is continuous improvement, and they fight hard to do better than the past generation. Their vision is to be the number one chosen supplier of the best international brands by improving the delivery to maintainable products and services to the top international buyers. Urmi Garments Limited defines their core value by a word 'IMPACT', which means Integrity, Mutual Trust, Passion for Excellence, Agility, Customer Focus, Teamwork & Co-operation. Each word defines as:

- I = Integrity: The company maintains the highest level of transparency, honesty, fairness and most importantly keeping professionalism in all their dealings with buyers, sellers and also with their employees.
- M = Mutual Trust: UGL respects to be dependent on others.
- P = Passion for Excellence: The organization tries to be the best in every aspect what they do.
- A = Agility: UGL is capable in adapting with the rapidly changing environment by exchanging new ideas and innovations.
- C = Customer Focus: The company believes that buyers are their key to success and so UGL tries to meet their need in a positive way.
- T = Teamwork & Co-operation: Urmi Garments' improvement depends on focusing all members of the teams as well as sustain to keep collaboration among each and every one.



Figure 6: Core Values- 'IMPACT'

d) Products of UGL

Urmi Garments Limited is 100% export oriented company. Mostly, they have made garments for exporting them to the foreign markets. Their main products are:

- ✓ T-shirts

- ✓ Polo Shirts
- ✓ Jackets
- ✓ Sports Items and so on.



Figure 7: Polo T-shirts



Figure 8: T-shirts

e) **Their Valuable Clients**

Urmi Garments Limited's valued customers are:

- ✚ Puma
- ✚ Marks & Spencer (M&S)
- ✚ Auchan
- ✚ Kaufland
- ✚ Decathlon
- ✚ Muji
- ✚ GU
- ✚ LaRedoute
- ✚ Ellos
- ✚ Full Beauty Brands and so on



Figure 9: UGL's Customers

f) CSR Activities of the Company

The company does many CSR activities throughout the year. Some CSR activities of UGL are:

- ❖ UGL has led to CRP to set up a ward of 100 beds.
- ❖ They recruit incompetent people such as tribal people and physically challenged people.
- ❖ They distribute free sanitary napkins among their female workers.
- ❖ The unskilled employees get training in the company's training centre to be skilled.
- ❖ They have set mosque for local people.
- ❖ At the time of Rana Plaza tragedy, they had taken responsibility of 3 victims for completing full treatments.



Figure 10: Disable Workers



Figure 11: Free Sanitary Napkins Distribution



Figure 12: Training School

(Urmi Group, 2019)

1.2 Industry Analysis

Industry analysis refers to a way to recognize an organization's position comparative to other companies in the same industry for the organization. (CFI Education Inc., 2021)

My working organization Urmi Garments limited is under apparel and fashion industry and it is a leading RMG manufacturer company. It is becoming a very competitive industry as RMG industry plays a key role in developing Bangladesh. To know UGL's industry position, I have used two analysis methods- SWOT analysis and Porter's Five Forces Model for getting clear image about the company.

a) SWOT Analysis

A SWOT analysis refers to a company's Strengths, Weaknesses, Opportunities and Threats to make an effective business decision. It also helps the organization to grow its business. The analysis can evaluate internal and external factors of the company in the same industry. (Schooley, 2019)



**Figure 13: SWOT Analysis,
Source: (Shaw, 2017)**

The SWOT analysis of Urmi Garments Limited is given below:

❖ **Strengths of the Company**

- Full of modern equipment
- Innovative products
- Experience management officials
- High reputation of the company
- Mass production setup in the factory
- Eco-friendly environment
- Own textile company

❖ **Weaknesses of UGL**

- Obstacles in the production process because of pandemic
- High price of energy
- Very short time period in producing garments after receiving order
- Increasing price of raw materials

❖ **Possible Opportunities of UGL**

- Increases people's need
- Recognized foreign buyers are their customers
- Moving to new market sectors
- Advantage of new international market

❖ **Probable Threats of the Organization**

- Electricity problem
- Increasing competition in the industry
- Price variation with the competitors
- Labour movement
- High tax rate
- Delay of shipment
- Fail to complete requirements of buyers

- **Porter's 5 Forces Analysis**

Porter's 5 Forces model is a structure that shows a company's competitive atmosphere. It also helps to determine industry's strengths and weaknesses. (INVESTOPEDIA STAFF, 2020)

To know UGL's industry position, the Porter's 5 Forces Model is given below-



Figure 14: Porter's 5 Forces Model

Source: (Visual Paradigm, 2020)

- 1) **Threat of New Entrants:** The threats of new entries in the garment's industry are low because there are many garments in Bangladesh and because of the pandemic situation many garments are market out as well as many buyers are not interested in Bangladeshi garments' products. Buyers are moving to Vietnam for garments products because now-a-days most of the garments companies are not maintaining proper quality and the price is also high.

For the garments organizations, the industry requires a lot of investment and also lead-time management is a big concern. Most of the buyers want to buy garments products from other countries where they can get the product from cheaper price than Bangladesh. That's why, the threats of new entries are low for UGL.

- 2) **Bargaining Power of Buyers:** A buyer wants to pay less but desires more product. Urmi Garments Limited is one of the most famous garments in Bangladesh as well as worldwide. There are some international clothing brands which are the main buyers of UGL. The names of the buyers are Puma, Marks & Spencer (M&S), Auchan, H & M, Decathlon, Muji, GU, Full Beauty Brands, Tchibo, Ellos, LaRedoute, Brylane, Toray and so on. UGL sells their products to those companies. The customers buy their products from UGL, like Puma, Auchan, M&S, and Toray. They are the consistent clients who give orders towards the company. Therefore, the UGL's buyer power is low because those brands are not going to other garment companies so easily. For this, UGL ensures a high-quality product to their buyers.
- Some other international clothing brands buy clothes from the Urmi Garments Limited, but they are not regular customers and they also purchase goods from the other garments companies as well. In this situation, the buyer power is high, on the contrary UGL need not ensure high-quality products. That's because the company will take garments from Urmi Garments at the time of their need. Sometime Bangladeshi clothing brands buy the products from the Urmi Garments Limited. If the clothing brands want high-quality products, UGL provides high-quality products or if they want medium quality product, Urmi Garments also delivers them those types of products.



Figure 15: The Buyers of UGL

- 3) **Threats of Substitutes:** In the market of Bangladesh, threat of substitutes is high because there are many other garment companies and most of the organizations export their product to worldwide. Some competitors of Urmi Garments Limited are Ha-Meem Group, DBL Group, Fakir Group, Standard Group, Square Textile and so on.

- 4) **Bargaining Power of Suppliers:** Suppliers want to give less product but want more money from a company. Consequently, Urmi Garments Limited has the positive point that the main fabrics come from their own textile mills. Fakhruddin Textiles Mills Limited is the main fabric suppliers of UGL. Most of the fabrics come from the FTML. By that Urmi Garments gets the fabrics with minimum price. That is the great advantage and for this, the supplier power of UGL is high.

The company also takes raw materials as well as accessories from other companies like Aman Spinning Mills Ltd, A&A Fashion, Confidence Thread & Accessories Ltd, H.M Accessories, A.K Accessories, etc. In this time, UGL does not buy the product from one supplier company. They buy the product from two or three different companies but the product quality is the same. This technique is used by Urmi Garments because of getting less price from their suppliers.

- 5) **Rivalry among Existing Competitors:** About the Bangladesh garments industry, the Urmi Garments Limited's position is good because their 80% buyer are committed with the company. As per garments industry, UGL's position in export market is better than others garments companies. The main point for this position is their committed buyers and also their high product quality. Also, in this pandemic situation UGL is doing excellent. Therefore, the rivalry among existing competitors is low in the industry.

1.3 Management

- a) **Organogram:** An organogram refers to a clear presentation of a company's span of control with top management to lower management, as well as departments. It also visualizes others to know the company's chain of control effectively. (Pingboard Inc., 2021)

The below organogram of Urmi Garments Limited is same to all the departments.

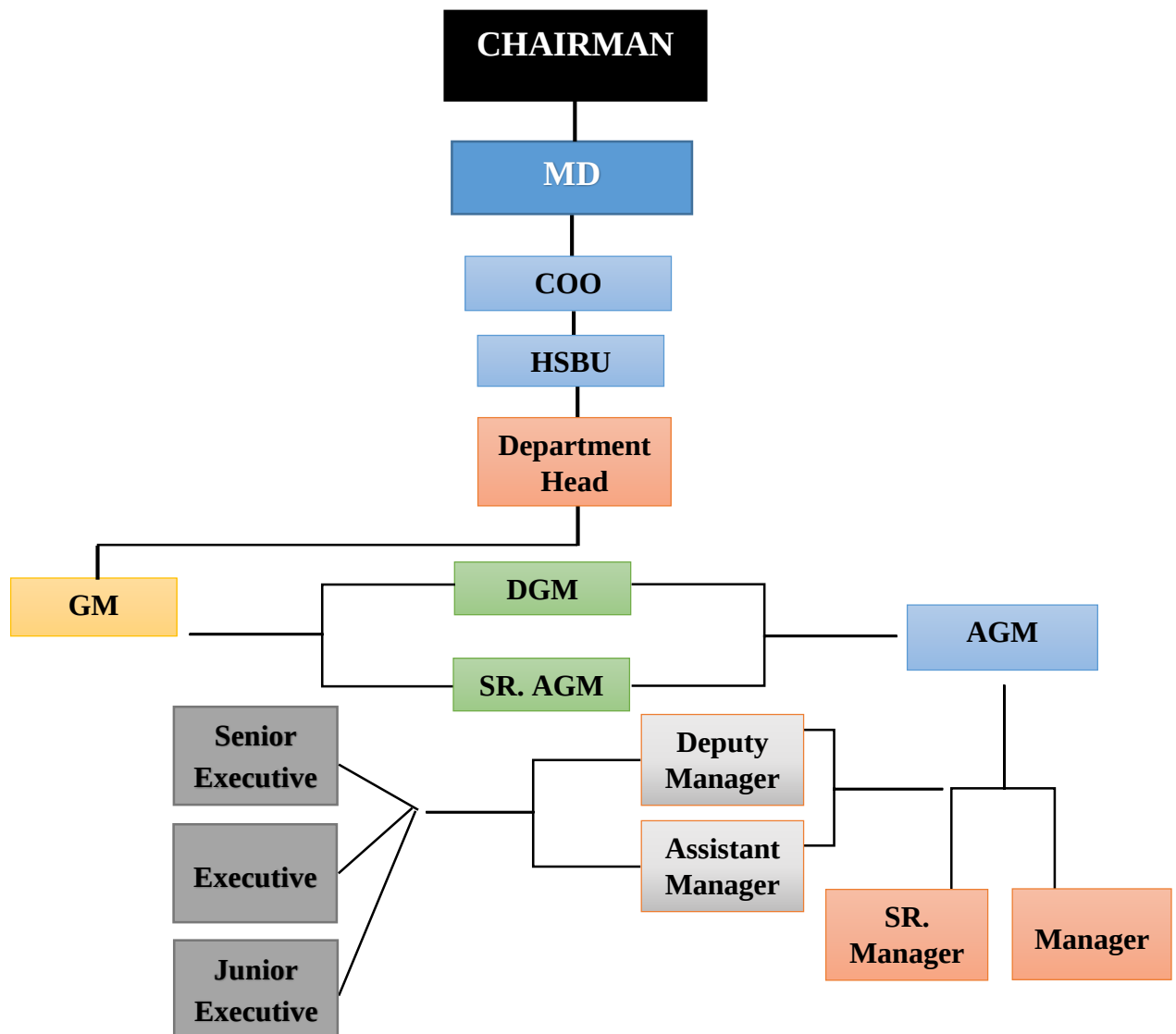


Figure 16: The Organogram

- b) **Employee Benefits:** Employee benefit deals with providing to employees in addition to salaries and wages. It is requisite for employees' happiness towards the company as well as it is valued to the employees. (Virgin Pulse, 2021)

Urmi Garments Limited also provides to their employees as well as factory workers with different types of benefits. The benefits are:

- ✚ Overtime rate is doubled over basic salary for factory workers.
- ✚ Insurances for every employee.
- ✚ At the end of a year, the poor workers get help for family crisis from the directors of the company.
- ✚ Medical and Maternity Benefits
- ✚ Annual leave payments
- ✚ Gratuities

Chapter 2: Financial Analysis

Financial analysis deals with knowing financial performance of a company using financial data. By going through the analysis the company can improve their current position related to past years. The financial analysis of Urmi Garments Limited for the year 2018-2020 is given herewith.

2.1 Growth Analysis

a) Sales Growth of UGL

The sales growth of Urmi Garments Limited was 5% from the period 2018-2019. But in 2019-2020, the sales growth became decreased to -26%, which was not a good sign for the company. Therefore, the company need to increase their sales and this will become very much effective for the enhancement of UGL. It can also define the company to long-term success. (See Appendix 1.1 for Graph)

b) Growth of Gross Profit/Loss

At the time of using UGL's suppliers and labor in producing goods, Gross profit evaluates the company's proficiency. So, in 2018 to 2019, the organization could not able to make gross profit as they were in loss and the negative growth rate was 14%. It shows that Urmi Garments did not effectively manage its variable cost in their production. Also, they again made the loss at the rate of 4% in 2019 to 2020. But the loss was become decreased comparing to previous years. (See Appendix 1.2 for Graph)

c) Growth of Operating Profit/Loss

The company was in negative growth of 22% as their expenses (general, selling, finance) were in high amount comparing year 2018 to 2019. But again in 2019-2020, UGL made loss at a growth rate of 52%, which was much higher than the past years. (See Appendix 1.3 for Graph)

d) Net Profit Growth

Net profit is the most important indicators for a company and it shows the percentage of profit produces from total sales. Urmi Garments Limited could not effectively manage their total sales as they were in loss in the year 2018 to 2019, which showed a negative growth of 12% by the company. In 2019-2020, the negative growth had increased to 48%, which was three times higher than the previous year. It is shown by a graph in Appendix 1.4.

e) Growth of Property, Plant & Equipment

Property, Plant & Equipment (PP&E) is a fixed as well as long term asset that an organization cannot able to liquidate easily. It is important for business process and also financial health of the company. After going through Urmi Garments Limited's PP&E growth, in 2018-19 their growth rate was 127%; which was much high. But the rate became negative in 2019-2020 was 2%. It means they purchased a lot of PP&E in 2018-2019 that the company was looked for long term position, but between 2019-2020 they bought the asset in limited number. That's why, the growth rate is showed like that and it is presented in Appendix 1.5.

f) Growth of Retained Earnings

After giving dividends to the shareholders of a company, the amount of net income left over for business is called Retained Earnings. The Urmi Garments' growth of retained earnings was in positive rate. The company's growth of retained earnings was 4% in 2018-19 and 8% in 2019-20. It shows the company was using its retained earnings to maintain their current operation, or investment in new opportunities. (See Appendix 1.6 for Graph)

g) Growth of Accounts Payable

Accounts Payable is current liability for a company, in which the company has to give payments within a year. UGL's accounts payable growth was 122% in 2018-19 and in 2019-20 the growth rate increased to 164%. It shows a negative sign for the company that they are not giving payments efficiently to their suppliers. (See Appendix 1.7 for Graph)

2.2 Liquidity Analysis of UGL

A liquidity ratio refers for using to define a company's ability to pay its short-term debt requirements. It helps to determine the use of the company's current assets to cover its current liabilities. (CFI Education Inc., 2021)

Urmi Garments Limited has much ability to use their current assets to pay short term liabilities. The minimum acceptable level of current ratio is 2:1. In 2020, the Current ratio of UGL was 2.17, which was a good amount compared to the standard. But in 2019 the amount fell a little to 2.03, that faced the company a less capability to use their current assets to pay current liabilities. This happened because the company's Current Liability becomes a little high. But they will not face any liquidity problem because their Current Ratio is very good related to the standard value in 2020. So, the company might not face difficulties in working capital management and also their liquidity position is good. Quick or Acid test ratio measures immediate short term liquidity. Urmi Garments Limited has considerate opportunity to use their Current Assets to pay short term liabilities. Quick ratio is higher than maximum acceptable level of 1.1:1 which indicates the greater margin of safety for creditors. In 2020, the ratio was 0.68 and in 2019, the amount was 0.57. The ratio

became increased in 2020 comparing to 2019, and so improved Quick ratio is good for the company. Besides, it is a good indication for the UGL. The ratio of Current Cash Debt Coverage deals with the company's ability to pay off its current liabilities in a given year from its operation. The ratio of UGL had decreased to 0.32 in 2020 than 2019 which was 0.27. It indicates that the company has able to pay current liabilities by their cash lead from the operation activities. Therefore, it is seen that the Liquidity position of Urmi Garments Limited is very much effective in 2020 other than the position of 2019. They have enough liquid assets to pay their current liabilities. The graph is shown in Appendix 2.

2.3 Activity Analysis of the Company

Activity Ratio is used by the company to regulate the proficiency in practicing its different operating assets. It also helps to evaluate the company's operating productivity by analyzing fixed assets, inventories, and accounts receivables. (Ramachandran, 2021)

UGL had got cash from their receivables 12 times in 2020, instead of 15 times in 2019. It is Accounts Receivable Turnover and as the amount decreased in 2020 from 2019, it did not show position for the company. The inventory turnover in 2019 was 10 times which means that in the year Urmi Garments was better managed their inventory in terms of selling activities. But in 2020, the amount became low to 10.09 times, so the company needs to improve its' inventory policy and also recovers its inventory strategy. Total Assets Turnover shows that how the company efficiently uses their Assets. The lower ratio indicates that the company is not using Assets proficiently as they might which was seen in 2020. But in 2019, the company has used their Assets 2 times other than only one time in 2020. The decrease of Assets Turnover is a negative sign for Urmi Garments Limited. Therefore, UGL has not adequate control in Activity ratio, which indicates that the company cannot able to make a proper control in the turnovers in 2020 than 2019. (See Appendix 3 for Graph)

2.4 Profitability Analysis of UGL

Profitability ratios measure capability of a company in receiving profits from its sales. It shows how the company effectively makes profit as well as gives importance for shareholders. (HAYES, 2021)

Profit Margin on Sales ratio indicates how the company sells its products to generate profit. The amount was increased from 0.03 to 0.05 in 2020 to 2019, which is not good for Urmi Garments. They have made high profit by selling their products in 2019. It can be said that the company was not using its Total Asset effectively to generate Net Income in 2020 than 2019 as the Return on Asset has decreased 0.04 from 0.010 in 2020 from 2019. Also, the company does not have in favor of Payout Ratio in 2020 which was much higher than in 2019. The company's Net Income became less in 2020 than 2019 and so the ratios were not in their assistance. So, the company Urmi Garments will be in problem for these expanses. Consequently, UGL's current position in Profitability ratio is not so good in terms of making profit of the company. The graph is in the Appendix 4.

2.5 UGL's Solvency Analysis

Solvency ratio deals with measuring long-term condition of a company. It also helps to determine that how much debt the organization can undertake comparing to its assets and earnings. (CARLSON, 2020)

It is seen in Debt. to Assets ratio that the company does not use their Total Assets properly to provide for the creditors. That's why the amount has become slightly decreased from 0.49 to 0.47 from 2020 to 2019. Times Interest Earned ratio indicates how the company deals to the ability to meet interest payments as it comes due. The amount was deteriorated from 2019 to 2020 and it is not a good sign for Urmi Garments Limited. Cash Debt. Coverage ratio was almost same in 2020 and 2019. The amount was 0.22 in 2020 and 0.23 in 2019. It indicates that the solvency position of UGL is in average situation comparing to the year 2020 and 2019. (See Appendix 5 for graph)

Chapter 3: Internship Involvement

3.1 Internship Role & Responsibility

An internship gives practical knowledge to an individual as well as it also helps the person to know about an organization's culture, work environment and so on. I was appointed at Urmi Garments Limited as an intern of Accounts & Finance department from January, 2021. I am very much grateful to work in Urmi Garments as I have learned many things from them. The company helps me to understand many things about RMG sector of Bangladesh and gives a broad understanding in different accounting entries. This internship was a great opportunity for work experience to me as well as building up new skills.

I have gained much practical knowledge from my internship of accounting transactions along with researching Supply Chain process in Urmi Garments Limited. I have worked under supervision of the manager of Accounts & Finance department of UGL. Likewise, I was allocated with different types of activities and got accustomed to different works of the department. My responsibilities were-

- ✓ Export (Sales) data entry in Excel.
- ✓ Purchase Voucher entry in Oracle and Voucher entry of sales in Tally.
- ✓ Reconcile closing and opening balance between Tally and Oracle.
- ✓ Invoice making and Voucher sorting.
- ✓ Learn about SOP and Supply chain.
- ✓ Learn about LC related task and recording of LC.
- ✓ Learn different types of suppliers, bills and vouchers.
- ✓ Attachment of various supporting documents to Vouchers.
- ✓ Sort out of minimum balance of Bank Statements.

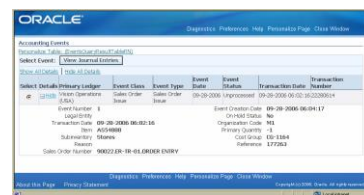


Figure 17: Accounting Software (Tally & Oracle)

3.2 Observations

The internship has given me some practical knowledge and also it broadens my knowledge about different transactions in garments sectors. My observations towards Urmi Garments Limited are as follows-

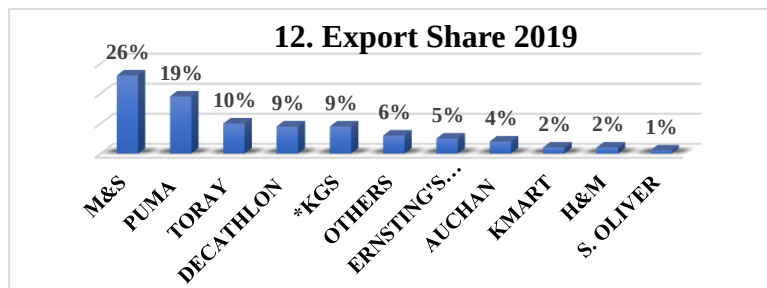
- ❖ I have got experience in practical function of garments industry.
- ❖ They are very experienced and do their works systematically.
- ❖ All their works are done by using software: Accounting Software- Tally, Oracle, Operational Software- Logic ERP, HR Software- People's HR
- ❖ The officers are very helpful and co-operative in terms of maintaining relationship with their clients and suppliers.
- ❖ They are keeping the documents thoroughly in both hard copy and soft copy.
- ❖ I have got familiar with the office culture of garments industry.

Chapter 4: Findings & Conclusion

4.1 Findings

Urmi Garments Limited has already become successful in RMG industry. That's because they are committed with their buyers and the buyers are dedicated with UGL. The company assures high quality products and tries to meet all requirements of the buyers' orders. They are doing very well in the industry, for that their annual turnover is increasing rapidly. The key findings are herewith:

The export share in 2019 was 26% to the buyer M&S and the lowest was 1% to S.Oliver buyer of UGL.



*KGS combines business of:

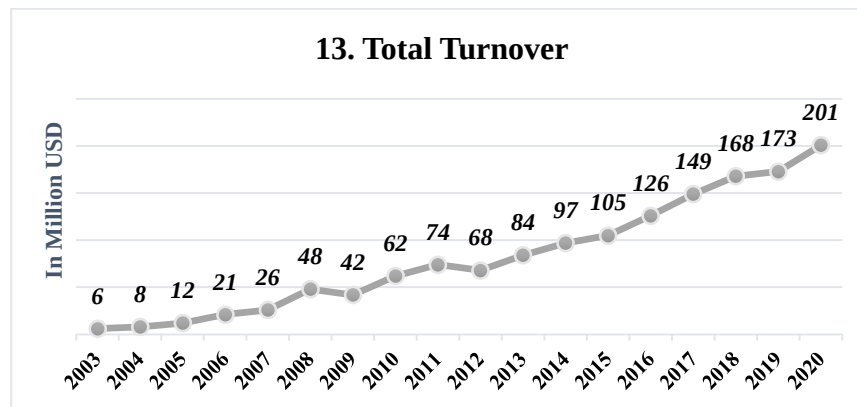
Full Beauty Brands: 5.97%

Vertbaudet: 0.93%

Laredoute: 1.94%

Ellos: 0.30%

The total turnover of UGL was \$ 6 million in the year 2003. But the amount increases rapidly and in 2020 the amount had reached to \$ 201 million. It shows a good image of the company.



4.2 Conclusion

Urmi Garments Limited has established a brand name in Garments industry. Mostly, they have foreign clients and the customers are actively giving orders to the company. The demand of UGL's goods is increasing day by day. Urmi group is providing washing, printing, embroidery, seamless facilities and most importantly fabrics come from their textile unit for Urmi Garments which make production much easier. Therefore, if UGL can maintain their excellence and quality all the time it can become more successful in the Apparel industry.

Part B: Research Project

Chapter 1: Research Design

1.1 Research Title

Value Drivers of Supply Chain in Urmi Garments Limited

1.2 Background of the Study

Every student has to submit an internship report based on the company information in which he/she has done an internship to complete BBA program of ULAB. My internship organization Urmi Garments Limited is one of the top RMG manufacturer company in Bangladesh. Constantly, apparel industry is an important industry for the country and to be successful in the industry Supply Chain plays a key role for the company. Therefore, this report will focus on the understanding of Supply Chain in UGL as well as why supply chain is important in garment industry.

1.3 Introduction

Ready-made Garments (RMG) Industry is playing a key role for the development of Bangladesh. It is one of the potential sector for the country. The industry has been contributing to the country's economy and it has been the biggest export earners for Bangladesh. After China, Bangladesh is the second largest exporter in garments sector for the last three decades. This sector contributes 80% of total export earnings. In Bangladesh, there are around 6000 garments factories and over 4 million people are working in and mostly 80% from them are female (Data derived from BGMEA, Members' Directory 2013-2014). (Farhana, 2015)

In RMG sector, Supply chain plays an important role in generating garments. A supply chain is a system between a company and its suppliers in production and distribution of products to the final buyer. Companies need to improve supply chain for decreasing their expenses and stay competitive in the business market. Supply chain management (SCM) is the practice of formation, executing, and monitoring the processes of the supply chain as efficiently as possible. Its purpose is to satisfy customer requirements professionally. SCM

includes all the procedure of raw materials, work-in-process inventory, and finished goods since receiving order from buyer to shipment. The main problem of SCM is time management. The foreign buyer gives a limited time in making garments and if any process of Supply chain takes a long time, the whole process becomes destroyed. For that, the order can be cancelled and thus on-time delivery is an important issue to maintain a successful Supply Chain. (KENTON, 2020)

This report is on understanding the Supply Chain of Urmi Garments Limited and also identifying ways to increase efficiency of it. UGL is one of the leading RMG manufacturers in Bangladesh. As it is a clothing manufacture company, so Supply Chain plays an essential role in producing garments.

1.4 Objectives

The main objective of this report is to understand the Supply Chain process of UGL. Some more objectives are:

- Why Supply Chain is important in Garments industry?
- How does UGL effectively manage Supply Chain process in exporting garments?

1.5 Methodology

To fulfill the objectives of the report, some methodologies need to be followed. For this report, I will use both primary and secondary data source. But my research mainly focuses on interview. By the interview, UGL's Supply Chain Management process and all necessary information of it are understandable to me.

Primary Research:

- Informal interview with head of Merchandiser, Factory head, AGM of Costing, General Managers of each department related to Supply chain management.
- Relevant information provided by UGL.
- Practical experience from Garment's factory related works.

Secondary Research:

Collection of related data from financial statements, websites, articles, books, journals and so on.

1.6 Scope

- ⇒ Get information about Supply Chain Management in Urmi Garments Limited.
- ⇒ Acquire the real situation of SCM in the company.
- ⇒ Having an opportunity to identify proficiency of SCM in UGL.

1.7 Limitations

The accuracy of the report will depend upon the availability and accessibility of required information from relevant sources. Some restrictions of internal data can create problem in preparing the report. Another limitation can be lack of previous experience in this area.

Chapter 2: Value Drivers of Supply Chain in Urmi Garments Limited

2.1 Theoretical Background

A Supply Chain is a process followed by the organization to deliver goods or services to the final destination. It requires converting raw materials to finished products or services. Supply chain management is the controlling process of whole production of a product or service from the order receiving from buyers to delivering the final goods to the buyers. It deals with linking the production, shipment, and delivery of the product. Organizations can cut unnecessary expenses and also can deliver the products to the consumer faster by managing the supply chain effectively. In garments company, supply chain process deals with receiving order from buyer to shipment. (Lutkevich, 2021)

The process of Supply Chain's flowchart is shown below:

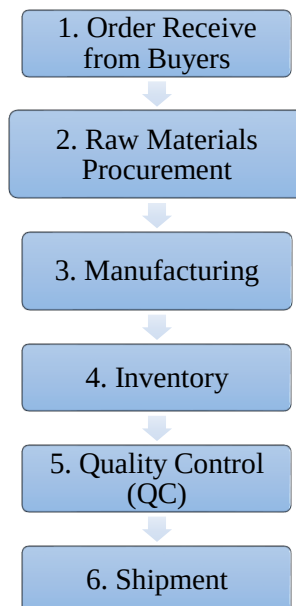


Figure 18: The Supply Chain Process

Supply chain refers to the right time delivery of products or services to the right place for a minimum cost. In a company, activities are connected with departments to departments. But the organization need to identify the components and processes, requires to analyze

them, and also makes strategy for an enhanced linking. At present, supply chain management is working as a key success factor for the garment's industry. That's why top management's main focus is to develop an effective SCM system. It is the practice of managing resources, the undertaking of resources from one to another in every phrase. But the movement of resources has to be available to the right place, at the right time with sufficient quantity in minimum cost. The company manages the flow of goods and services by the supply chain network which is related to logistics. So, strong logistic planning can make the organization successful in maintaining supply chain management in every phase of manufacturing. Basic components of SCM are as follows:

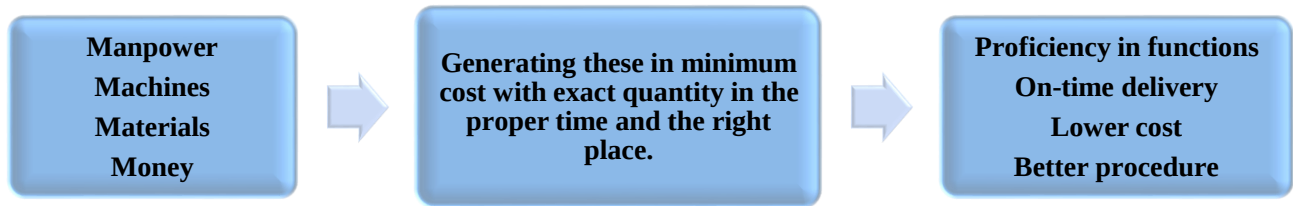


Figure 19: Elements of Supply Chain Management

The garment industry is a huge industry generating millions of garments every day (Some data has been shown in the appendix part). Increasing cost of garments manufacturing and the high price of raw materials is one of the hardest challenges faced by the industry. Companies produce garments both for the local and export markets. But the export market is vastly competitive because China, Bangladesh, Vietnam, India is in the market and all are struggling in offering a good price to the buyers. At first, the companies need to reduce their direct and indirect costs related with the production of garments. Besides, wastage costs need to be reduced for reaching the profit margin as well as appropriate time utilization. For this reason, efficient SCM process is used by the companies with experience workers. That's why, the supply chain management is important for the industry. But a concern is that companies know about the SCM, but they do not know how to apply and how to plan for the successful supply chain management. So, developing successful supply chain is a must and need to have proper planning for the supply chain management. So, the

future of RMG industry is very much competitive and for this expert SCM professionals as well as proper planning for designing an effective SCM are needed for garment factories. The importance of SCM is as follows-

- It creates flexibility in all procedure.
- Efficient movement of resources.
- Costs can be minimized.
- The company can do proper utilization with available inventories.
- Logistics management becomes workable in both raw materials procurement and delivering of the final products.

Therefore, the importance of Supply Chain cannot be described in a word. To become successful by a company in the industry appropriate SCM planning is needed. (ORDNUR, 2021)

(Jasmine, 2016)

2.2 Understanding the Supply Chain Process of UGL

Supply chain of a garment company involves with receiving order of product from foreign buyers to shipment. The processes of Supply chain in UGL is discussed below:

i) Order Procedure

Urmi Garments Limited is one of the well-known clothing manufacturer company in Bangladesh. That's why they have many regular buyers, and the buyers always give orders of garments from UGL. Some buyers are: Puma, M & S, Auchan, Full Beauty Brands, GU, Toray and so on. But every time the two parties need to come in a process of order and the processes are basically dealt by Merchandiser department of UGL. On the other hand, there are two teams as well Designer and Merchandiser from buyers' end.

At the time of giving order, the buyer gives a Tech Pack and the buyer's designer makes that tech pack. In a tech pack, there contains all details of what design has to be made of a garment, which fabric UGL has to use, how to make it and so on. After that, UGL makes sample (2 to 4 pieces) of the design and then send it to the buyer. After getting the sample, the buyer and the designer look the samples. If any changes need to make, they anticipate it with the merchandiser team of UGL.

Since, UGL makes costing of the product and tells the price to the buyer. In this, the buyer has a target. Afterwards, the buyer gives an order sheet which contains the full details of total order as well as delivery date when the costing has been fixed. The buyer also gives a PO sheet having how much quantity of each size the product, the company has to make. From the PO sheet, the merchandiser team gives order of fabric by calculating the total pieces of order and also sets a date to deliver the fabric order. Besides, the orders of accessories, label, yarn are given by the team for producing the goods. On the other hand, the merchandiser team give an e-mail to the commercial department that for this order they will need these types of raw materials and accessories with BOM sheet where all details of it has been mentioned. From this, the commercial department opens LC. Also, there is a planning team to make plan of which time the sewing of the garments will start by calculating shipment date.

ii) Raw Material Procurement

Raw materials are varied from garments to garments and the requisition of raw materials will be given after the order has been confirmed by the buyer. For manufacturing garments, fabric, yarn, dye chemical, different accessories are needed and it is varied from order to order.

Urmi Garments Limited has its own textile company- FTML, where they make fabric, have dyeing facilities of fabric, washing facilities and so on. For that, UGL has an advantage of it and when FTML does not fulfill the target of fabric since they give requisition to other fabrics' suppliers. In raw material procurement process, UGL gives order to suppliers and also set timing of it that how many days they will get to deliver the materials. Then comes the pricing of it. Firstly, merchandiser team of UGL take an idea of prices from different suppliers and do negotiation. For this, merchandiser team has a cost sheet for putting the prices of each raw material. After gathering all the raw materials, the goods are in-housed in UGL's factory store and store department receives them.

iii) Inventory

Inventory is the most important thing in SCM. There are three parts of inventory. The raw material inventory (RPI), the work-in-process (WIP), and the finished goods inventory (FGI). The RPI is concerned with purchasing all resources before starting the production process and keeps them in factory store.

Inventory management of UGL is related with storing, decreasing workers' cost, helping management with on time delivery, stock management method and so on. In a factory, store is playing a main responsibility in the inventory management. UGL reserves the raw materials, packaging materials as well as finished goods in the factory store and the Store department supervises the inventory management. For this, the department has constantly connected with the merchandiser team. Documentation and proper maintenance of all the inventory is a must for the advancement of the company as well as communication in every stage is the most important fact in the inventory management.

iv) **Manufacturing Process**

Manufacturing process starts with pattern making from buyer's given size and ends with packing the orders. The processes are: Pattern Making, Cutting, Sewing and Finishing.

- ⇒ **Pattern Making Process**: Pattern Making process is dealt by the sample department of Urmi Garments Limited. The process commences from getting clarification about style details from merchandiser team. For sample booking the merchandiser team uses ERP software. By using it, the sample department makes pattern by following the sizes given from the buyer. The department uses 'Lectra' software. It is a software based machine, in which command is given by the professionals of the department. In pattern cutting section, there are 74 employees who are working actively. They give command with all details of sizes and the machine cuts the pattern in marker paper smoothly. The whole pattern making process takes about 3 weeks to complete. Lastly, when all the pattern has been made, it will send to the cutting department.
- ⇒ **Cutting Process**: Cutting is the key process in garments manufacturing. In this process, fabrics are cut according to pattern and it is done by the Cutting department of UGL. The department takes all sizes pattern from the Sampling department. There are 45 capable people are working in this section. Auto Spreader machine is used for cutting fabric. 40,000 pieces of cloth can be cut in a day and 2-3 hours is needed to cut these clothes.
- ⇒ **Sewing Process**: Sewing is the most important process in producing garments. At first, all the cut pieces of fabric are collected from the Cutting department of Urmi Garments Limited. After receiving them, all the cut pieces are sewn to join all the parts in a garment. Then the bulk production will start in sewing section. All the components are joined according to the buyers' requirements. There are 30 production lines in Urmi Garments factory and the workers are very much hard-working in this department. In making a T-shirt, about 6 minutes will be needed for sewing the garment. Total 1153 people work in sewing department. Different machines are for sewing the fabrics and the machines are arranged in vertical line for assembling the garments. There are in line inspection team who will check if all the workings as well as machines are

operating rightly. Finally, when all the garments are completed after sewing following to buyer's order, all the products have been sent to the finishing department.

⇒ **Finishing Process**: Finishing is the last process in garments manufacturing. After all the garments have been sewn, the finishing department receives all the products. There is a team who will do rough checking whether all the garments are made properly. The major activities of this section of UGL comprise thread trimming, spot removing, ironing and packing. About 190 employees work in the finishing unit. At first, the garments are sent to the iron section and the ironmen iron them as per buyer's requirement. In the stitching department, thread marks are not trimmed neatly. So, the threads have been cut in the finishing department by helpers. Uncut and loose threads on garments are considered defects. Then there is an internal audit team who will check the quality of all garments if all the measurements are perfect or not. After that all the products are sent to the packing department, and they will attach the price tags and other accessories related to buyer's order. Next the garments have to be folded for packing in polybags. In this, the buyer instructs UGL that the garments will be in hanger or normally folded in a polybag. After all the processes completed, the products have been sent for cartooning. The box size is also given from buyer's end. The time of the whole process varies from garments to garments, minimum two minutes are required for a garment. That's because each employee does each work accordingly and so the time is taking less for all the products. Consequently, all the garments are given to the factory store and final inspection team will take them for quality checking.

v) **Quality Control (QC) Process**

The buyer wants high quality product from the company. That's why UGL has to make sure it or else the order will be cancelled from the buyer. At the time when all the garments have been made, all the work like if sewing is completed perfectly or any threads is loose, or measurements are fitted or not. But in a factory huge amount of garments are made at a time and so it is not possible to check all for time consumption. So, UGL does 10% inspection from the products.

Besides, there is a team from all buyers who are taking garments from UGL. They check the quality as well. If any defects have been found from them, all the orders will be cancelled. They also inspect the moisture of all the garments. Finally, all the products are sent for the shipment in the shipment day.

vi) **Outbound Logistics**

Generally, Urmi Garments Limited uses three modes of transportation for delivering products to their buyers.

- ✚ Ground or Land Transportation: Ground transportation is moving the goods in cargo via roads or railways. It is an expensive mode for any companies because domestic infrastructure is not well-organized of Bangladesh. UGL sometimes uses this transportation in delivering goods to their buyers where land transportation is available and sea transport mode is not accessible to that country.
- ✚ Air Transportation: Cargo is sent by air and it is the fastest mode for long distance. But air freight is also the most expensive mode. If UGL cannot manage time and delivery date is missed, in this case they sent the products by air for sending the order on time to the buyer. The company tries to avoid it for high cost of delivery and gives effort to complete the order within shipment day. This transport mode is mostly used for sending the samples to the buyer for confirming full orders.
- ✚ Sea Transportation: Sea transportation is the largest mode for export businesses. Also, RMG industry is very much dependent on this transportation for sending order to buyers. Moreover, UGL uses sea delivery mode because costing is less than others and the mode is available in all countries of the world.

In sending, UGL uses FOB, FCA and CPT mode to deliver their products to the buyer. Sometimes, the company sent the products to buyer's warehouse such as a buyer M&S's orders have to be sent to their warehouse which is in UK. Urmi Garments Limited does their shipment in FOB mode and maximum delivery is done in this mode. The company has stored all the products in their factory's store. All the cartoons of garments gate out from UGL store, and fill them up in the covered van for taking them to Chittagong port. In

the port, buyer's ship has already ready to take products. In this situation, agreement is made between the port authority and the buyer. So, UGL's responsibility completes, after they deliver all the products to buyer's representative in the port. After taking over them to the representative in the port, UGL has no liability for it. In shipment, delivery cost will also add with the products.

Chapter 3: Analysis & Findings

3.1 Analysis

This chapter is all about the research analysis and findings that were conducted to get a clear view about the Supply chain of UGL.

Supply Chain is the most important thing for any organization. Besides, it is a vital element for the companies under the RMG industry and Urmi Garments Limited is one of them. They are managing the supply chain more professionally. Some analyses have done from above discussed the Supply chain process in Chapter 2.2.

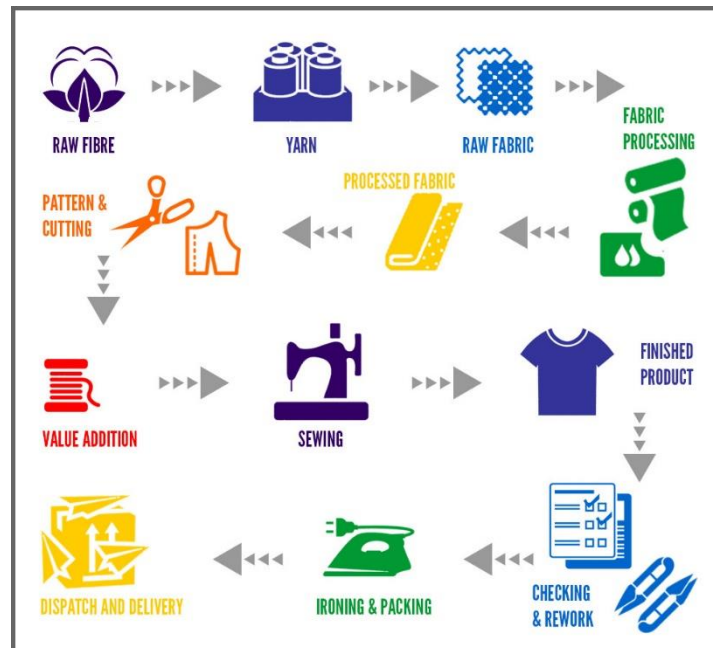


Figure 20: The diagram of Supply Chain Process

1. **Order procedure:** The flowchart of Order Process is given below:

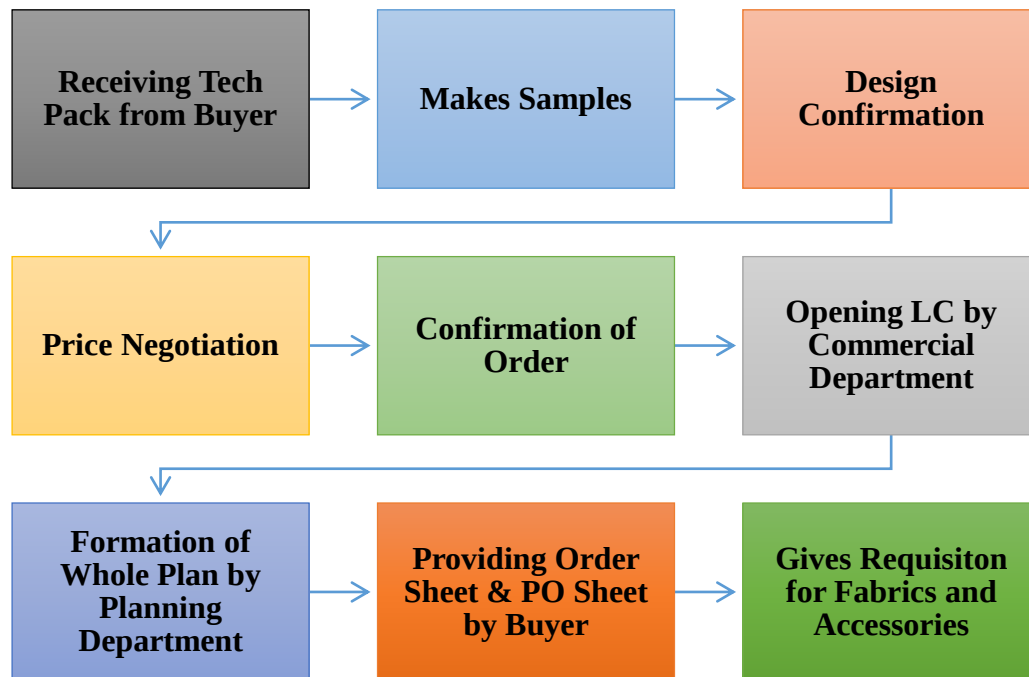


Figure 21: The Action Order Procedure

The merchandisers face many problems from receiving order to shipment. If they follow proper procedure, they will definitely be successful in order procedure as well as shipping the products timely. As UGL's buyers are regular, so the company's merchandiser team is very much capable in their responsibilities. In the ordering process, setting costing is a big issue and the two parties have to come in a negotiation on this. The buyer targets \$6 in each garment. On the contrary, UGL gives target of \$7. Then the two parties do bargaining and come in a negotiation. At last, they set the price in \$6.40 per product. Then the order sheet comes containing that total quantity of garments is 100,000 pieces, UGL must have to give the order on August 20 under style no. 1111. Besides, PO sheet will also be given, which covers the sizes like XXL- 10000 pieces, XL-30000 pieces and so on.

In making 100,000 pieces of garments, there is a need of 2000-3000 kg of fabrics or 2 to 3-ton of fabrics. At this time, the commercial department opens the LC for buying the raw

materials and accessories after getting the E-mail with BOM Sheet from the merchandiser.
The planning team's plan for 90 days will be like this-

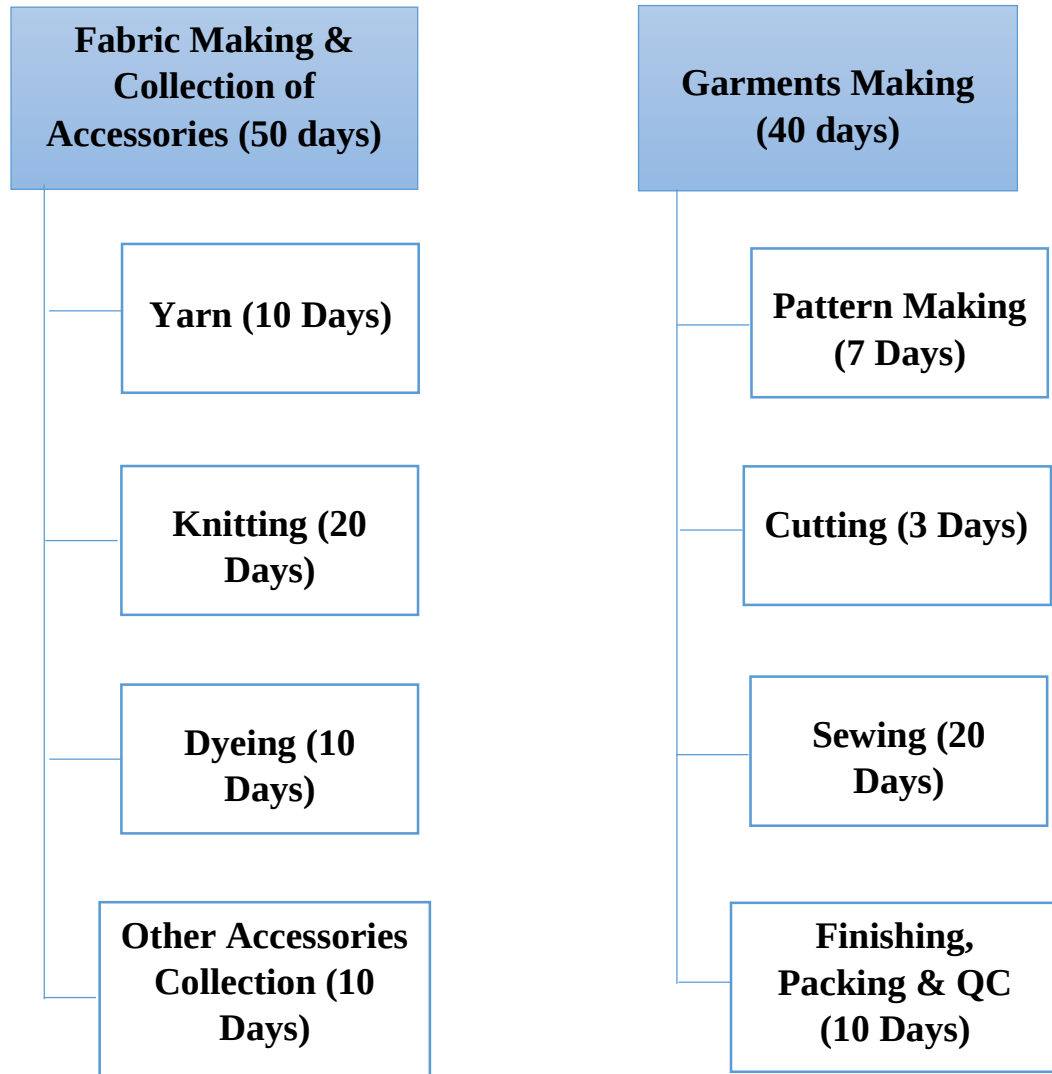


Figure 22: Plan of 90 Days

2. **Raw material Procurement:** The flow-chart of the process is attached herewith.

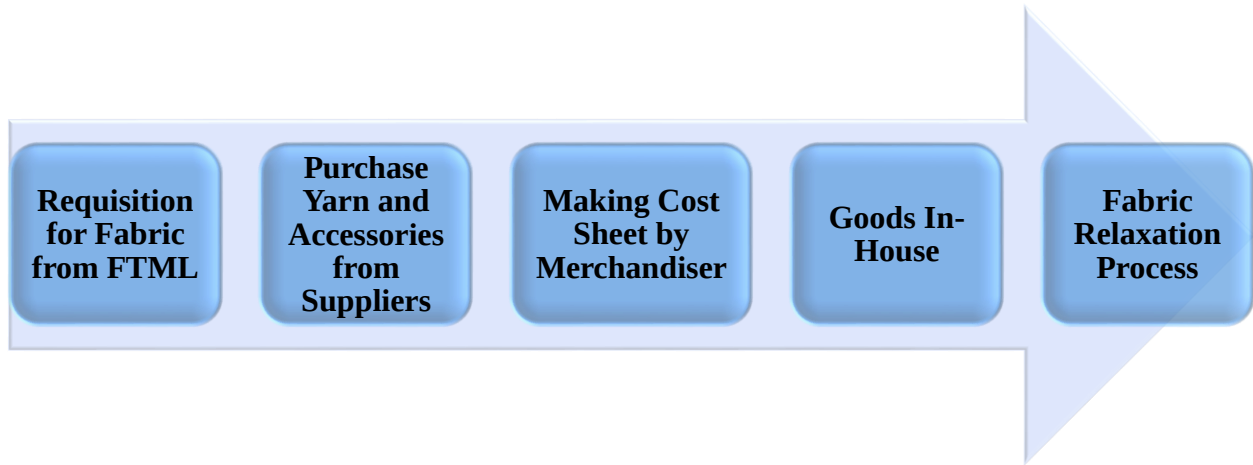


Figure 23: Raw Material Procurement Process

Purchase of Fabrics and yarn is the longest step in the procurement process and that's why, it is the bottleneck of the whole procedure. After order confirmation, the raw material procurement process will start. Suppose UGL need fabrics in producing the above mentioned order of 100,000 pieces and to make fabric they will need yarn. So, for that they give booking of total fabric to the Fabric team. After that fabric team need yarn to make fabric, and they will give booking of it and after calculating dyes, they will give order of it to dyes supplier as well. Besides, other accessories like button will be given order to button supplier by merchandiser team. Button will be calculated as-for making the garments, 10 pieces of button will need for per garments. So, for 100,000 pcs order, $(100,000 \times 10 = 1,000,000 \text{ pieces with } 2\% \text{ extra})$ of button will be needed. Extra pieces of order will be given because button can be broken or damaged at the time of making the garments. For sewing, sewing threads will need and for this order 20 to 160 meters' threads will need. By measuring it, they will order thread roll and $4,000/5,000 \text{ meters} = 1 \text{ roll}$. It depends on what will fulfill the order. Then another accessory such as label will also need and gives booking of it. At the time of giving order of the raw material and accessories, costing will set by negotiation like this- the Button supplier sets prices of a button in 1 cent. On the other hand, UGL negotiates it

with 0.80 cent and they will also check it from other button suppliers. When the price has confirmed, they will give entry of all prices to the Cost sheet. Therefore, all the materials will send to UGL factory store and the fabrics need to be kept in rest for 2 to 3 days. This relaxing process lets fabrics to become narrow because low reducing will be happened when customer uses. This procedure will be done manually or mechanically and UGL does it manually by putting it in their store.

3. Inventory

The inventory process works in three stages. The flow-chart of it is given below:

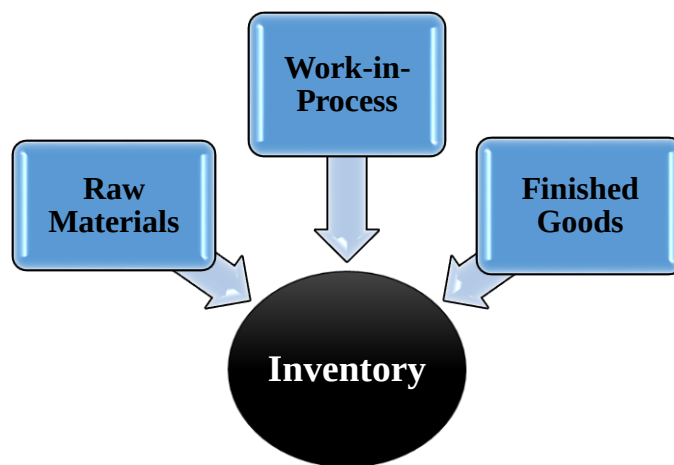


Figure 24: Stages of Inventory

An example of the above stages: In making a T-shirt, the raw materials are fabric, yarn, dyes, accessories etc. At the time of collecting them from the store and takes them to the production floor, the process is in WIP stage or processing stage. Lastly, the products are ready after production with packing for shipment and it is the FGI stage. Another inventory could be, UGL gives extra 20,000 pieces of button for the order but only 10,000 buttons become broken at the time of working. So, the rest 10,000 pieces will be kept in the store and it is also an inventory for the company.

4. Manufacturing

The flowchart of the manufacturing process is given below:

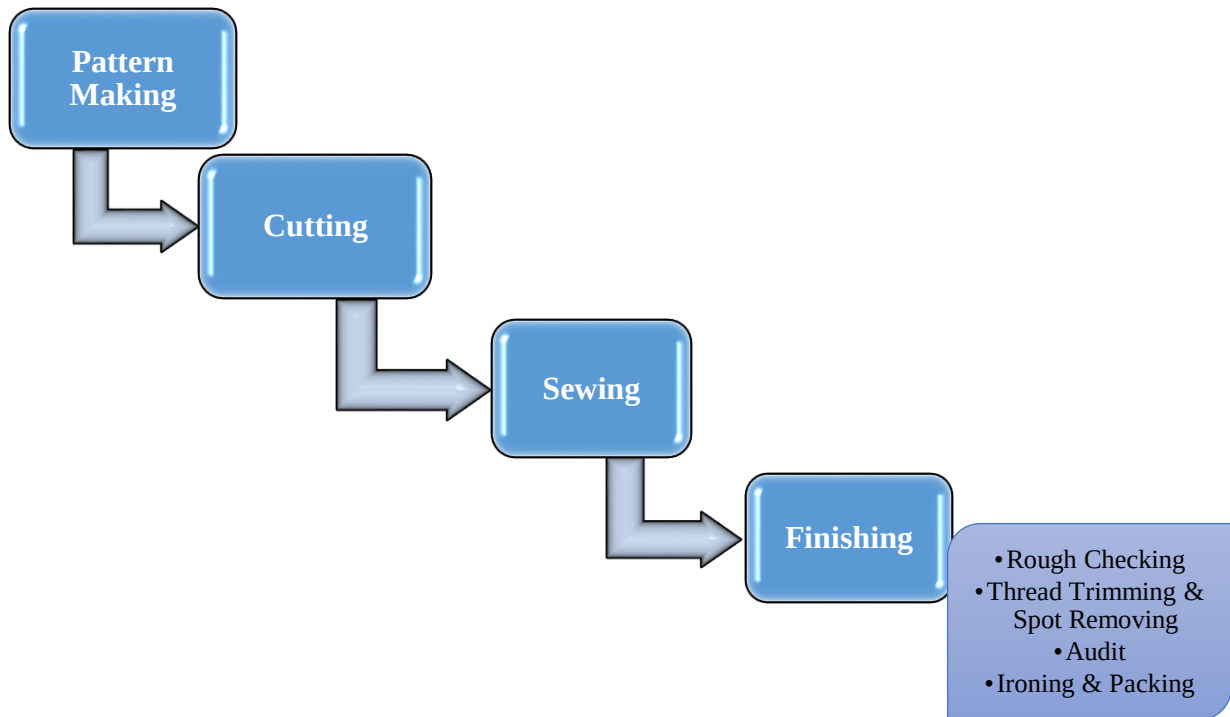


Figure 25: The Process of Manufacturing

In the manufacturing process, cutting is the bottleneck of the entire procedure. That's because cutting of the garments takes about 20 days to complete in which the whole manufacturing processes need 40 days to finished. Therefore, it is the longest step of the whole manufacturing process.

5. QC

In quality control process, UGL uses 10% inspection referring that they will take 5 pieces from a box, then 5 pieces from another box accordingly. After that the garments are checked as like the buyer needs 5 CM in length. The company has to measure if 5 CM is there or 2 to 2.5 CM is less. The representative of buyer will inspect the products as well. In checking the moisture from garments, if it comes below 5%, the fabric is fine. Therefore,

Quality control is very much important to be successful in the industry and it is a vital part in supply chain process.

6. Outbound Logistics

The below flow-chart is the shipment process of UGL.

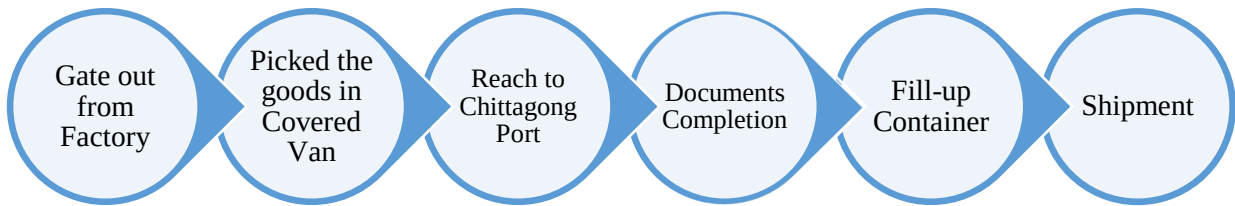


Figure 26: Shipment Procedure of UGL

As UGL is a large organization, so they maintain their outbound logistics very efficiently. There is an issue in timing of ship's leaving the port. For this, calculation is needed in delivering the products to the port. Suppose the ship will leave the port on Friday. In this, the products have to send by Monday. To reach Chittagong by Monday, UGL sent their covered van on Sunday. That's because there are some procedures like documents issues, container fill up etc. in the port will take 2 to 3 days before giving the products to the ship's vessel.

After analyzing the supply chain process, I come to know that SCM is a significant part to become successful in the industry. That's because the buyers give limited time, such as 90 days to complete an order. If proper planning cannot be made, the shipment day will be missed and for that the company can face a loss. So, lead time management is the key factor and for that success in the SCM is required. UGL has expert personnel in supply chain department, and they are very much skilled on it. Therefore, Supply Chain is creating values for Urmi Garments Limited to be prospered in Apparel industry.

Among the entire supply chain process, procedure of raw material procurement is very much time-consuming. That's because 15 days are needed to manufacture yarn and 30 days are required for producing the fabrics. According to buyer's order, the total time to complete the full order is only 90 days, but 45 days are being gone in making fabric and yarn. These 45 days are challenging for the company and 70% costing depends on the fabric in making a garment. Besides, the company faces many problems like damage in dyeing machines, color contrast issue, found hole in the fabric and so on. If UGL productively completes fabric and yarn process, the other raw material procurement procedure will end smoothly. Thus, this procedure is the bottleneck of total Supply Chain Process.

In a garment company, wastage is happened in different ways and UGL needs to reduce it. It can be minimized by taking proper measures and professionalism in every process. In UGL, wastage is created as like the following example. A buyer wants a navy color t-shirt. So, UGL picks navy color in dyeing machine. To make this, there is a dyeing recipe in the dyeing machine that what percentage of color can create navy color. After completes the dyeing process, the company finds that the color is not matched according to the buyer. In this case, more color will be added and have to check it for the second time. In this, there generates wastage of colors, time and cost. For dyeing, 8 hours is needed and if the process will have to be done again, another 8 hours will loss. Besides, other remaining fabrics can also be done within these 8 hours. In normal calculation, 20 machines are used in a factory and 1000 pieces will make within 8 hours. But after 8 hours, 800 pieces come out and 200 pieces are short. This also generates wastage as well. Wastage minimization can cut down the cost. Day to day wastage cost can show a huge cost. But at the end of the entire production completes, the company will be in profit. When quantity is bigger, the wastage loss will be higher, on the other hand when quantity is lesser, the loss will be smaller which will not a big deal for UGL.

Order cancellation process is dealt by UGL in some procedure. If the buyer cancels the order in the first stage; it means the company does not buy the fabrics and the yarn for the order, then UGL will accept the cancellation of the order without any fulfillment. If UGL

brings yarn but does not purchase fabric, at this time the buyer cancels the order. In this situation, UGL looks after customers who will buy the yarn or the yarn is common for other buyers. Then UGL has no liability and receives the cancellation except any compensation and if UGL does not have any source for that yarn, they will ask the total cost of yarn to the buyer as a loss. The whole process will be done under an agreement is made. Another stage is, UGL makes the fabrics, the fabrics are not colored, in this the processes are same as yarn and UGL will request for the price of the fabric to the buyer. At last, if UGL completes the full order and after that the buyer cancels the entire order, then the buyer has to give the full payment of the whole order. That's the policy of Urmi Garments Limited. If UGL utilizes the lost, they will not take any payment but if they are in liability because of the cancellation, the company will take the whole compensation of the damage. This is happened because sometimes there finds issues or defects at the time of QC process from the buyer. If defects are in the sewing thread, there is a machine in the company which will fixed the appropriate measures. Also, any oil spreads in the garments, this defects correct by a chemical. But a defect has no solution which is, hole found in the garments. It is also a wastage for the company. In this case, UGL will have to follow buyer's instruction.

Efficiency is needed in every stage. UGL can make proficiency in sewing process. For example: A worker has to produce 2000 pieces of garment in 10 hours. So, in an hour the production will come ($2000/10 = 200$ pieces). But the company has told the worker to make 210 pieces. By that UGL can get extra ($10 \times 10 = 100$ pieces) per day and for this they can complete the order before deadline. This can increase efficiency in the process.

3.2 Findings

A finding I have found during the interview that UGL cannot have any authority in selling defective products. They will have to burn that garments as buyer's order. But if the buyer has no problem with the defective garments, then UGL does embroidery on the hole part and sells it to the local market. It is a rare case and Urmi Garments Limited sometimes do this.

An exploration is made following the whole process of supply chain and the findings for an order of 500 pieces of T-shirts are as follows-

500 pieces of T-shirt is very limited in number as UGL is a reputed company in Apparel industry, and they get huge amount of order. For making the T-shirt, 90 days will not be needed as order is small. So, they will get enough time to complete the order. 100 to 150 KG fabrics are required for the order. This small amount of fabric remains in UGL's textile and so procurement process takes less time to complete. The lead time for yarn becomes 0 as well. Only 20 days will need to an end the whole order. The distribution of taken period for the total order (approximately) is given below:

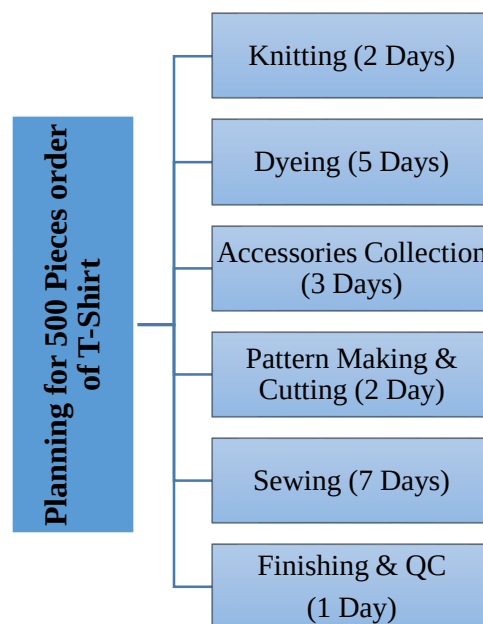


Figure 27: Days Allocation for 500 Pieces Order

3.2.1 UGL's Action in Pandemic Situation

Urmi Garments Limited has not faced any losses in recent pandemic situation. Their daily activities are going smoothly. The company is getting orders from their foreign customers, and they are delivering all orders efficiently. That's because UGL's buyers are committed with the company and the buyers are actively giving orders to the company. Besides, shipment is not being hampered. During lockdown, covered van is running actively. But UGL has taken passes for the company's all transport from BGMEA for free movement.

When foreign buyers are moving from Bangladeshi Garment companies, on that time UGL is doing well in the industry. The company is very much successful in the middle of Covid-19 outbreak.

Urmi Garments Limited are also ensuring Covid-19 safety to their garment workers. A garment factory is a crowded place and many workers are occupied there. So, their safety is a very important thing for the company. UGL are taking precautions for their garment workers.

- Thermal scanning at the entry time for all workers.
- Shields are given between two workers in the production lines.
- Workers are entering through disinfected tunnels.
- In the factory, the workers have to go in barefoot and for that they will have to wash their feet before enter.
- Have to wash hands.
- Every time floors are washable with disinfected chemicals by the workman.
- Most touchable things are washing after sometimes.
- The company arranges Covid-19 awareness seminars to conscious their workers.
- If any symptom of Covid-19 finds from any staffs, immediately UGL separate that worker from others. For that, the company has isolation centre.

3.2.2 Association of Accounting Posting with Supply Chain

Accounting posting of Journal entry has to be given in some supply chain process. The entry will come in part by part and in some procedure no posting is not needed. At the time of getting order from buyer and opening LC, no journal entry is necessary. That's because money is not between two parties in the situation.

After opening LC, when the company purchases goods for the order and the materials enter UGL's warehouse, a journal entry will be given by the Accounts department. The entry will be:

Table 1: Purchase Journal Entry		
Particulars	Debit	Credit
1. If any purchase is due: Purchase/Material	*****	
Accounts Payable		*****
2. When the payment is given: Accounts Payable	*****	
Bank Payment/Cash		*****

Then the production starts and at the shipment time, again entry will be given which is a sales entry. The journal entry is as follow-

Table 2: Sales Journal Entry		
Particulars	Debit	Credit
1. After giving the delivery: Accounts Receivable	*****	
Sales		*****
2. At the time of collection from buyer Cash/Bank	*****	
Accounts Receivable		*****

Chapter 4: Recommendation & Conclusion

4.1 Recommendation

After completed the analysis of entire Supply chain process of UGL, I have some recommendation on that. To be more successful in SCM, the company needs to be faster in raw material procurement process. If the company completes Fabrics and yarn procedure within 40-45 days without any interruption, they will complete the full order by next 45 days. The wastage at the of dyeing can be reduced by- at the middle of fabric dyeing process, there is a necessity of checking a small piece and if any correction is required on that moment they can correct it. In this case, the use of color will increase but the wastage

of time and cost become decreased. The wastage of short 200 pieces can be reduced by checking the whole stages, select the problems and motivates them to be quicker or another technique can be used for doing it more easily. Precautions are needed in every step for reducing the wastage and thus can reduce the cost of them.

UGL can use modern technology in some processes. But they have to know the proper use of the machines. For example: To make a pocket in a shirt, 4 staffs are needed for 100,000 pieces. To minimize the staffs, UGL buys a machine at a cost of TK. 1,000,000 to fix the pocket and for that only a worker can do the work. But after completed the order, no other order has not come and so the machine becomes a loss for the company. UGL cannot cover the machine cost and depreciation cost becomes increased. Therefore, before buying any technology UGL needs to explore it with proper maximization.

4.2 Conclusion

RMG industry is a significant industry and it has been contributing to the economy of Bangladesh. The industry has been the biggest export earners for the country. Successful company can be made by maintaining proper SCM. Companies need to improve supply chain for decreasing their expenses and stay competitive in the business market. Proper Supply Chain can help the company to sustain in the industry.

Urmi Garments Limited is one of the renowned organization of RMG industry. They are very much successful in exporting garments. The supply chain management is maintainable by professional employees of the company. The process runs smoothly, but some efficiency need in some procedure. After all, Supply Chain has created values for UGL. Therefore, the value drivers of Supply Chain in Urmi Garments Limited is immeasurable.

Chapter 5: References

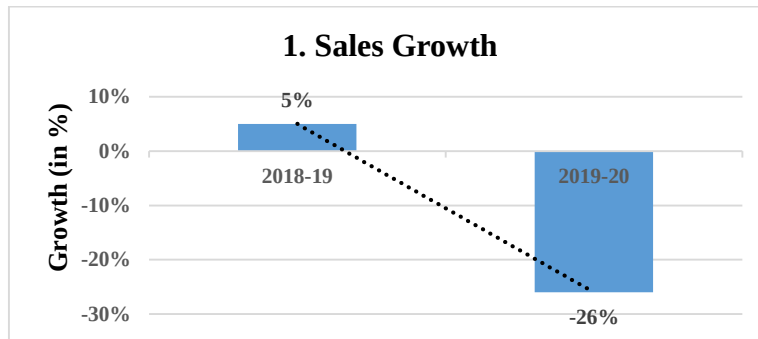
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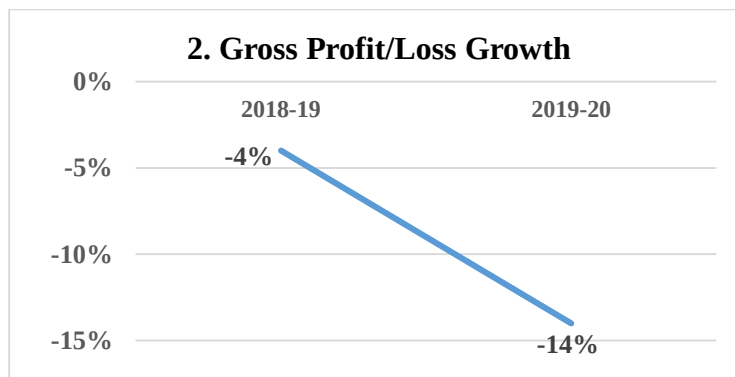
Appendices

Appendix 1: Growth Analysis

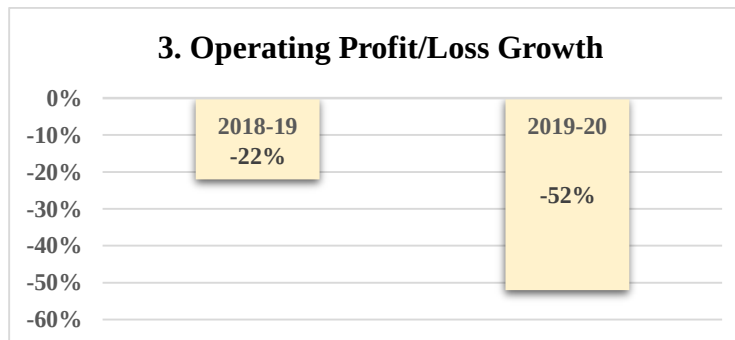
1.1 Sales Growth of UGL



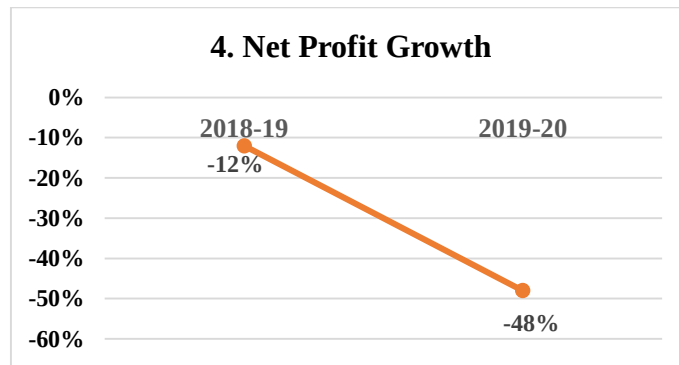
1.2 Growth of Gross Profit/Loss



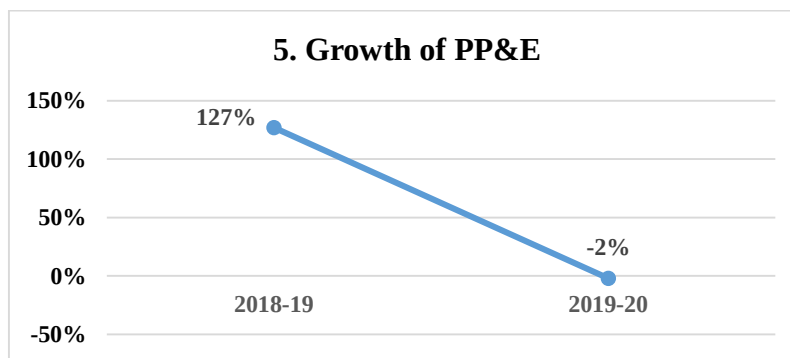
1.3 Growth of Operating Profit/Loss



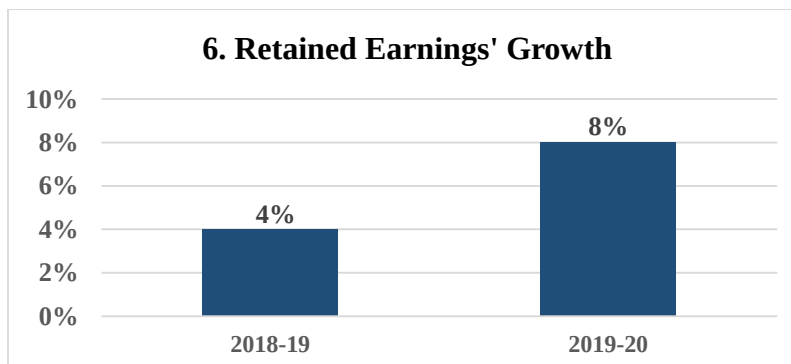
1.4 Net Profit Growth



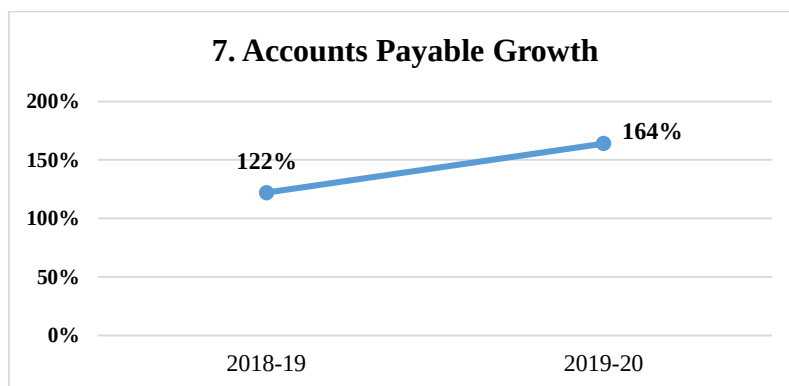
1.5 Growth of Property, Plant & Equipment



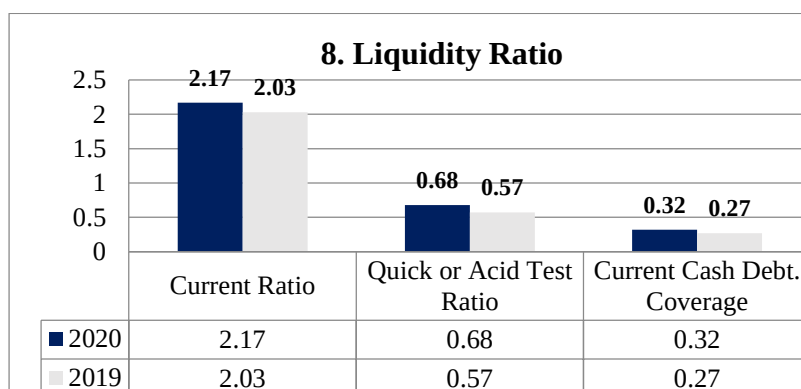
1.6 Growth of Retained Earnings



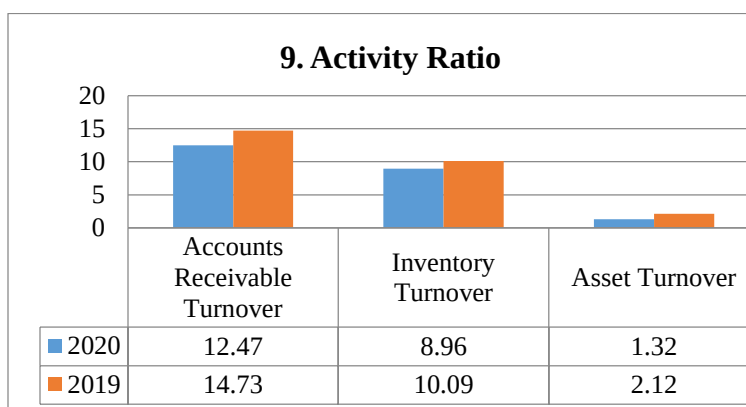
1.7 Growth of Accounts Payable



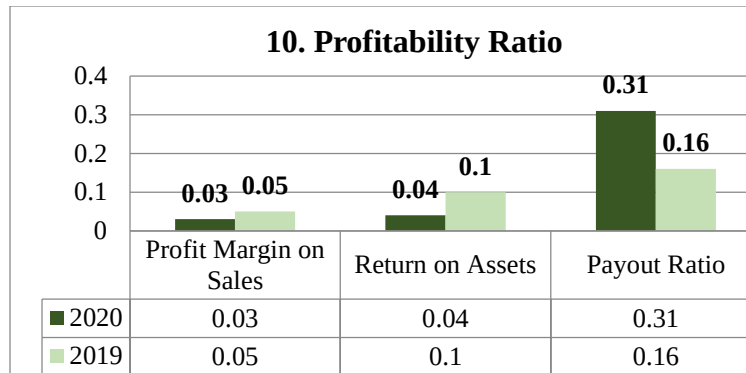
Appendix 2: Liquidity Analysis of UGL



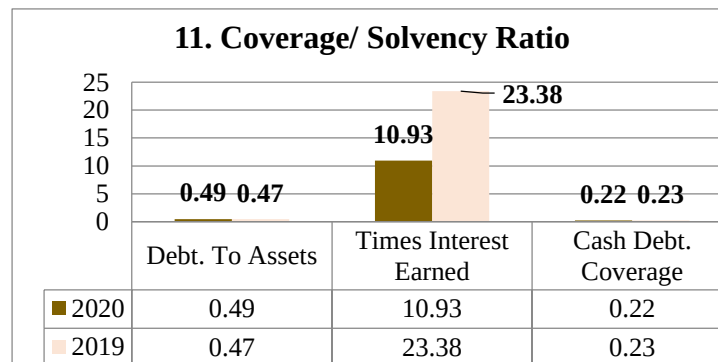
Appendix 3: Activity Analysis of the Company



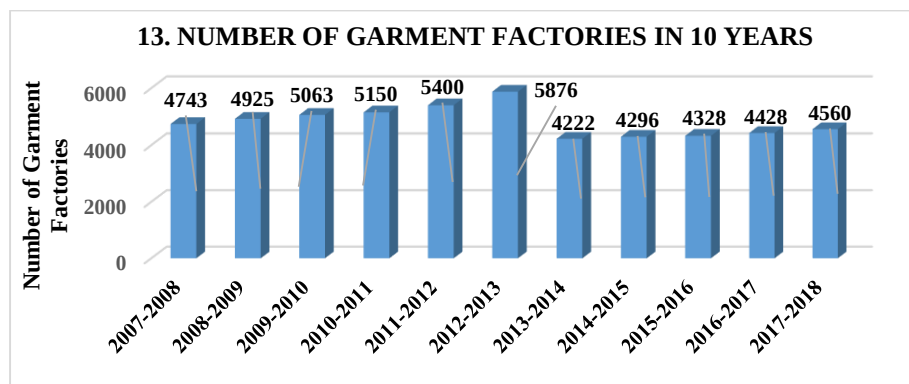
Appendix 4: Profitability Analysis of UGL



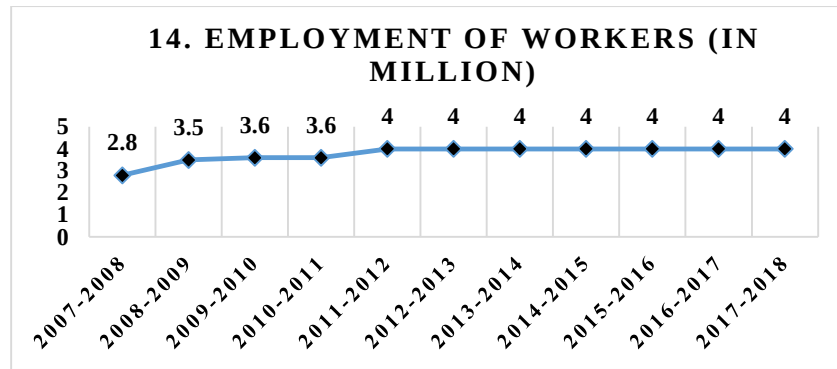
Appendix 5: UGL's Solvency Analysis



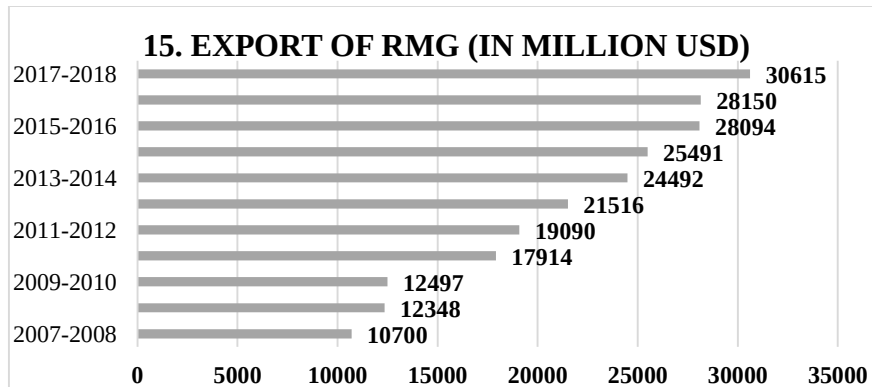
Appendix 6: The RMG industry is onwards from the last decades. Some analyses of past 10 years (2007-2018) are shown below related to the industry. The data are collected from the website of BGMEA and Bangladesh Export Promotion Bureau.



In the graph, it is seen that the number of garment factories are not same. It sometimes increases and sometimes decreases. The highest number of factories were in 2012-2013, which was 5876 factories. But in 2017-2018, it had decreased to 4560 factories.



Many workers are employed in those factories and the number of them are in million. Year to year the employment becomes increases. In 2007-2008, 2.8 million workers had worked in RMG industry. Besides, the number increases to 4 in 2017-2018. From the 10 years, the employment of garment workers was in upward in number.



The export of RMG to foreign countries becomes increases from 2007-2018. At the end of 2018, the export was \$30,615 million, but in 2007, it was \$10,700 million. By looking onto this, it can be said that the industry growth is very much increases from past years as number of factories and number of workman increases.(Textile Focus, 2019)

Appendix 7: Department wise Number of Employees in UGL

Table 3: Number of Employees	
Departments	Total Workmen
Total Sewing (OP)	908
Total Sewing (HP)	72
Total Sewing (QI)	134
Total Sewing Line Iron Man	39
Total Finishing	190
Total Finishing Quality	82
Total Cutting	45
Total Pattern	74
Total Supervisor	39
Total Maintenance	32
Total Admin, HR & Compliance	60
Total Work Study	14
GRAND TOTAL	1689

Appendix 8: Some Pictures are shown below related to Supply Chain Process.



Figure 28: Tech Pack from a buyer (M&S)

T87 / 250T / SS STRPE POLO / BLUE			Into depot	12-Oct	19-Oct	26-Oct	2-Nov	9-Nov	16-Nov	23-Nov	30-Nov	7-Dec	14-Dec	21-Dec	28-Dec	4-Jan	11-Jan	18-Jan	25-Jan	1-Feb	8-Feb	15-Feb	22-Feb	1-Mar	8-Mar
			FOB	8-Sep	15-Sep	22-Sep	29-Sep	6-Oct	13-Oct	20-Oct	27-Oct	3-Nov	10-Nov	17-Nov	24-Nov	1-Dec	8-Dec	15-Dec	22-Dec	29-Dec	5-Jan	12-Jan	19-Jan	26-Jan	2-Feb
		3500	UK Sgls	0	0	0	0	0	0	0	3500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		4667	Hemel Sgls	0	0	0	0	0	0	0	1167	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	HUB Sgls	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	JV Sgls	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Epyllion 9th July	4667							1167	1750	1750												
T87 / 2585Y / SS STR DENIM POLO / ENMMX			Into depot	12-Oct	19-Oct	26-Oct	2-Nov	9-Nov	16-Nov	23-Nov	30-Nov	7-Dec	14-Dec	21-Dec	28-Dec	4-Jan	11-Jan	18-Jan	25-Jan	1-Feb	8-Feb	15-Feb	22-Feb	1-Mar	8-Mar
			FOB	8-Sep	15-Sep	22-Sep	29-Sep	6-Oct	13-Oct	20-Oct	27-Oct	3-Nov	10-Nov	17-Nov	24-Nov	1-Dec	8-Dec	15-Dec	22-Dec	29-Dec	5-Jan	12-Jan	19-Jan	26-Jan	2-Feb
		3500	UK Sgls	0	0	0	0	0	0	0	3500	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		4504	Hemel Sgls	0	0	0	0	0	0	0	958	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	HUB Sgls	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	JV Sgls	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		46									46	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Epyllion 9th July	4667							1167	1750	1750												
T87 / 2585Y / SS DV CHILL ST / RED			Into depot	12-Oct	19-Oct	26-Oct	2-Nov	9-Nov	16-Nov	23-Nov	30-Nov	7-Dec	14-Dec	21-Dec	28-Dec	4-Jan	11-Jan	18-Jan	25-Jan	1-Feb	8-Feb	15-Feb	22-Feb	1-Mar	8-Mar
			FOB	8-Sep	15-Sep	22-Sep	29-Sep	6-Oct	13-Oct	20-Oct	27-Oct	3-Nov	10-Nov	17-Nov	24-Nov	1-Dec	8-Dec	15-Dec	22-Dec	29-Dec	5-Jan	12-Jan	19-Jan	26-Jan	2-Feb
		4000	UK Sgls	0	0	0	0	0	0	0	3200	0	0	0	0	800	0	0	0	0	0	0	0	0	0
		6202	Hemel Sgls	0	0	0	0	0	0	0	1948	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	HUB Sgls	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		254	JV Sgls	0	0	0	0	0	0	0	254	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Epyllion 9th July	6202							2000	3402	800												
T87 / 2589Y / SS CART-SHIRT / RED MK			Into depot	12-Oct	19-Oct	26-Oct	2-Nov	9-Nov	16-Nov	23-Nov	30-Nov	7-Dec	14-Dec	21-Dec	28-Dec	4-Jan	11-Jan	18-Jan	25-Jan	1-Feb	8-Feb	15-Feb	22-Feb	1-Mar	8-Mar
			FOB	8-Sep	15-Sep	22-Sep	29-Sep	6-Oct	13-Oct	20-Oct	27-Oct	3-Nov	10-Nov	17-Nov	24-Nov	1-Dec	8-Dec	15-Dec	22-Dec	29-Dec	5-Jan	12-Jan	19-Jan	26-Jan	2-Feb
		5000	UK Sgls	0	0	0	0	0	0	0	3500	0	0	0	0	1500	0	0	0	0	0	0	0	0	0
		7519	Hemel Sgls	0	0	0	0	0	0	0	2265	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		0	HUB Sgls	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		254	JV Sgls	0	0	0	0	0	0	0	254	0	0	0	0	0	0	0	0	0	0	0	0	0	0
			Epyllion 9th July	7519							1500	2500	2019	1500											

Figure 29: Order sheet

Purchase Order

BUID:

040

Purchase Order No.:

2010351983

Purchase Order Version:

02

Last Amended:

06 Sep 13

Order Status:

A (Amended)

Order Type:

(Unknown)

Order Method:

Pack Type:

P (Unknown)

Franchise Order:

No

Priority Order:

No

PO Incoterm Date:

10 Nov 13

Delivery Date:

14 Dec 13

Declaration Date:

14 Dec 13

Description:

SS STRPE POLO

Stroke No.:

2599Y

Supplier:

EPYLLION STYLE LTD

Series No.:

292

Factory:

EPYLLION STYLE LTD

Factory Code:

1248

Department:

Boyswear

Department Code:

T87

Commodity Code:

Story:

Phase:

0

Season:

SP14

Colour Description:

MULTI

Colour Code:

ZZ

Country of Origin:

Bangladesh

Country of Origin ID:

BD

Region:

03

Port of Loading:

BDCGP

Frt Fwdr Delivery Point:

NDC West Thurrock

Original Warehouse Code:

9577

Original Warehouse:

NDC West Thurrock

Final Warehouse Code:

9577

Final Warehouse:

NDC West Thurrock

FCA Destination:

PORT

Freight Manager:

APL Logistics UK

Shipment Method:

SEA

Payment Currency:

USD

Payment Method:

LC

Payment Terms:

45

Incoterm:

FOB

M&S Contract No:

0

Reason Code:

Reason Description:

Product Type:

SHORT SLEEVE TOPS

Product Type Group:

GSP:

1

UPC	Type	Quantity	Primary Size	Secondary Size	Colour Code	Colour Description	Selling Price	FOB Price (£)	FOB Price L	VAT Rate (%)	Total FC (£)	
2891439	S	275	5-6 Y		ZZ	MULTI	0.00	3.17	4.95	0.00	871.75	
2891750	S	641	7-8 Y		ZZ	MULTI	0.00	3.17	4.95	0.00	2031.91	
2895055	S	679	9-10Y		ZZ	MULTI	0.00	3.17	4.95	0.00	2152.41	
2894713	S	675	11-12		ZZ	MULTI	0.00	3.17	4.95	0.00	2139.71	
2891958	S	528	13-14		ZZ	MULTI	0.00	3.17	4.95	20.00	1673.71	
Totals:											2798	8869.66

Order Notes:

ZEBExtra Quantity

Figure 30: PO Sheet

Cost Sheet/Material Budget																
REF L/C or Cost #		ORDER DETAILS OF ESL/M&S-0012010-2014								COMPLY						
A. BUYER & TEAM:		M&S						23-Jul-13						FOB		
B. EXL MNO.:		EKL-H0081						D. ORDER QTY. (In Pos)		2677 Pos		223 Doz		22-Sep		
C. STYLE #:		6046T						E. SHIPMENT DATE				Total Value				
								F. ORDER VALUE/Pos		\$6.49		\$17,266.65		\$17,266.65		
Item Name		Description	Width	Supplier	Net Cost /DZ	Net Material Qty	Vastage %	Material to be Procured	Price/ft	TTL Value \$	Cost/Dz Garments	Unit	U/D Requirements	PI Terms	PI No.	Remarks
FABRICS																
CVC 270 GSM	Body	68" Open	EKL		3.64	912	5%	853	7.40	6,309.42	28.28	Kg	Yes			
CVC 80 185 GSM	Pocket	68" Open	EKL		0.37	83	6%	87	7.30	621.20	2.78	Kg	Yes			
OneEas D12-rib 300GSM	Waist rib	22" Tube	EKL		0.46	103	6%	109	8.25	897.40	4.32	Kg	Yes			
Sub Total (Fabrics Cost)						997				7,828.02	35.09	45.34%				
ACCESSORIES																
Doz Item (Constant)		Unit	Supplier		Net Cost /DZ (Unit)	Net Material Qty	Vastage %	Material to be Procured	Price/ft x Mtrl	TTL Value \$	Cost/Dz Garments					
Care Label	pos	ENAM		12.00	2,677	5%	2811	0.25	59.03	0.26						
International label	pos	ENAM		12.00	2,677	5%	2811	0.25	59.03	0.26						
Size label	pos	ENAM		12.00	2,677	5%	2811	0.19	55.14	0.16						
RFD	pos	Pawer		12.00	2,677	5%	2811	1.39	323.25	1.45						
Hanger Label	pos	SML		12.00	2,677	5%	2811	0.05	11.24	0.05						
Sewing Ticket	pos	SML		12.00	2,677	3%	2767	0.24	55.15	0.25						
TFL	pos	SML		12.00	2,677	8%	2891	0.23	54.68	0.25						
Polly bag	pos	Isphani		12.00	2,677	5%	2811	0.80	187.35	0.84						
Hanger	pos	maewie		12.00	2,677	3%	2767	2.05	471.04	2.11						
Woven label	pos	Rudholm		12.00	2,677	3%	2767	0.91	177.15	0.53						
Egilet	pos	Rudholm		24.00	5,354	7%	5729	0.54	257.80	1.16						

Figure 31: BOM Sheet

Costing Sheet							
Date : 08/01/15				on 15.02.16			
Buyer : M&S (Direct)		Boxed					
Style : new design of 5236 (lace print)				Selling Price : 12.50 pound			
Item : Ladies T-Shirt (Longsleeve) & Bottom long Pant (Pyjama)				Target : \$ 5.0/Set			
revise on 01/02/16				ON COMBED COTTON			
Sl	Item	Unit	Can	Required	U. Price In Dzn	Amount In Dzn	Remark
1	100% Ccna SJJ-140 grm (T-Shirt - TOP) ~~realid~~	KG	2.9	2.90	6.40	18.56	
1	100% Ccna SJJ-140 grm (Back Hmane) ~~emp~~	KG	0.13	0.15	9.05	1.36	0.14
2	100% ccta SJJ-140 grm (Bottom - Pant) ~~emp~~	KG	3.06	3.15	9.05	28.51	2.87
2	Sewing Thread (50/2, 4000 m / Mtr can):						
3	Average collar (400 m/body)	cn	1.2	1.30	1.06	1.38	
5	Main label (Back Print on top)	Dz	1.05	1.05	0.00	0.00	
6	Caro label + International label (top + bottom)	Dz	2.1	2.10	0.38	0.80	
	Elastic - 2.5 cm	Ydr	13	13.00	0.10	1.30	
10	RFID (UPC Barcode u03535RF)	Dz	1.05	1.05	1.08	1.13	
11	Flat pack size label	Dz	1.05	1.05	0.29	0.30	
11	Super av hanger sticker	Dz	1.05	1.05	0.20	0.21	
11	OV Sticker	Dz	1.05	1.05	0.20	0.21	
12	OV Suing ticket	Dz	1.05	1.05	0.24	0.25	
11	UPC sticker	Dz	1.05	1.05	0.00	0.00	
13	Flat pack Hanger (FJS428)	Dz	1.03	1.05	0.00	0.00	
14	Centre Card with elastic	Dz	1.03	1.05	1.32	1.39	
14	Lace for neck	Ydr	7	9.00	0.13	1.17	
15	Poly bag + back board	Dz	1.05	1.05	0.50	0.53	
16	Tag pin	dz	1.05	1.05	0.08	0.08	
16	Carton	dz	1.05	1.05	0.60	0.63	
16	Box end label	dz	1.03	1.03	0.20	0.21	
16	Plastic clip	dz	1.03	1.03	0.12	0.12	
	Print (5)	dz	1.05	1.05	0.00	0.00	
19	Others	Dz		1.00	0.10	0.10	
20	Tot	Cal		0.60	0.20	0.12	
				Total amount		58.4	
				Total Raw material		58.4	
				CM/Dz		\$	
				FOB price/pc		5.53	
				Trans part + Comm/rel Cart (%)		0	
				FOB with commission		5.53	

Figure 32: Cost Sheet



Figure 33: Factory Store



Figure 34: Fabric Relaxation in Store



Figure 35: Sewing Department



Figure 36: Production Line in Sewing Department



Figure 37: Finishing Department



Figure 38: Spot Removing Place



Figure 39: Rough Checking Team



Figure 40: Placement in Store before Shipment

Appendix 8: Some Pictures of Precautionary Measures in COVID-19 Outbreak



Figure 41: Shields between Workers in Production Line



Figure 42: Hand Washing Before Enter



Figure 43: Thermal Scanning



Figure 44: Disinfected Tunnels



Figure 45: Isolation Centre

Interview Questions

- What are the processes of receiving order from buyer of UGL?
- How do you deal with buyers in setting price of products?
- Are all the buyers of UGL regular?
- Is product cost added with delivery charge?
- After all the procedures, in which department will you forward the order?
- What raw materials are you using in making garments?
- What are the procurement processes of it?
- How do you set the pricing of raw material?
- How much capacity in storing the raw material in the store?
- Which software you are using to make sample?
- What is the name of the pattern cutting machine?
- How much time it takes to do the whole pattern making process?
- How many employees do you have in the sampling department?
- Which machine you are using to cut fabric?
- How much time is needed for cutting fabrics?
- How many cloths can be cut in a day?
- How many employees do you have?
- How many production lines are in the factory?
- How many workers are working in sewing department?
- How much time will take to make a shirt in sewing?
- What are the works in finishing a garment of the finishing section?
- How many employees do you have in finishing department?
- How much time it will take for the whole finishing process?
- How do you check the quality of the garments?

- What is the Shipment procedure of UGL?
- How are managing shipment in the pandemic situation?
- In which step, the company need to be faster in the process?
- How are you managing it in recent pandemic situation?
- How can you ensure safety of your workers in recent Covid-19 situation?
- In which process, wastage is happening?
- How can you reduce it?
- How can you minimize the cost of it?
- At the time of making a shirt or any garments, how many days each unit take from top to bottom?
- If any order has been cancelled by buyer, what steps UGL follow?
- If any defected product found, then what will be done with the product?