

A report on the akij group



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It is our pleasure to submit the report on “ AKIJ GROUP”. So we prepared Report about “ AKIJ GROUP” as a partial requirement for fulfillment of Bachelor of Business Administration (BBA).

We have collected primary & secondary data from the respected related respondents & finally analyzed the information to prepare this Report to place before you for your kind approval.

We have employed our best efforts to achieve the objectives the study & hope that our endeavor will serve this purpose.

Acknowledgement

By the grace of Almighty Allah, the most benevolent merciful, we have been successfully to complete this report on “ akij group”. Then we are grateful to our adorable parents who had bring us in this world and given the opportunity to study and our parents like course instructor Md. Aslam uddin who have given better direction to complete this report.

We do not claim that this report is original in presentation. We have collected materials from different source.

We greatly acknowledge all suggestions received to enhance further the value of this project. The suggestion has been incorporated whenever possible.

We are trying to give our best efforts not withstanding small errors do creep into the project. We are ever great full to our followers for drawing our attention to such, so that they may be squashed.

We are extremely grateful to our honorable teacher, Md. Aslam uddin Lecturer in Marketing, Bangladesh University of Business & Technology, who constantly took keen interest in boosting our morale and inspire of his busy schedule.

It is our pleasant duty to put on record our sincere thanks to many of our friends for their occasional helps and encouragements in different stages of writing the manuscript, vaskar, sakil, sujit, sahim, fuad are to mention few.

While every effort has been made to ensure accuracy, it cannot be claimed that the assignment is absolutely error-free. Incase of any confusion or doubt on any aspects of this report, we are may be contracted in any time.

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Executive summary

Akij Group's ceaseless efforts with dynamic management and support from our numerous clients have led our Group in diversifying its business activities. Akij Group is also involved in socio-cultural activities. The Group has been operating a sizeable orphanage free of charge in district town.

We are visited AKIJ GROUP and we prepare our report on their Food & Beverage, Akij Jute Mills, Akij CNG.

Before the summary I would like to thanks its Manager Susanto paul for provide necessary information for prepare our group.

Akij Food and Beverage Ltd, a concern of Akij Group, yesterday launched in the local market three varieties of fruit juice under the brand name ' Frutika'.

Akij Group is one of the fastest business conglomerates in Bangladesh.

Founded by Late Sheikh Akijuddin, the group started in humble way through trading business in 1940.

The textile sector plays a very important role in many developed/developing countries. The textile sector includes spinning, knit and woven sectors, which are called Primary Textile Sector(PTS).

Company profile

History of Akij Group stretches back to later part of the forties. In its infancy, the Group started in humble way with jute trading which was known as the golden fiber of the country, earning highest amount of foreign exchange.

Akij Group's ceaseless efforts with dynamic management and support from our numerous clients have led our Group in diversifying its business activities. In the second phase, the Group went into manufacturing handmade cigarettes popularly known as bidis. This sector gave a real boost to the revenue earning of the Group as well as making a substantial contribution to government exchequer. With the passage of time, the Group undertook new ventures and presently there are 15 units of industries under its umbrella like cigarettes, handmade cigarettes, printing & packaging, textiles, hand board, pharmaceutical, leather processing and real-estate business are in operation, catering jobs for more than 32, 000 people in various categories.

The Group has plans for setting up more projects. The projects are already in pipeline. Foreign investors have shown keen interest in joining with us for joint ventures. The matter is under our active consideration and will hopefully soon mature. This will also help the nation's economy growth and will create job opportunities to various professionals.

Akij Group is also involved in socio-cultural activities. The Group has been operating a sizeable orphanage free of charge in district town. The Group has also acquired a modern mother & children hospital previously owned by Save the Children (UK). The hospital is being operated as a non-profitable concern by Ad-Din Welfare Trust.

The Akij Group is one of the biggest conglomerates in Bangladesh. It consists of 14 big companies with diverse activities and different products, and launched its venture as a small jute trader more than 50 years ago. Since

then it has been progressing with tremendous pace in the industrial arena of Bangladesh. From its humble beginning, it has been developed into a huge corporation of infallible quality and excellent service. It highly values its consumers as unique individuals and always ensures quality merchandise to suit the needs of each distinct consumer group. It works hard to preserve the environment and culture of Bangladesh, side by side, plays an outstanding role to develop the country economically advanced. The industrial wastage means little to them because their factories have been built up with recycling and the environment concept. A large number of people are employed by the group and cared for as members of the Akij family. The non-profit concerns are also involved in sustaining development of the country. Flexibility is the niche of the group to cope with the current versatile market. We went to the headquarters of the Akij Group to take an interview of Sheikh Akij Uddin, chairman & managing director of the group and Sheikh Jamil Uddin, director (textile). All the corporate offices of the Group are housed in the Akij Chamber, an 11-storied building, located at Dilkusha commercial area, one of the busiest business hubs of the Dhaka City, the capital of Bangladesh. When we reached there, Sheikh Jamil welcomed us. He is an energetic and visionary young man with professional approach who looks after the Akij Textile Mills Ltd, one of the top ten textile mills of the country considering all aspects quality, modern management, utility, full unit chilling system, use of vision shield, a foreign-fiber detector. During an interview with Sheikh Akij, he remarked, “ We seriously need more patriotic and sympathetic people in the industrial arena.” He was asked what was the driving force behind his tremendous success in the industrial arena

of Bangladesh. “ Uncompromising quality even in adverse market situation and consistency of it was the main force behind our success. In case of textile business, high strength, evenness and contamination-free yarn are the attributes of our products,” he responded. “ Creative new ventures, innovative production line to save time and increase efficiency; sticking to commitment in every step of the way; passing on the benefits of the innovative policies to our customers; and win-win policy for both the producer and customers have enormously helped us to gain trust and confidence of our stakeholders,” revealed Sheikh Akij.

In response to our question, how and why they were motivated to establish a textile mills, “ Prospect, high demand-supply gap, employment creation as well as the Group’s decision to venture into a new arena of industrial production were the main motivating forces behind the initiative of establishing the Akij Textile Mills Ltd,” Sheikh Jamil told us. “ As always, we took a very professional approach before establishing the textile mills. To gain first-hand knowledge on textile, the chairman of the

group and I visited the ITMA 1995 held in Milan, Italy. The plan to establish Akij Textile Mills was conceived in 1995 and the mill was established in 1998 with initially 10, 000 spindles. It went to commercial production in the same year,” he narrated. “ We are not the biggest, but we are applying the latest textile technology and modern management to be the best,” told Jamil. “ We use the benchmark of Ulster Statistics for top 5-25% textile mills globally,” he claimed. Total marketing of Akij Textile Mills Ltd is managed by Md.

Jahangir Hossain, an MBA from the Institute of Business Administration (IBA), University of Dhaka and B. Sc. engineer from Bangladesh University of

Engineering and Technology (BUET), Dhaka. He informed us, “ Most of the spinning mills having more efficient, high quality production facilities were set up in the 90s for high-value addition and reducing dependency on imported yarn. In Bangladesh, spinning is almost self-sufficient in yarn production for export oriented knit sub-sector. Bangladesh spinners are using the latest technology of the world compared to that in India, Pakistan and China. At Akij Textile Mills Ltd, due to the consistent quality, the product itself makes our job easier to win the market and all other Ps (Price, Promotion & Place) of marketing mix complement each other and are pulling in the same direction.”

After the preliminary interview with the chairman and director (textile), we started for the textile mill premises located at Golora, Charkhanda in Manikgonj district, one and a half-hour drive from Dhaka City.

The factory building is situated on 45 acres of lands with provision for further expansion. The yarn produced by Akij Textile Mills Ltd is sold to the export oriented knit and woven garments industries. The Mills’ production capacity is around 50 tons per day – 25 tons combed and carded from Ring Spinning, 20 tons from Schlafhorst Autocoro and 5 tons from BD Rotors. The Mills can produce all yarn counts from Net 6 to Net 100. The counts mostly being produced are Net 20 to Net 40 combed and carded 100% cotton yarn from Ring Spinning, Net 6 to Net 26 from Schlafhorst Autocoro machine and Net 7 to Net 16 from BD Rotors. The blow rooms are equipped with Vision Shields – foreign fiber (contamination) detectors. From the process of bale breaking to the packaging of yarn, everything is done with automation and state-of-the-art technology.

Unit I: The cotton is cleaned in the Trutzschler blow room and then cleaned more finely in the Trutzschler carding machines. After this the cotton goes through the drawing stage. It is equipped with a single head finisher draw frame with auto-leveler and a computerized control system. The yarn is combed before finisher drawing RSB-D30. Zinser Simplex machines are responsible for making roving from sliver. There are Zinser 319SL ring spinning frames with a total of 19, 072 spindles. The Schlafhorst autoconers have 340 units and continuous tube. The Ulster Classimat software enables online control of the yarn. Quality is of utmost significance to Akij Textile Mills Ltd, and it is, therefore, very carefully controlled. For this purpose, qualified staffs maintain a quality assurance laboratory equipped with state-of-the-art instruments. Along with the necessary equipment for measuring various properties of cotton, sliver and yarn, the laboratory is equipped with an HVI Spectrum to measure cotton grade, staple length, mic, strength, maturity and other quality parameters. It is used to check the suitability of cotton from each bale, and according to the results, the bale would either be accepted or rejected. The software in the machine is able to select the bales, which do not meet the set standards and compile a list of them automatically. The Ulster UT-4 is used to test sliver, roving and yarn. It measures the evenness of random samples. Frequent samples are taken and tested meticulously at the quality assurance laboratory. The level of computerization of the machines on the factory floor also means that their performance can be monitored from the laboratory.

Unit II: Adjacent to the current factory, another one has been built. It is of very large dimension, approximately 150, 000 square feet. Instead of one,

there are three Reiter blow-room lines and carding in the factory. Two clean cotton for the ring spinning and the other for Autocoro and rotors. The back process blow-room to drawing and roving frame is from Reiter of Switzerland and Zinser of Germany respectively. There are 1, 248 Schlafhorst Autocoro rotor heads capable of spinning Ne6 - Ne30 yarn. This is primarily used to make yarn for denim, twills and canvas. The sliver for the ring spinning goes through E62 combing, RSB-D30 drawing and 668 Zinser roving frame and then to one of the 32, 256 spindles present in the Unit. All of the ten Schlafhorst autoconers in the factory are of the type RM338 and have sixty units each with foreign fiber (contamination) detector. A Welker heat setting machine and a custom-made heat setting room set the yarn. The temperature, humidity and air quality in this factory are controlled by a highly sensitive and sophisticated Luwa air conditioning system. The factory is also equipped with a Luwa waste separation system. With the waste materials separated, it is possible to recycle the waste cotton. A chilling plant has been installed for all the sections in the production floor of Unit I and Unit II. The exhaust from the generators powers the boiler and the chiller plant. As a result, there is no thermal energy loss and more importantly, no pollution. The factory is well provisioned in terms of safety equipment like fire extinguishers and the machines that all have safety systems. The excellence of management is reflected in the fact that in the entire life of the factory there have not been any major accidents. The reason behind the company's efficiency is years of experience. The Akij Textile Mills has its own delivery van to provide on time delivery to its valued customers by its strong marketing and sales department. It also has a skilled quality department to listen to the day-to-day expectations from valued prospects of 100% cotton

yarn in Bangladesh as well as in foreign countries. During our visit to the mills premises, we talked to Dr Eric Frank, a Professor of Human Resource Management, who was conducting training on improved management for the mid and top-level managers there, as a consultant. Professor Frank teaches at the University of Bath, UK. “ Tremendous development is taking place in the Akij Textile Mills Ltd. It is a good place to work with suitable arrangements like additional housing facilities for officers and additional building for workers. Continuous development is an outstanding aspect of this textile mills. Technical videos on practical work and management videos are shown to the trainees,” Professor Frank observed. “ Akij Group is a good employer,” Professor added. “ The Akij Group of Companies has always done its best to look after its employees. Apart from the right kind of remuneration, it provides a safe working environment, training to equip its people to have progressive careers and become ever more productive, suitable accommodation where required by the location of its plants and necessitated by the need to recruit from further field, attractive facilities for social life,” Professor further observed. He further told, “ All these are features of the Akij Textile Mills Ltd. Because of the rapid expansion of the plant and the resulting additional work force some of the above are still in their infancy. However, a great deal has been done in recent months - there is now excellent accommodation for officers, recreation rooms with TV, a well-equipped conference and training room, improved cafeteria arrangements.” On the continuous management development of the Akij Textile Mills Ltd, he said, “ With the help of a British management consultant, the company’s professional management has been strengthened. Existing procedures in human resource management and development have been

refined and additional ones introduced: for all employees there are now job descriptions and the choice of employees is based on personnel specifications. Recruitment and Selection procedures include panel interviews. Operator Training has been systematized and technical and managerial training is provided for all officers. A comprehensive suggestion scheme has been introduced and has already led to numerous “ bright ideas” from the workforce. All employees are regularly assessed by their superiors, resulting in additional training, transfers and promotions.”

We talked to the General Manager, Md. Jamal Uddin, and a textile engineer, who is in overall charge of the factory. He has 26 years of experience in the textile sector. He received training on spinning from Russia and Germany. He told, “ Most modern machines are being used in the factory. Strict quality control is maintained here. The factory is 100% covered by chiller and A/C. It is run by 100% independent power supply. A healthy working atmosphere exists within the factory premises. There is also a mosque where the officers and workers say their prayers together.” He further informed, “ The workers are comparatively well paid. Timely payment of salaries is made. A first aid center provides medical treatment by a qualified doctor. The company bears medical treatment costs for diseases of the employees.”

Akij Group, the parent company of Akij Textile Mills has recently celebrated its fifty-year anniversary. From being merely a jute trading business in the 1950s, Akij Group has become one of the largest corporations in Bangladesh. It has diversified into a variety of fields. Information technology, finished leather and leather goods, particleboard, printing and packaging, pharmaceuticals, Akij computer and online business, institute of technology,

real estate, safety match and tobacco are its current ventures and there are plenty in the pipeline. However, it is not only about business. Sheikh Akij Uddin and his family never forgot their humble beginning and are deeply involved in community work. Sheikh Akij Uddin founded Ad-Din Welfare Trust and it continues as a vibrant and ever growing organization. The family also owns several orphanages and schools.

AKIJ FOOD AND BEVERAGE LTD.

Akij Food and Beverage Ltd, a concern of Akij Group, yesterday launched in the local market three varieties of fruit juice under the brand name ' Frutika'.

The three varieties of juice — mango, red grape and red orange — are already available in shops in 250ml PET bottles with prices ranging between Tk 20 and Tk 22. The officials of the company, at a press conference held on the factory premises in Dhamrai, said Frutika is a aseptically filled juice in PET bottle introduced for the first time in the local market. Akij Food and Beverage installed state-of-the-art machinery, imported from Germany, to manufacture the juice, said Sk Nasir Uddin, chairman of Akij Group. “ Frutika juices have zero preservatives and no artificial colouring, which helps maintain the pure taste of fruit in these products,” he claimed. Nasir Uddin said they import mango pulp from India and pulp of other fruits from Germany to manufacture the juices. Akij Group Directors Sk Jamil Uddin and Sk Shamim Uddin, attended the press conference. Other high officials were also present.

AKIJ CNG

Akij Group is one of the fastest business conglomerates in Bangladesh.

Founded by Late Sheikh Akijuddin, the group started in humble way through trading business in 1940. Under his dynamic and charismatic leadership, the Group rapidly rose to the peak of success and has today 25 large Industrial and Commercial Units in one fold which include Jute, Leather, Footwear, Tobacco, Bidi, Chewing Tobacco, Cigarettes, Safety Matches, Hard Board, Food & Beverage, Cement, Textile, Pharmaceuticals, Printing & Packaging, Computer Hardware Software, ISP, Member of Stock Exchange and chain CNG filling station etc.

By way of it's strict adherence to Customer satisfaction, AKIJ GROUP is credited as a leading foreign exchange earner of the Country in recognition of which it has been awarded " The National Export Trophy" for consecutive years by the Bangladesh Government. 47, 000 motivated and professional staff & officers in various categories at different units constitute it's work force who have their individual contributions towards the Group's mammoth growth. Today AKIJ GROUP has it's share of almost 5% to the Govt. annual budget through Taxes, Vat etc. It is also the 3rd highest VAT payer of the country since last several years. Apart from being the topmost Entrepreneurs of the country, AKIJ GROUP has also demonstrated it's firm social commitment by setting up charitable Hospitals, Orphanages & Educational Institutions throughout the Country.

Pursuant to its policy of diversification, AKIJ GROUP noticed there is enormous scope for utilization of natural gas instead of liquid fuel in automobiles. Accordingly it started CNG Filling Station business in 2004. By dint of close monitoring & constant evaluation, it acquired vast knowledge

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and experience in CNG sector during last four years. Today it has planned to set up 13 CNG stations in key points through out the country. With this end in view, AKIJ GAS COMPANY LTD. was constituted which is involved in chain CNG Station business. It is now going to be involved in Conversion, Cylinder retesting, automobile servicing and various gas related activities.

AKIJ TEXTILE

The textile sector plays a very important role in many developed/developing countries. The textile sector includes spinning, knit and woven sectors, which are called Primary Textile Sector (PTS). Over the years notable development has been made in the PTS particularly in the field of spinning sector. Based on the Annual Report-2005 of Bangladesh Textile Mills Association (BTMA) mechanized capacity of spinning industry in 1972-73, 1983-84, 1993-94 and 2003-04 are (as 853, 000, 1, 108, 000, 2, 388, 000 and 4, 360, 000 spindles respectively. In Bangladesh, spinning sector has contributed and continuing to contribute towards the development of the socio-economic condition. At present 325 million people are working in the spinning sector. Ninety percent of the domestic fabrics and yarn requirements are met by our PTS. Akij Textile Mills Ltd is one of the members of BTMA. It has installed total capacity 51, 328 spindles to produce yarn. Akij Textile has used modern technology and machinery to compete at the competitive market with the good quality

SWOT Analysis

A scan of the internal & external environment is an important part of the strategic planning process. Environment factors internal to the firm usually can be classified as strengths(s) or weaknesses (w) & these external to the

firm can be classified as opportunities (o) or threats (t) such as analysis of these strategies environment is referred to as a SWOT analysis.

The SWOT analysis provides information that is helpful in matching the firm's resources & capabilities to the competitive environment in which it operates. As such it is instrumental in strategy formulation & selection. The following diagram shows how a SWOT analysis fits into an environment scan.

STRENGTH

A firm's strength is its resources and capabilities that can be used as a basis for developing a competitive advantage.

Patents

Strong brand name

Good reputation among customer

Cost advantage from proprietary know how

Exclusive access to high grade natural resources

Favorable access to distribution networks

WEAKNESSES

The absence of creation strength may be viewed as a weakness. For example each of the following may be considered weaknesses

Lack of patent protection

A weak brand name

Poor reputation among customer

High cost structure

. lack of access to the best natural resource

Lack of access to key distribution channel

Opportunities

The external environment analysis may reveal certain new opportunities for profit & growth some examples of such

*Opportunities include

*An unfulfilled customer need

*Arrival of new technology

*Loosening of regulation

*Removal of international trade barriers.

Threats

Changes in the external environment also may present threats to the firm.

Some examples of such threats include

Shifts in customer tastes away from the firm products.

Emergence of substitute products.

New regulations.

Increased trade barriers

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Marketing Mix (4P's)

The Marketing Mix model can be used by marketers as a tool to assist in defining the marketing strategy. Marketing managers use this method to attempt to generate the optimal response in the target market by blending 4 variables in an optimal way.

All products 4p's analysis is difficult to showing so we showering an example of one product Akij Food and Beverage Ltd. introduced lemon flavored carbonated beverage clear drink “ Clemon” in its existing product line on October 2007.

Analysis of 4P (Product)

Lemon flavored CSD.

Clemon

Clear Lemon Drink in existing product line of AFBL.

Strictly maintains product's high quality.

Underwater world scenario is used. Bottle and cap color Green & White (respectively)

Can printed (150ml and 250 ml); Shrink Label (except-2000ml).

150ml can; 250ml pet bottle and can; 500ml, 1000ml, 2000ml pet bottle.

Dealer's get damage returns warranty from the company.

Analysis of 4P (Promotion)

Advertisement: Television, billboards, posters, Print media.

Sales Promotion: Different promotional activities has been performed, e. g. A seminar in BUET introducing SCM from Department of IPE. The official drink of the event was ‘ Clemon’ .

Public Relations: Clemon Beach Carnival yearly. Sponsors Clemon- Activate Bangladesh Sports Development Pilot Project under Active Bangladesh Foundation (ABF).

Direct Marketing: All the promotional activities for customer as direct marketing and greetings are given to the traders.

Analysis of 4P (Place)

Channel:

Manufacturer Dealer Retailer Customer

Coverage: Around 90% of Bangladesh

Location: Metros, Semi-urban & Rural areas.

Inventory: Currently no specific amount of inventory is maintained for backup.

Transport: The transportation is upon the choice of the distributors. They may use their own transport or else the company has arrangement for transporting the goods.

Analysis of 4P (Price)

List Price: Decided as competitive price. The prices of various sizes are: 250ml= Tk. 12; 500ml= Tk. 20; 1000ml= Tk. 40; 2000ml= Tk. 65

Allowances: Dealers enjoy allowances depending on their total purchase. The crate size of Clemon delivered to the dealers are:

150 ml (can)= 24pcs./crate

250ml (can & pet): 24pcs./crate

500ml(pet)= 20pcs./crate

1000ml.(pet)= 12pcs./crate

2000ml.(pet)= 6pcs./crate

Credit terms: With all the dealers dealing is done in credit. Only the dealers of high business volume enjoys credit term allowance for clearing due payments at an early date.

Analysis of 4C

1 Customer Solution

As a product Clemon has been designed to provide customers a clear lemon carbonated beverage as per demanded sizes for self and family/group consumption at a close similar quality comparing to similar products in the market.

We made an inquiry regarding customers find solution for meeting the need of lemon flavored clear carbonated beverage within Clemon's target range The percentage shows:

2 Customer Cost

The component " Price" of the marketing mix determined by keeping an eye on customers willingness to spend for a beverage product comparing to similar products of other brands. The other pricing factors regarding allowances and credit terms are also justified according to reasonability.

3 Conveniences

Clemon is available at local grocery stores, fast food shops and super markets to ensure customers convenience

4 Communications

Clemon is being advertised using almost all the Medias which communicate better with the targeted group.

Within the target group the media which communicates with them the most is Television Advertisements and radio and billboards communicate in a smaller scale.

The company of Akij Food and Beverage has a product line of almost all the types of drink and snacks. “ Clemon” fulfilled the line of carbonated beverage by adding the lemon flavored carbonated beverage.