

Industrial growth of pakistan by the monnoo family business



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- LACK OF INFRASTRUCTURE IN PAKISTAN

Introduction & A ; Background

The Monnoo Family is a traditional name in Pakistan that has been the narrative of success for the industrial growing of the state. A name that alone stands out as the innovator industrial household that has played a important function in the growing of the economic system.

The growing of the Group down through the decennaries has played a positive function in ruling the local industry and supplying a unafraid hereafter for its employees. The transmutations brought approximately in the local industries by the Monnoo Group have made them innovators in the technological and client oriented concern pudding stones.

The Group now owns 12 Textile units, a Sugar Mill, Agricultural Farms and extended research units providing to assorted agricultural merchandises. As pioneers in their Fieldss, the Group has kept gait with the latest province of the art engineerings, through which the Group now produces superior international quality merchandises for clients worldwide. The Monnoo Group has developed with singular velocity from a traditional, household owned textile company into a modern hi-tech industrial and agricultural pudding stone. The nucleus concern of Monnoo Group is international merchandise acknowledgment in Textiles (Yarns, Ecrú yarn, Fancy/Novelty yarns, Melange Yarns and run uping togss) and in Agriculture merchandises (Sugar, Tissue Culture, Orchards and Farms) . With outstanding growing and development in narrations and conveying about inventions in fancy

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narrations, they have one of the most sophisticated and modern Millss in Pakistan.

After Partition, their acquisition of a gum elastic mill was traded for an old fabric factory, installed with a sum of 2400 spindles. By the twelvemonth 1965 the group had a entire figure of 5 fabric Millss. During the troubled clip of divider of the sub-continent, the Monnoo household shifted to East Pakistan and subsequently on set up five Spinning factory operations, 3 in west Pakistan and 2- in east Pakistan.

A figure of companies associated with the group are functioning the state since its origin and are so amongst the innovators of the whirling industry in Pakistan. Get downing with one whirling factory to 12 whirling Millss dwelling of more than 200, 000 spindles with over 8000 employees. Most of the companies associated with the group are leaders in the countries of their activity, and have been ISO Certified.

Corporate MISSION STATEMENT

We have built our repute on quality, Flexibility, service, and unity. Our existent strength is personalized service in an expeditious mode. We continue to put in the most modern equipment available so that we can fabricate a high quality merchandise for our clients. We can plan and develop assorted narrations for clients, and can provide little measures every bit good as big measures of our merchandise. The mission statement of Monnoo Group is to be recognized as the Prime Minister illusion yarn supplier to the markets we serve by supplying quality narrations while invariably

concentrating on our client ' s outlook and keeping a competitory place within the universe of fabric.

We recognize, utilize and develop the alone endowments of each employee, while fabricating the highest quality fabric merchandises. However, we have extremely qualified amid professional staffs who are experts in their field. Our mission will be accomplished through excellence in client service, gross revenues and fabrication supported by the teamwork of all associates. We will go on our tradition, established in 1940, of honestness, equity and unity in relationships with our clients, sellers and community.

Corporate Quality Policy/Assurance

Committed to guarantee a system to consistent quality at all degrees of procurance, production, and selling direction harmonizing to specification and demand of the purchasers. Therefore, at Monnoo Group, we are dedicated to supplying first quality merchandises and service to accomplish an exceeding degree of client satisfaction. We are working to continually better all our merchandises and services though entire associate engagement. We all are committed to developing and beef uping good concern relation with our external and internal clients and providers. We will go on to supply advanced, high quality merchandises and services to heighten our clients ' long-run growing by understanding their demands and expecting their hereafter demands. Diverseness, quality, value and services are the war cries for every successful fabric concern today.

For Monnoo Group, these are non merely mottos, but represent the nucleus of how we conduct our concern. To keep our competitory border every bit

good as to run into the demands of a invariably germinating market dictated by current tendencies and specific demands, we are accredited to a figure of quality confidence establishments and sellers e g Lycra Assured, Tencel Registration, Lenzing, APTMA etc. Therefore, our narrations are in merchandises that carry the label of Ralph Lauren Polo, C. K, J. C. Penney, Tommy Hilfiger, and others reputed garment maker. We have excelled with a client base that is choice and public presentation oriented.

Corporate Doctrine

The necessities pillars of Product Quality, Innovation, Technological promotions, Customer satisfaction and above all Seasonably Delivery have been an motivation force behind our corporate doctrine. Keeping a strong R & A ; D background at our Millss and a pleasant working environment that caters to the demands of our direction and workers, a sense of committedness to our environment and to our workers is expressed. With services extoling the benefits of growing amongst our staff and keeping a strong kernel of nature saving, Monnoo Group has brought about a new experience into the local market ne'er kept before.

These pillars support our overall concern doctrine and over the old ages, have enabled our company to turn and thrive as we develop our leading qualities in the fabric community. Guaranting that we are ever a measure in front of competition in footings of merchandise quality and invention.

Monnoo Group is ready as of all time to go on our committedness of accommodating to the turning demands of every client with the highest degree of proficient and merchandise array support available to guarantee that all demands and outlooks are systematically met. Investing in the latest <https://assignbuster.com/industrial-growth-of-pakistan-by-the-monnoo-family-business/>

hi-tech equipment and installations every bit good as implement the strictest quality control procedures that meet international criterions in the fabric industry is strongly applied at Monnoo Group.

To implement an aggressive market-penetration scheme, we are continuously spread outing our domain of operations in the local and international market place. We have already gained a strong bridgehead in Asia, Middle East, North America and the Far East.

ISO 9001 CERTIFIED

Monnoo Group of Industries a symbol of advancement of Pakistan fabric whirling industries. We are one of the early birds who achieved ISO 9000 enfranchisement in Pakistan with purpose of endeavoring for TQM.

Committedness of the top direction has played critical function in developing, implementing the quality direction system.

We are working on SA 8000 societal answerability and ISO 14000 environmental direction systems.

Quality POLICY

We the Monnoo Group is committed to guarantee a system of consistent quality at all degrees of Procurement, Production and Marketing management in order to run into the purchasers specification and Requirements. Our quality policy is supported by section wise mensurable quality aims and it is ensured that client demands are determined and met with the purpose of heightening client satisfaction. In add-on to that, control of certification has been established and maintained to supply grounds of conformance to client

demand and of the effectual operation of the quality direction system.

Management representative behaviors direction reappraisal meeting on regular footing for the betterment of the effectivity of the quality direction system and its procedures and guaranting

1: The handiness of resources

2: Customer feed back including Customer ailments and betterment of merchandise related to client demands.

3: Use of Statistical Techniques like Fishbone diagrams to place the root cause of the jobs.

4: The effectual execution of the restorative or preventative action, follow up actions particularly from old direction reappraisal. & A ;

5: Procedure public presentation and Product conformance

Bing a Quality Management System company, we are committed to endeavor for uninterrupted betterment in every thing we do. We have developed a Customer Satisfaction Survey, this study is one of out beginning for supplying us with your extremely valued feedback, betterment required to prolong this uninterrupted betterment procedure. Customer Satisfaction Survey is available On-line. If you have any ailments you can make full up the signifier and you will be contacted instantly.

SWOT OF MARGALLA TEXTILE MILLS.

Strength

Market repute.

The clients of the Margalla ' s yarn merchandise are widely maker of hose, garments, weaving units and purchasing houses. The merchandise is differentiated for assorted sections which are superior to the rivals and critical to the clients. The production section can achieve the purpose of dependability with cost effectivity harmonizing to the desirableness of the clients within bringing times.

Machinery.

The machinery of the company holding the capacity to run into its production degree harmonizing to the market ' s demand. The company has the comprehensive care agenda, so that there is no clip for machine to stand able. The machines do non do any quality control job.

The organisation is utilizing the latest machinery and current engineering for the intent of efficient production. They have imported machinery and equipments from Japan, Russia and China.

Quality.

The company is good known in the market country for its quality merchandises. The direction is cognizant that how to bring forth quality in the merchandises to fulfill client ' s demands and specification.

Product Differentiation.

The company introduced new scope of melange narration by the trade name name of pallet, the company besides engaged in the production of Chain Yarn, Cotton Mercerized Yarn, Slub Core Spun Yarn, Singed Yarn, Covered Yarn, Neppy Yarn, Plied Yarn, Core Spun Yarn, Double Slub Yarn, Cone Dying Yarn, Cotton Yarn dyed narration, and fancy narration to run into its client ' s specification.

POWERPLANT

The organisation has its ain power works to bring forth energy for the use during production to diminish the dissolution clip.

RESIDENTIAL COLONY

Margalla fabric Millss have a residential settlement for the households of their employees. Most of the employees are belongs from out side the metropolis, so they provides them house for their abode because of this their employees more loyal with the organisation.

Failing

Fiscal Resources

Formulas

A

Year

Year

Year

Year

Year

2004

2005

2006

2007

2008

Gross Profit/Sales * 100

%

7.00

4.23

13.83

6.88

7.30

Net Net income After Tax/Net Gross saless *100

%

-0.05

-3.26

3.54

-2.89

0.49

Net Gross saless / Entire Assetss

Timess

1.23

1.06

1.40

1.37

1.31

Entire Debt / Total Debt + Total Share Holder Equity

A

0.74

0.77

0. 73

0. 80

0. 81

Current Assets/Current liabilities

A

1. 02

1. 00

1. 04

1. 05

0. 98

Current Assets-Inventory-Prepared Exp/Current Liabilitiess

A

1. 01

1. 00

1. 04

1. 04

0. 97

GROSS PROFIT MARGIN

As the above ratio gross net income border shows that company is non able to do its gross net income more. Cost of goods is really high which consequences in low gross net income. only in 2006 gross net income is good.

Net Net income Margin

as the above ratio net net income border shows the negative consequences which means company is bring forthing merely loss. This loss is because of the addition in the cost of inputs like natural, stuff, energy, labour and finance cost.

ASSET TURN OVER RATIO

This ratio tells whether or non company is doing adequate usage of the money tied up in the concern. As above ratio from 2004 to 2006 is good because it shows that company is bring forthing one and half of the capital employed but the job is that company besides confronting high cost.

DEBT RATIO

This ratio shows how much of concern is being funded by the proprietors and how much of the concern is being funded by borrowed money. The debt ratio is high in company ' s fiscal place which is non a good mark because fixed involvement payments that must be paid irrespective of the company net income degree.

CURRENT RATIO

This ratio shows the relation between the current plus and current liabilities.

This ratio is good at 2004 but its traveling lessening in 2005 and frailty versa which is non good mark. Anyhow this ratio is satisfactory because current assets are able to run into the current liabilities.

LIQUIDITY RATIO

The liquidness ratio shows the proportion of finacess that can easy be turned into hard currency to pay the current liabilities. This ratio is good in all old ages except in 2008.

Work force

There is no trainings plan offered to heighten the productiveness of their proficient staff. There is deficiency of skilled people and direct force in the part. The employee ' s turnover rate is high due to assorted fortunes chiefly late payments for wages.

Management

The market of fabric is altering twenty-four hours by twenty-four hours and the direction of the company could non get by with these current alterations of recession and rising prices. If we took the direction over another organisation so we could non utilize the bing directors.

Management stated here all the sections like Finance, Marketing, Human Resource.

Morale

The employees are non experiencing safe in their occupations so that they are non take parting actively in the company. They are non able to take automatically take any litter they find.

Motivation

The company is effected by fiscal place so the direction could non pay the wages sum to the employees in clip, To gain money may be a premier incentive for many but there is comparative importance of societal contact, belonging to a group, experiencing valued and needed, and obtaining acknowledgment. The employees feel lack motive merely because of the immense communicating spread between them and the direction and due to the deficiency of concentration of the top direction to them.

DISSATISFACTION AMONG STAFF

One of the major failings as in a bulk of the companies is the deficiency of co-ordination between the direction and the worker. In short there is a weak point in their Human Resource direction. Workers feel that they are being exploited and are non given the wage that they deserve.

LACK OF TECHNICAL SKILLS

The organisation has imported the latest engineering but non fix the people to utilize the engineering by the same clip. Because of this the organisation faces the concealed cost.

LACK OF TEAM WORK

In any organisation squad work plays a critical function to heighten the production degree. In Margalla fabric Millss there is no such sort of squad work so there is misconstruing between employees.

LACK OF COORDINATION

In the Margalla fabric Millss there is deficiency of co-ordination between the different sections which can be a barrier to accomplish the organisational aims.

Opportunity

Technology

New engineering is available in the international market to run into flexible production degree with cost effectivity ; the company can put in those machineries and techniques to cut down cost and to better the merchandise quality.

Market

The market which serves by the company is big. The competition is at that place in the market so there is barrier for new entrants because it required a great trade of capital. But Pakistan ' s fabric merchandises are good known in the international market.

E-commerce

Trade on World Wide Web is another chance for the industry. It allows the maker to do available their merchandises on the cyberspace so that the cost finally decreased.

Change in environment

Change in the environment of the industry could be a favourable act for its endurance. Change in environment agencies change in engineering and the alteration in policies which are imposed by the Government.

NATURAL RESOURCES

The Pakistan is cultivating the cotton at huge degree and suited land for cotton cultivation. So the natural stuff is available within the state at tremendous measure.

International MARKETS

In the international market Pakistan is known as a celebrated state in the fabric industry which is bring forthing a big figure of fabric merchandises.

Kohinoor fabric Millss can spread out their market to Switzerland Japan Italy and Canada.

Research AND DEVELOPMENT

The organisation can better their Research and development section to present new and latest design in the international market to vie with others.

TECHNOLOGICAL ADVANCEMENT

There is uninterrupted betterment in engineering is traveling on through out the universe, so Kohinoor fabric Millss can import new machinery & A ; engineering and can develop their people to heighten their productiveness degree.

Globalization

As the universe is now globalizes so the new chances are besides increased in fabric industry. So Kohinoor can offer its merchandise globally.

INFORMATION TECHNOLOGY

Advanced computing machine and information engineering, telecommunication, information bases represents the efficient and effectual medium for placing and measuring chances. There is an chance for Kohinoor fabric Millss to utilize market in engineering and accomplish more efficiency in productiveness and more effectivity in future as the engineering is acquiring modern and more machine-controlled with the transition of clip.

Menace

Economy

The fabric industry is worsening in employment footings, lifting rising prices, increasing imports, and the fluctuation in the exchange rates in the state. So the industry is threatened by unstable economic system.

Pakistan is besides exaggerated from the economic recession in the current phenomenon, which affects about all the international and transnational organisations and the fabric sector is affected by this economic recession and the exports of fabric goods declined.

Politiess

New political determinations about fabric industry are non supportive because there is no subsidy is granted to the industry and the current scenario of rising prices and economic system recession is destructive for

the fabric industry. On the other side if there is alteration in the political fortunes in any state it would affected the quota ' s and MoU ' s every bit good.

The authorities is unwilling to supply farther subsidies to the fabric industry. The authorities is of the position that the fabric industry has been ' pampered " plenty and that they have provided the coveted sum of inducements and grants. They think that it is about clip the industry decide its ain issues and convey approximately important alterations to guarantee the nutriment and advancement of the industry.

Interest Rates

The Interest rates in Bangladesh, India and China are relatively low than in Pakistan. As in Bangladesh the rates are 8. 5 to 9. 0 % , 5. 25 % in India (market rate is 10. 25 % , nevertheless freedom of 5 % is provided to the fabric industry) and 5. 58 % in China. Meanwhile, in Pakistan, the involvement rates to hold risen more than 150 per centum, to 13. 25 per centum in last three to four old ages. The addition in involvement rates has basically crippled the little clip fabrics proprietor, while earnestly impeding the growing of the fabric barons which led to textile proprietors impeaching the authorities and Bankss for keeping damaging policies. I believe that the actions from the new authorities that have a positive impact on the industry, as the fabric provides employment to approx 38 % of our working category. A coherent program should be devised by the Pakistani authorities that allows some kind of exemption/concession such as in India ; the Export-Import Bank was set up for the intent of funding and easing the industries, particularly fabric.

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Electricity Deficit

The one of the important jobs that negatively affects the fabric industry of Pakistan is the non-guaranteed supply of power by WAPDA, due to which the fabric industry suffered heavy financial losses. Because of the inconsistent electricity supplies, the production affects a batch, which resulted that the industry could not run into its mark for the one-fourth of Dec, Jan, and Feb, and the financial losses were borne by the fabric proprietors, its besides hit most vulnerable to the workers day-to-day rewards.

In order to cut cost, some fabric units have built their own energy generating works which runs on gas, but little units production depends wholly on the electricity supply of WAPDA.

RISING PRICES OF RAW MATERIAL.

The monetary value of natural stuff is lifting at the same time so that the input cost is acquiring higher and due to the competition in the international market the monetary values of fabric goods is reduced by utilizing new engineering in bringing goods.

Competition

Good years in fabric concern are over. After the terminal of fabric quotas the monetary values in the international market have come down, whereas in Pakistan with the addition in export refinancing rates during the twelvemonth besides relentless rise in the natural cotton rates in local market cost of production has well increased, doing our exports costlier than neighboring states like China and India.

RAW MATERIAL EXPORT TO RIVALS COUNTRIES

The best quality natural cotton export to rival states at the cheapest rates has posed menace to the value-added industry of the state. Exporters and makers from value-added industry expressed serious concern over export of top quality natural cotton particularly to those states that are rivals like India, would severely hit the biggest foreign gaining industry of the state.

Terrorism

Terrorism is another huge menace for the export division as fabric industry has about more than 68 % portion of the entire export of the state.

LACK OF RESEARCH AND DEVELOPMENT

Due to the Lack of Research and Development in Cotton Sector of Pakistan, it resulted low quality of Cotton production and to low profitableness, therefore husbandmans are switching to other hard currency harvests such as sugar cane, where the profitableness is high.. Comparing the last twelvemonth, the cotton country of Punjab entirely sown less by 1. 14 per centum this season and because of the diminishing production of cotton every twelvemonth, the fabric proprietors argues about the ambitious Cotton Vision 2015 mark of 20 million bales.

This is because of non being of R & A ; D in Textile Industry of Pakistan, which gives international rivals deriving more market portion.

LACK OF INFRASTRUCTURE IN PAKISTAN

For the growing of an organisation in any industry, the substructure plays an of import function. Infrastructure installation like roads, power etc are non

equal in Pakistan due this deficiency of deficient substructure cost incurring on there merchandises is comparatively high and there is a hinderance for proper and regular bringing in the market.