

Formal report on gul ahmad textile

Business



The purpose of the report is to present the company profile of Gul Ahmed textile industry. The current status along with the services and products offered by the company will be reviewed in this report. The report also mentions some opportunities the company has. The Company's board of directors includes six family members of the founder member of Gul Ahmed Group - Late Haji Ali Mohammed. The group has been carrying on business in the INDO Pakistan Sub Continent from the early 1900. It opened its offices in Karachi in 1940 and shifted all its assets in 1947 after independence.

The major parts the report will discuss are: * Company Profile * Products * Supply Chain * Existing Setup * Strengths, weaknesses and opportunities * Target market and customers The company profile gives a brief description about the company's history, its current status in the country and the business activities of the company. The second and third part will discuss the products and the supply chain of the company. The later parts give information about the existing setup, strengths, weaknesses and the prospective opportunities followed by the target market and customers. .
Company Profile 2.

1Company History The Gul Ahmed group began trading in textiles in the early 1900's. With all its know-how and experience, the group decided to enter the field of manufacturing and Gul Ahmed Textile Mills Ltd. was incorporated as a private limited company, in the year 1953 with a paid up capital of Rs. 8 MM. The Company started out as an integrated unit manufacturing cotton yarn and cloth (grey/finished).

It commenced operations in 1955 as an unquoted public company with a paid up capital of Rs. 10 MM, 25, 000 spindles and 250 looms.

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In 1970 it was subsequently listed on the Karachi Stock Exchange. Since then the company has been making rapid progress and is one of the best composite textile houses in the world. The mill is presently a composite unit with an installed capacity of 130, 296 spindles, 223 wide width air jet looms, and a state of the art processing and finishing unit.

Gul Ahmed attains ISO 9000 Certification with an annual turnover of more than 80 million rupees. Fifty years since its inception, the name Gul Ahmed is still synonymous with quality, innovation and reliability. 2. 2About the company:

Following is the list of major companies which are part of the group: * Gul Ahmed Textile Mills Limited * Excel Textile Mills Limited * Gul Ahmed Energy Limited * Excel Insurance Company Limited * Business Activities Being vertically integrated Gul Ahmed is capable of producing different varieties, starting from cotton yarn to finished product involving different processing techniques. With an installed capacity of 120, 000 spindles, the spinning units are able to produce a wide variety of yarns from 100% cotton yarn to poly-cotton, cotton-viscose and other blends in both coarse and fine counts.

The weaving units are equipped with high speed 250 air jet looms and can produce high quality fabrics in sheeting, satins, percales, twills, drills, dobbies, voiles and an array of other finely woven fabrics including yarn dyed.

Processing is equipped with sophisticated technology to ensure quality printing, dyeing, different finishing treatments with facilities to add extra value to products in terms of coating and flocking. With modern, state of the

art stitching facilities Gul Ahmed is equipped with regular and specialized machines which manufacture products in many varieties and styles.

Large embroidery and quilting units add versatility for embellished products to cater to all sorts of customer needs and requirements. All this is backed by systems that constantly check and control production to achieve high standards 2. 3Business Activities: 2.

3. 1Textiles: In the textile field activities start from spinning of cotton as well as other manmade fibers and extend to weaving, processing and finishing of all types of cotton and blended fabrics, bed linen, home furnishings, garments manufacturing, etc. 2. 3. 2Power: The group has been pioneers in the field of power generation.

Both the textile mills are on self generation with an installed capacity of more than 20 MW. Gul Ahmed Energy is operating a power plant of 136 MW capacities with a project cost of US\$140 million at Korangi, Karachi. The sponsors of this project include IFC and Tomen Corporation. The project is in commercial operation since November, 1997. 2. 3.

3Management: Management of the group is professionally qualified and broadly experienced. The directors have held top positions in various textile bodies, export committees and have also assisted the Government of Pakistan in some of the major trade talks with EC and USA authorities. . 3.

4Bankers: * Allied Bank Limited * Bank Al Habib Limited *Barclays BankPlc, Pakistan * Hsbc Bank Middle East Limited * National Bank of Pakistan * The Royal Bank of Scotland Limited * Standard Chartered Bank (Pakistan) Limited 2.

3. 5 Joint Ventures ; amp; Licensing: The group is further diversifying itself by going into joint ventures with foreign based multinationals in areas such as chemical industry, power generation and insurance. 3. Products: Gul Ahmed's fine textile products represent a unique fusion of the century old traditions of the east and the latest textile technology of the west.

The purest of cotton fibers, produced from the fertile lands of the Indus Valley, are spun, woven and processed into the finest quality cotton and blended products through a combination of latest technology, skills and craftsmanship of this traditional industry. 4.

1 Bed-Linen: * Quilt covers * Duvet covers * Flat and fitted sheets * Pillow covers * Valance sheets * Bolster case with all sorts of fancy confectioning, embroidery and embellishments 4. 2 Curtain: * Readymade curtains lined * Un-lined and tap top curtains * Plain or fully accessorized with tiebacks, * Pelmets Cushion covers in different styles of confectioning and embroidery 3. 3 Fabric: * Running meter fabrics packed to specific requirement * Fashion Fabrics and Apparel 3. 4 Yarn: * Gul Ahmed specializes in medium-to-fine-count cotton yarns * It is also capable of producing yarns using a wide variety of synthetic fibers including polyester, rayon and other man-made fibers * Singed Dyed and Mercerized Yarn * Combed and Carded Yarn for knitting and weaving The apparel line consists of fabrics such as lawn, linen, chiffon, latha, khaddar and polyester cotton, for the ladies collection.

Gents collections are chairman, texana, poplin etc. The Home Textile range of bed linen, cushions, kitchen items and curtains are in plain dyed, printed up to 21 colors embroidered and embellished in different styles.

Gul Ahmed is proud to be the largest Home Fashion Exporter to the European Union consistently for the last 25 years. 4. Supply Chain Gul Ahmed has the very strong and effective supply chain management; it has the number of items that are major component of the Textile Industry that is Cotton, Yarn, Gray, Dyes & Chemicals, Spare parts, Packing Material, Stitching Accessories, and General Items etc. Gul Ahmed has the very transparent procedure of the procurement of the above items, Cotton is normally a very specific material and the cotton is traded and fluctuated on daily basis so the forward purchasing is done from the suppliers to avoid any stock out position. It books its cotton on the basis of the orders received from the export and the Local retail shops. The same procedure applies to the Yarn and the Gray procurement.

* Dyes & Chemicals are mainly imported and they have the internationally recognized suppliers like BASF, Clariant, Dystar, Stork etc. They are the quality suppliers.

For the local purchasing such as chemicals, packing material and general Items they get the quotations from different suppliers and evaluate each of them beside the price negotiations. 4. 1Supply Chain Drivers: 4. 1.

1Transportation: The Transportation is used for several purposes and the company has a mix of the in-house and outsourced transportation facilities. They use their own transportation for the delivering to the retail outlets within the Karachi and for other cities and for fabric / yarn movement within the different units they have the transport contractors for different locations.

4. . 2Inventory Management: Inventory is the major component of Gul Ahmed's financial statements.

The company has a full proof inventory movement system “ Inventory Management” system. It is using the weighted average inventory system for calculating the rates of the individual item. Gul Ahmed is maintaining the minimum stock of every item that tell it about the re-ordering of that item and it calculates this minimum inventory level by considering the maximum lead time and the safety stock. For Dyes and chemicals it maintains the minimum stock as per the planning of the next three months orders.

As the dyes and chemicals are highly volatile items and they turn into the dead stock after one year, the company uses prudent approach for these items.

4. 1. 3Pricing: The Pricing policy is somehow mixed in connection with the local and export. Gul Ahmed uses total cost plus pricing for export orders that means it does pre-order costing based on sample approved by the customer and send them for the acceptance. For local, pricing is based on the market as there is competition and many brands are running so that the market is considered before pricing the product. 4.

1. 4Distribution:

Distribution channels are different for local and export orders, the company has its own transportation for the distribution to the retail outlets in Karachi but for the other cities, it has the contract with the transporting companies to deliver to all outlets outside the Karachi. For export, direct shipment is

done to the customer. The shipment dates and the destination are provided by the customer. 5.

Existing Setup The mill is divided into 12 units: * 2 Spinning Units * 2

Weaving Units * 2 Dying, Printing and Finishing Units * 6 Confection ; amp;

Stitching Units 5. 1Spinning Operations:

Gul Ahmed has two spinning units. The machinery used in these units is made in the U. K. , Japan, Germany ; amp; the U.

S. A. 5. 1. 1Ring Spinning: The ring spinning operation comprises of a total of 130, 296 spindles.

A wide range of yarns are produced in these units: 100% cotton from 50 NM for knitting and weaving, up to 135 NM for light weight dress fabrics. Poly Cotton, Poly viscose and 100% viscose yarns are also produced from 7 Ne to 100 counts. 5. 2Weaving Operations: The units have 297 conventional looms, 90 suzlers machines and 223 air jet looms. The air jet looms come from Japan.

The latest installations of air jet looms operate in a new custom built weaving facility supported by the most modern yarn preparation equipment and are comparable with the finest available yarn preparation equipment anywhere in the world.

These units produce fine quality lawns, sheeting, twills, drills, dobbies, satins, and other fancy fabrics with a width of up to 330 cm. 5. 3Pre-treatment, Printing, Dyeing and Finishing Operations: The wet processing unit is

equipped with a wide range of state of the art machines which gives Gul Ahmed a flexible processing possibility and an edge over its competitors.

Gul Ahmed has 4 sophisticated rotary printing machines Capable of printing up to 21 colors on fabrics as wide as 320 cm. 5. 3.

1Processing and Finishing Machinery: * Computerized Color Kitchen * Calendar * CAD/CAM System * Color Scanner * Dyeing Range * Embroidery Machine (20 head 9 color) * Film Plotter * Laser Engraver * Mercerizing * Rotary Printing including 21 color and up to 280 cm width * Singeing ; amp; Resizing * Stenters * Washing and Drying Range * Wax Engraver The first installation of a laser engraver, wax engraver, film plotter, color scanner, ; amp; CAD/CAM system in Pakistan was made at Gul Ahmed.

Gul Ahmed places great emphasis on innovation and implements the latest technology available. It is dedicated to computerization in aspects of design reproduction. An automated and computerized color kitchen enables production of exact color shades each time from the use of recipes which are stored in the computer's memory station. 5. 4 Design and Styling Operations: Gul Ahmed's design studios are staffed with experienced artists with capabilities to meet the most stringent requirements in design and to adapt to different color ways to meet the requirements of each individual country.

The company also employs leading European designers who constantly develop new designs for specific geographical areas. A top French designer works full time for Gul Ahmed and spends 2 months in Pakistan and 2 months in Paris on a rotational basis throughout the year. The designing

team visits major international exhibitions to keep abreast of current market trends. 5. 5Hemming – House Hold Textile Operations: These units, equipped with high speed stitching machines and an intensive labor force, are capable of making all of the different product size and style requirements of each individual country.

. 6Stitching: Fabric is automatically spread and cut through sophisticated machinery at Gul Ahmed’s stitching units. The stitching units are equipped with high-speed precision stitching machines. A skilled labor force is experienced in shaping fabrics into different product sizes and style requirements of buyers from various countries. All orders are inspected and tested to ensure compliance with customer specifications.

They are then packed for final shipment to their destinations all over the world. 5. 7Processing:

Gul Ahmed’s processing units are equipped with a wide range of state of the art machines which gives the company a flexible processing possibility and an edge over its competitors. Processing is not allowed to commence until the freshly woven grey cloth is diligently tested for irregularities. The company prints contemporary and traditional designs in as many as 21 colors in fabrics as wide as 3.

2 meters. The vast range of equipment enables the company to pursue alternative dyeing methods to cater to customer specifications. 5. 8Quality Control:

Gul Ahmed maintains strict quality control and possesses computerized testing for strength of yarn, density of cloth and fastness of colors. Fully
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equipped labs are installed separately in areas of spinning, weaving and wet processing.

The quality control personnel conduct pre-inspection of goods at different stages to maintain international standards and to ensure customer satisfaction on a regular basis. 5. 8. 1Quality Policy: Gul Ahmed Textile Mills want to maintain its position as one of the finest quality-managed companies capable of meeting the requirements of its external ; amp; internal customers.

Its culture stresses employee participation ; amp; innovative technology application to achieve continuous improvement.

The company's efforts towards improvement of quality system, based on the guidelines of ISO 9000 series of standards are a journey towards excellence.

5. 9Social Responsibilities: A Green Company: Gul Ahmed has always played its part in giving back to the society. For this Gul Ahmed has taken a leading role in the industry. Recently Gul Ahmed has started its ETP (Effluent Treatment Plant) which makes sure that the water drained meets the international standards of waste water which is friendly to the environment.

The Gas Turbine recently installed will produce energy with less hazardous chemicals. This installation will help Gul Ahmed generate its own energy and will earn carbon credits for the company under the Kyoto convention. The company invests a lot in developing its Human Resources and its employees are trained in their required skills e. g. language training for marketing and technical training for their required fields.

6. Strength and Weakness Analysis 6. 1Strengths: * Strong brand name that it carries. * People across the country trust the brand Gul Ahmed for its quality, novelty and eminence.

Especially in the clothing line, their quality is considered to be superior to their competitors.

* Positive Impact of its personal wear on home products and gifts. * Offering personalization on some of their products i. e. order taking not many competitors on the basis of one shop stop. * Capitalizing on the increasing awareness of diversion between income and economic classes and recognizing shopping from good branded stores and malls has become a status symbol.

The major strength Ideas has currently is the strong brand name that it carries as its parent brand.

It banks heavily on the brand name “ Gul Ahmed”. People across the country trust the brand Gul Ahmed for its quality, novelty and eminence. Especially in the clothing line, their quality is considered to be superior to their competitors. Consequently, the loyal customers of Gul Ahmed would want to buy or try other products range that is being offered by Gul Ahmed.

Apart from the regular customers of Gul Ahmed clothing, a lot of people who would want to buy other households might want to try new products because of the mere fact that they belong to Gul Ahmed.

The fact that they are offering personalization on some of their products makes them different from their competitors. For instance, they are offering

to embroider on the bed sheets etc according to the individual customers. This is giving them an edge over their competitors. Gul Ahmed does not have many competitors, so if it markets tactfully, it can make a mark within no time.

The concept of having a one shop stop is relatively increasing as people find it convenient to buy all the household stuff from a single store. One of the major strength it banks on is the increasing awareness of diversion between income and economic classes.

Shopping from good branded stores and malls has become a trend. So, shopping from these big stores is becoming a status symbol. Now is the right time to make the most out of this strength which is at its peak right now. 6.

2Weaknesses: * There is not complete exclusive distribution for Ideas. *

Marketing is not rigorous. One of the major weaknesses is that it is overpriced for the variety it is offering. The overall pricing is a bit too high given the fact that the clothing prints and the material selling on other shops at a lower price are being sold at a higher price in the ideas outlet.

So, taking the clothing line specifically, the items that are being sold at Ideas are also being sold at other shops so there is no exclusive distribution for Ideas. In comparison to this the competitors have exclusive distribution for their stores.

The products offered there are not being sold anywhere else. Another weakness is that it is not marketing ideas outlets currently rigorously as compared to Chen one and Bareeze' which are their competitors. It does not have a television advertisement at all for ideas. Only a few bill boards are

displayed around the town, which does not really give ideas visibility or make its presence felt. . 3Opportunities: * One of the major opportunities that await Ideas is the fact that they can expand their business greatly.

This expansion can be both: Locally and Internationally. * Local expansion in the unexplored cities of Pakistan. * Internationally, there is a huge potential for them to setup their stores. * Another diversification that holds a lot of opportunity is to invest and venture into cosmetics market. Locally, there are many cities that are still unexplored but they do have a lot of potential. Apart from that, they can also participate in different business festivals where they can put their stalls and displays.

So taking part in such activities would not only bring awareness for their brand but also make it easier for them to enter the markets that are still untapped by them. Internationally, there is a huge potential for Gul Ahmed to setup its stores. For instance, Chen one is doing exceptionally well in Dubai, so that shows that there is a huge market for such stores and the right kind of customers that would be able to shop from this brand. Another diversification that Gul Ahmed holds a lot of opportunity is to invest and venture into cosmetics market.

As it is a reliable brand and offering a home concept shop, offering cosmetics would also be successful. Cosmetics market is huge with little local players.

People would consider the cosmetics range reliable and of good quality because of the mere factor that their parent company has a great name as far as quality and reliability hold. The company can give its cosmetics a different brand name but can display them on ideas outlets. It is already

making perfumes so making a complete range of cosmetics would help it. 7.

Target Market and customers 7.

1Placement:

The products by Gul Ahmed are available at its store that are located in the major cities of Pakistan like * Karachi * Lahore * Islamabad * Hyderabad At these stores, customers get the entire range of Gul Ahmed's products including home products, gifts and personal wear. Along with its physical presence, it has also maintained its online shopping facility for customers. The customers can log on to the website and can order online. 7.

2Promotion: Gul Ahmed follows Integrated Marketing Communication (IMC) in which it uses a number of advertising mediums to communicate its personality and positioning to the customers.

Its IMC includes the following advertising mediums * Billboards * Banners * Magazine * News paper * Internet Gul Ahmed has its own magazine that it uses to introduce its new offerings to its target customers. The magazine is published twice a year with the changing variety due to the change in the season. Complete information is given with images about its product range including home products, gifts and personal wear. Different celebrity endorsements are used to enhance the effectiveness of the brand. It has also been given the title of SUPER BRAND in Pakistan.

Billboards are used to increase the brand visibility in Lahore, Hyderabad, Karachi and Rawalpindi. New happenings are mostly communicated through banners and newspapers. It has also maintained its online presence through its website which also offers subscription and the customers are updated

through mails also. It has taken steps to make sure that the environment remains clean. For this, the company has installed a state of art water recycling plant to biologically treat its processing waters and gas turbine unit to produce energy at a low carbon emission.

Some of the areas that they focus include: * Re-using water * Re-using energy * Adopting efficient ways of producing energy * Disposing industrial water after proper filtration treatment 8.

Conclusion The Gul Ahmed group is an internationally recognized group, has the potential to become the largest group in Pakistan as it stands among the largest industries in Pakistan. The scope of textile sector in Pakistan is escalating so there is a high possibility that the group expands its business further by taking advantage of the opportunities it has. In this way, it will help in improving the economy of Pakistan.

The Gul Ahmed industry is prospering at a great pace. It employs the latest computerized technology in its manufacturing units.

This technology ranges from using highly automated air looms to graphical designs in the production hence contributing in increasing quality and throughput as well as in reducing the load of employees. The company has room for improvement in some areas such as promotion for Ideas and increasing stitching units which are specifically for ladies garments. The company needs to establish a data warehouse for reports generation, future planning and predictions purposes.

On the whole, the Gul Ahmed group of textile industry is one of the most successful and established industries. It has the potential of escalating its position further by making use of the strengths and opportunities it has.

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