The Role of Merchandising in the RMG Sector of Bangladesh-A Study on Tex Design Sourcing Limited

Date of Submission: 30 December, 2024

The Role of Merchandising in the RMG Sector of Bangladesh-A Study on Tex Design Sourcing Limited

Supervised by

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Major in Marketing

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Date of Submission: 30 December, 2024

Letter of Transmittal

30 December, 2024

To

Professor Dr. Mohammed Masum Iqbal

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Internship report on "The Role of Merchandising in the RMG Sector of Bangladesh-A Study on Tex Design Sourcing Limited".

Dear Sir,

I am writing to inform you that I have completed my Internship Report titled **"The Role of Merchandising in the RMG Sector of Bangladesh-A Study on Tex Design Sourcing Limited".** This report is a key component of my Master of Business Administration (MBA) degree requirements.

In this paper, I have detailed the objectives and scope of my study, outlined the methods used for data collection, and discussed the limitations encountered during my research. I have provided an analysis of the activities observed and offered recommendations for potential improvements based on my findings and expertise.

I hope the report meets your expectations and provides a comprehensive overview of my study. I am grateful for your guidance and feedback throughout this process. Please feel free to reach out if you have any questions or need further clarifications.

Sincerely yours,

Sourov Kumar Saha

……………………………

Sourov Kumar Saha

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Daffodil International University

Student's Declaration

I, Sourov Kumar Saha, hereby declare that the internship report titled "**"The Role of Merchandising in the RMG Sector of Bangladesh-A Study on Tex Design Sourcing Limited"** is the result of my work over the past three months at Tex Design Sourcing Limited. I confirm that this report has been prepared solely for academic purposes and is not intended for any other use.

Sourov Kumar Saha

……………………………

Sourov Kumar Saha

ID: 0242310004083029

Program: MBA

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Certificate of Supervisor

This is to certify that the internship report entitled **“The Role of Merchandising in the RMG Sector of Bangladesh-A Study on Tex Design Sourcing Limited”** is prepared by **Sourov Kumar Saha,** ID: 0242310004083029, as a requirement of the MBA Program under the Department of Business Administration and the Faculty of Business and Entrepreneurship at Daffodil International University.

The report is recommended for submission and acceptance.

…………………………………………….

(Professor Dr. Mohammed Masum Iqbal)

Department of Business Administration

Faculty of Business & Entrepreneurship

Daffodil International University

Acknowledgement

I would like to extend my heartfelt gratitude to all those who supported, encouraged, and believed in me throughout my internship period, particularly during my work on merchandising activities.

First and foremost, I thank the Almighty for granting me the opportunity to complete this internship. I am deeply grateful to everyone who supported and assisted me, making the successful completion of this report possible. My sincere appreciation goes to Daffodil International University and Tex Design Sourcing Limited for their immense support and guidance throughout the internship program. The experience of preparing this report was both challenging and rewarding, providing me with invaluable real-life insights into the RMG market.

I extend my special thanks to Mr. Masud Rana, MD of Tex-Design Sourcing Limited, for his invaluable time, guidance, and encouragement during my internship. I would also like to recognize my honorable supervisor, Professor Dr. Mohammed Masum Iqbal, for his kind concern, valuable advice, and ongoing support throughout the report's preparation. His inspiring character and exceptional encouragement have been genuinely valued.

I am also thankful to Mr. Abdullah-Al-Mamun, General Manager of Merchandising, for his insights and guidance, which significantly shaped my project. My gratitude extends to Mr. Mehedi Hasan, Asst. General Manager of Merchandising and my team leader, for his collaboration, fostering a friendly work atmosphere, and assisting with project information.

I am also appreciative of all the management and non-management staff at Tex-Design Sourcing Limited who enhanced my learning experience.

Finally, I sincerely thank Tex-Design Sourcing Limited for offering me the chance to undertake my internship at such a prestigious organization.

Executive Summary

The department of merchandising is the most important part of the export-oriented sector. It enhances the potential for the growth of entrepreneurship in the garment industry. It allows both the unemployed and the government to eliminate the problem of poverty and also to play an important role in the country's economic growth.

The report is divided into five chapters. First chapter contains the introductory part of the report which implies introduction, background, scope, objectives, methodology and limitations of the study.

Second chapters include About Design Sourcing Limited, Mission of Tex Design Sourcing Limited, Commitment of Tex Design Sourcing Limited, Services of Tex Design Sourcing Limited, Products of Tex Design Sourcing Limited, Different Departments of Tex Design Sourcing Limited, Production Process and Business Ethics of Tex Design Sourcing Limited.

Third chapter consists theoretical aspects such as Merchandising Activities, Basic qualification of a Merchandiser, Activities of a Merchandiser and Responsibilities of Senior Merchandiser.

Four chapters consists Internal and External Communication of Merchandiser, Merchandising Email Format, Fabric Consumption Calculation, Consumption Sheet Preparation, Cost Calculation System, Preparing a Cost Sheet, Sampling, Sampling Process, L/C Opening Procedures in Bank, Costing, Marketing, Work Instruction for Final Quality Audit of merchandising activities of Tex Design Sourcing Limited.

Five chapters consists analysis of questionnaire.

In six chapters discuss the problems about supply chain or procurement, planning department or operation, quality assurance system, design section, employee opinion for policy making and pay scale. In recommendations provide the solutions for overcoming the short comings and at last include the conclusion.

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Chapter: 1

Introduction

1.1Introduction

The Ready-Made Garment (RMG) sector plays a crucial role in Bangladesh's economy. Since its emergence as a key industry in 1978, textiles and clothing have become central to the country's export earnings, contributing approximately 85% of total exports. Of this, 75% is derived from the apparel sector, encompassing a wide range of products such as knit and woven shirts, blouses, trousers, skirts, shorts, jackets, sweaters, sportswear, and various casual and fashion items. The sector currently provides employment to over 1.5 million workers, predominantly women from underprivileged backgrounds.

This report provides a comprehensive overview of the RMG sector, including various departments such as Merchandising, Commercial, Production, Supply Chain, Human Resources, Compliance, and Management Information Systems (MIS). It also considers relevant organizations like BGMEA, BKMEA, the Export Promotion Bureau, yarn suppliers, Chittagong Port, insurance companies, and shipping companies. Through this report, I have gained a broad understanding of the RMG sector, offering insights that surpass those found in textbooks.

Merchandising is a vital aspect of the garment industry. Merchandisers must possess qualities such as diligence, persuasive skills, quick thinking, keen observation, and patience. Their role is indispensable for the smooth operation of garment factories. Without merchandisers, it would be challenging to maintain the efficiency of garment production and sales.

Buyer satisfaction is crucial in the RMG sector. Buyers, typically foreign clients, play a significant role in the industry. Satisfied buyers are likely to return, making it essential for merchandisers to ensure timely delivery and meet buyers' expectations. Failure to do so could result in the loss of clients.

The RMG sector is one of the fastest-growing export industries in Bangladesh. Its development represents a significant social and economic advancement for the country. To foster rapid growth and industrialization, the Bangladeshi government has adopted an open-door policy to attract foreign investment. As a result, there are now approximately 2,500 export-oriented RMG factories in Bangladesh.

1.2Background of the Study

It is crucial for all MBA students to undertake a minimum three-month internship at an organization to acquire practical knowledge. Following this period, students are required to submit an internship report based on their experience and guidance from their supervising faculty. The topic of my internship report is “The Role of Merchandising in the RMG Sector of Bangladesh: A Study on Tex Design Sourcing Limited," which is the result of my three-month internship at Tex Design Sourcing Limited.

1.3 Scope of the Study

The scope of this report encompasses the various aspects essential for providing a comprehensive understanding of the merchandising and marketing functions within the export-oriented garment sector, as well as the critical role of merchandisers in the industry. During my internship, I aimed to gather extensive information to present a clear and detailed picture of how merchandising and marketing contribute to the success of the garment industry.

By reviewing this report, readers will gain insights into the significance of the merchandising and marketing sections in export-oriented garments, as well as the responsibilities of a production coordinator. Additionally, the report covers the overall production process of garments, including the machinery, accessories, and workforce required for garment manufacturing.

1.4 Objectives of the Study

The study has been carried out with the following objectives.

1) To explore the roles of a merchandiser in the garments sector;
2) To examine the influence of merchandising operations on the profitability of garments businesses;
3) To investigate the challenges faced by merchandiser in the garments sector and the strategies employed to overcome them.

1.5 Methodology of the Study

The methodology section outlines the process and procedures followed during the research, detailing how the report was developed and the sources of data used.

This report is based on the experience gathered during my internship, and it is exploratory in nature, focusing on qualitative analysis and description. It primarily relies on primary sources of information, including interviews with managers and officers at Tex Design Sourcing Limited, as well as interactions with customers.

i. **Nature of the Study:**

The study is exploratory, emphasizing qualitative analysis and descriptive insights. It relies on primary data collected through direct interactions with company personnel and customers.

ii. **Sources of Data:**

Data for this report were obtained from two main sources: Primary and Secondary.

a) **Primary Data:**

- Practical work and discussions with executives from various departments, including Merchandising, Planning, and Manufacturing.
- Personal experiences from meetings with customers.
- Observations and experiences gained by visiting different workstations.
- Direct investigation and interactions with merchandisers.

b) **Secondary Data:**

- Documents such as the annual report and catalog of Tex Design Sourcing Limited.
- Information from the company's website and other relevant online resources.

iii. **Sample Size:**

The study involved a total of 20 respondents:

- 10 respondents from the merchandising department of Tex Design Sourcing Limited.
- 10 respondents from employees across various departments within the company.

iv. **Sampling Method:**

A convenience sampling method was employed to select the sample respondents.

v. **Method of Data Collection:**

Data were collected through interviews using a structured questionnaire, conducted at Tex Design Sourcing Limited.

vi. **Data Analysis Technique:**

Microsoft Excel was utilized for analyzing the collected data.

1.6 Limitations of the Study

During my internship, several limitations were encountered that affected the completion of this report. The main challenges faced are as follows:

1. **Time Constraints:** Limited time for data collection posed a significant challenge, affecting the depth and breadth of information gathered.
2. **Limited Availability of Merchandisers:** Merchandisers were often too busy to provide detailed information, which restricted the comprehensiveness of the data collected.
3. **Lack of Organizational Chain of Command:** An unclear organizational structure within the company hindered effective data collection and communication.
4. **High Employee Turnover and Reporting Practices**: Frequent employee turnover and inadequate reporting practices in the factory created difficulties in obtaining consistent and reliable data.
5. **Lack of Comparative Data**: The report does not include a comparison of Tex Design Sourcing Limited's data with that of other garment factories, which may lead to discrepancies in understanding the supply chain scenario.
6. **Communication Challenges:** The long distance between the factory and the university campus made it difficult to coordinate meetings and communication with the supervisor.

These limitations impacted the scope and depth of the report, and addressing them could provide a more comprehensive analysis in future studies.

Chapter: 2

Company Profile

2.1 About Design Sourcing Limited

Tex Design Sourcing Limited is a reputable buying house specializing in textile and garment sourcing. We collaborate with well-established garment factories, each holding essential certifications and maintaining long-standing relationships with global buyers.

As a reliable organization, Tex Design Sourcing Limited caters to all textile and garment sourcing needs from Bangladesh. We have cultivated strong connections with a broad network of apparel factories in the country, as well as with manufacturers of textiles, yarns, and other accessories both locally and internationally. This extensive network enables us to offer a wide range of services and confidently produce garments of any type, while ensuring competitive pricing and timely delivery.

Our partner manufacturers are capable of handling production volumes ranging from 1,000 to over 100,000 pieces, without compromising on quality or delivery schedules. Our primary goal is to offer effective buying solutions in an environment that fosters growth. We aim to build global partnerships with all our clients and strive to maintain proactive and enduring relationships.

2.2 Mission of Tex Design Sourcing Limited

Customer:

Our primary mission is to ensure complete buyer satisfaction, which drives our continuous success. We are committed to building long-term customer relationships, aiming for enduring partnerships. Our team is dedicated to performing their duties with excellence, always striving to exceed expectations rather than settling for merely satisfactory outcomes. We focus on motivating our customers through exceptional results.

Parties:

Another key mission is to foster a positive business environment by maintaining supportive relationships with our partners. We view our suppliers as integral partners and principles in our operations. Our strong supply chain is crucial to our success, and we have established long-term, mutually beneficial agreements with our partners. We are committed to ensuring smooth operations even during challenging times, recognizing that our partners' dedication reflects our own standards.

Business:

Our ultimate mission is to achieve success through profitable business practices. We are dedicated to professionalism and aim to sustain our presence in the market long-term. Our goal is to consistently produce high-quality products, ensure efficient supply, and achieve the best possible results.

2.3 Commitment of Tex Design Sourcing Limited

- **Excellence in Product Development & Comprehensive Sourcing:** Delivering superior product development with precise and thorough sourcing.
- **Top-Quality Procurement:** Ensuring the highest standards in procurement.
- **Timely Production & Delivery:** Guaranteeing production and delivery are completed on schedule.
- **Robust Communication & Coordination:** Maintaining effective communication and coordination throughout the process.
- **Innovative Online Monitoring & Control:** Utilizing advanced online tools for monitoring and control.
- **Rigorous Quality Control & Audits:** Implementing stringent quality control measures and regular audits.
- **Strong Logistics & Commercial Support:** Providing reliable logistics and commercial support to facilitate smooth operations.

2.4 Services of Tex Design Sourcing Limited

i. **Sampling:**

- Collect customer requirements for fabric and style.
- Identify and select appropriate sources.
- Conduct preliminary screening through inspection and testing.
- Forward samples to customers and gather feedback.

ii. **Pricing:**

- Receive and verify supplier quotations, assessing their quality and capacity to meet contractual requirements.
- Negotiate and finalize pricing.

iii. **Order Progress Process:**

- Upon receiving orders, collaborate with suppliers on process planning and prepare a critical path highlighting key stages.

iv. **Weekly Progress Report:**

- Conduct meetings with the Merchandiser, Quality Controller, and Logistics staff every Saturday. Status updates are emailed to customers every Monday, allowing them to track their order progress.

v. **Sample Trajectory:**

- Monitor various sample types, including prototypes, pre-production samples, and photo samples, with strict adherence.

vi. **Quality Assurance:**

- Test all basic parameters for each dye lot of fabric.
- Arrange and conduct fabric, size set, in-line, and final inspections.

vii. **Shipment:**

- Coordinate with forwarders to arrange vessels for shipment and ensure smooth connections throughout the shipping process.

2.5 Products of Tex Design Sourcing Limited

We offer a unique collection of knitted garments crafted from a variety of fabrics, providing the finest selections at competitive prices. Our range features unmatched designs and patterns, including a diverse assortment of Men's wear, Women's wear, and Children's wear.

Men's Wear:

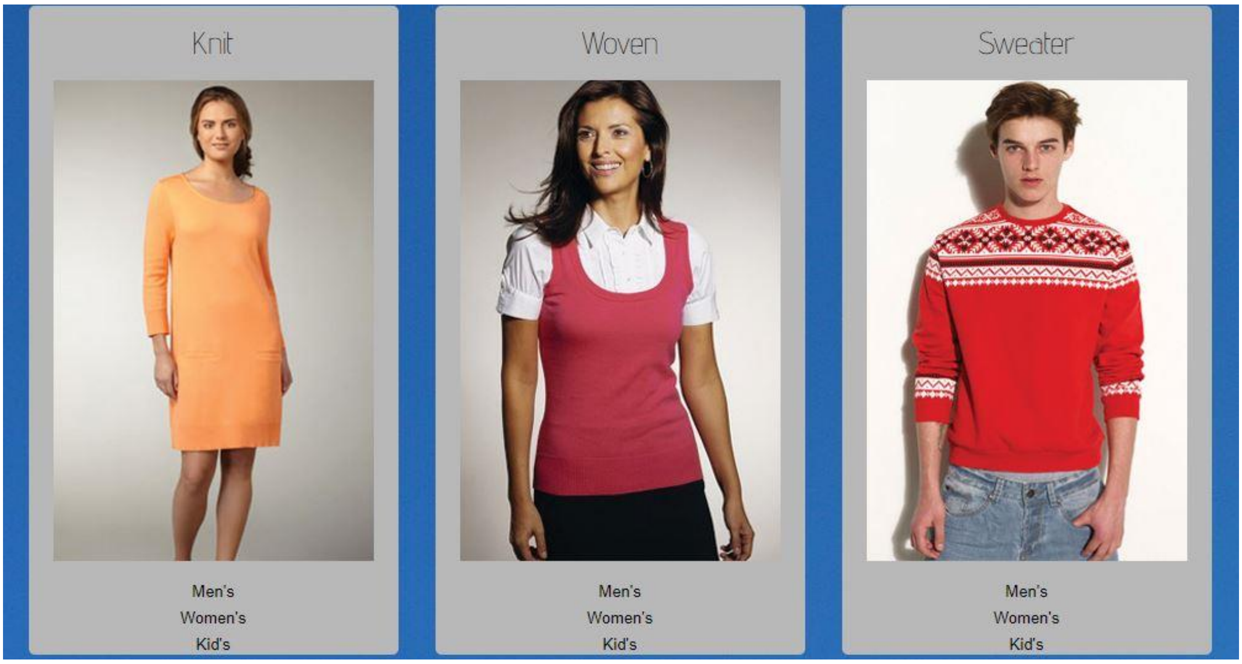
Our men's wear collection offers a diverse selection of stylish and comfortable garments, ranging from casual tees and polos to formal shirts, trousers, and jackets. Crafted from high-quality fabrics, our designs ensure both elegance and durability, catering to various tastes and occasions.

Women's Wear:

Our women's wear collection features an array of chic and versatile garments, including dresses, blouses, skirts, and trousers. Each piece is designed with attention to detail and fashion-forward trends, using premium fabrics that provide both comfort and style for any occasion.

Children's Wear:

Our children's wear collection combines fun and functionality, offering a range of playful and practical clothing for kids of all ages. From vibrant t-shirts and cozy sweaters to durable trousers and stylish dresses, our garments are crafted with care to ensure comfort and durability for active young ones.



2.6 Different Departments of Tex Design Sourcing Limited

Tex Design Sourcing Limited Five Major Departments;

1) Production Department
2) Merchandiser Department
3) Maintenance Department
4) Accounts Department
5) Human Resource Department

Production Department

The manufacturing division is the center of a garment factory. Responsibilities of the production department; Production deviation is the function field that is responsible for turning inputs into complete outputs through a series of production processes. The production manager is responsible for supplying the raw materials and ensuring that the products are madeefficiently.

Merchandiser Department

The merchandiser subordinates perform the following duties; Analyzing sales statistics, customer feedback and market trends to estimate product demand. Collaborate with buyers, suppliers, distributors and analysts to negotiate prices, quantities and time-scales. It is also important to keep an eye on quality assurance of the product.

Maintenance Department

Maintenance Department performs the following duties; Maintenance workers, also known as repair personnel, fix and maintain mechanical materials, buildings and machines. These include plumbing work, painting and maintenance of painting floors, electrical repairs and maintenance of heating and air- conditioning systems.

Accounts Department

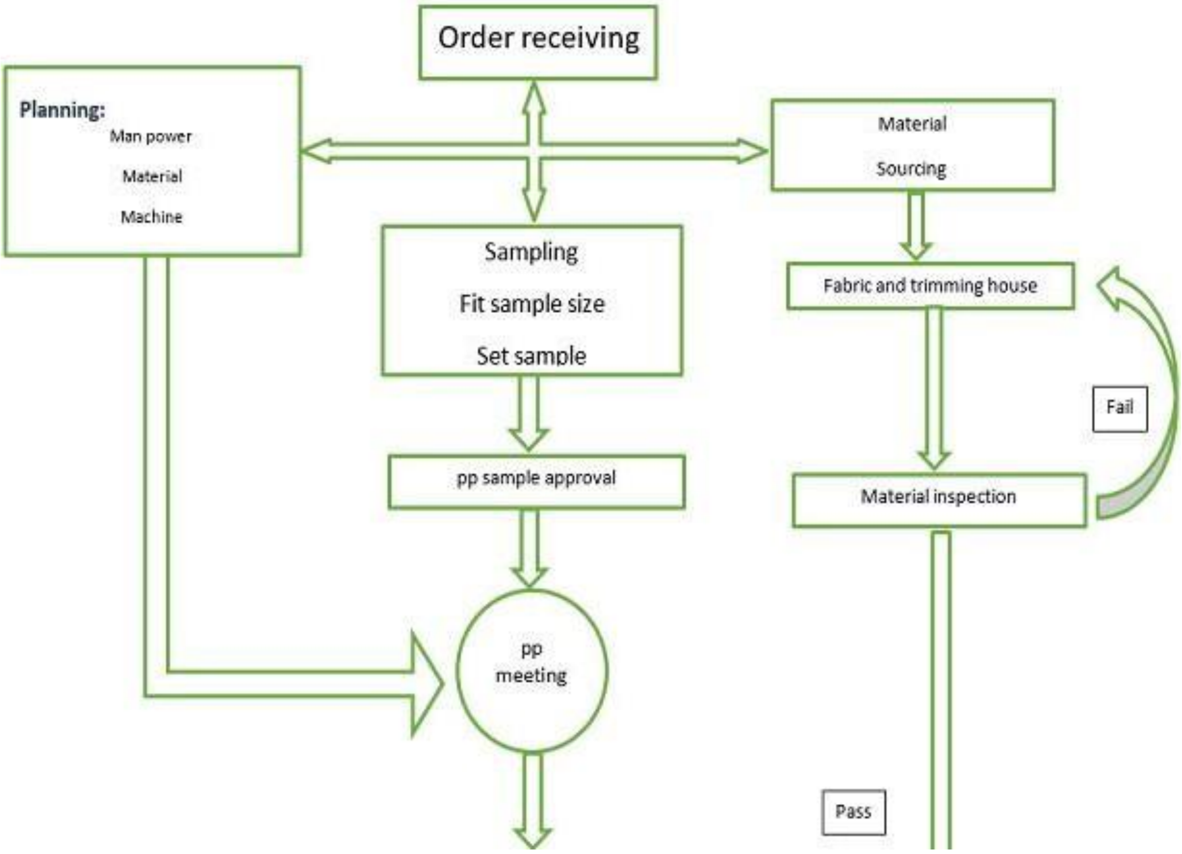
Account Department's Responsibilities; Account splitting is responsible for recording and reporting cash flow transactions of this group. These departures have several key roles and responsibilities, including disposable accounts, payable accounts, payroll, financial reporting and financial control maintenance.

Human Resource Department

HR department duties;

1) Ensure Compliance with Labor Laws
2) Recruitments and Training
3) Record keeping and Tax Compliance
4) Payroll and Benefits
5) Employer-Employee Relation

2.7 Production Process



2.8 Business Ethics of Tex Design Sourcing Limited

Tex Design Sourcing Limited is committed to upholding the highest ethical standards, including:

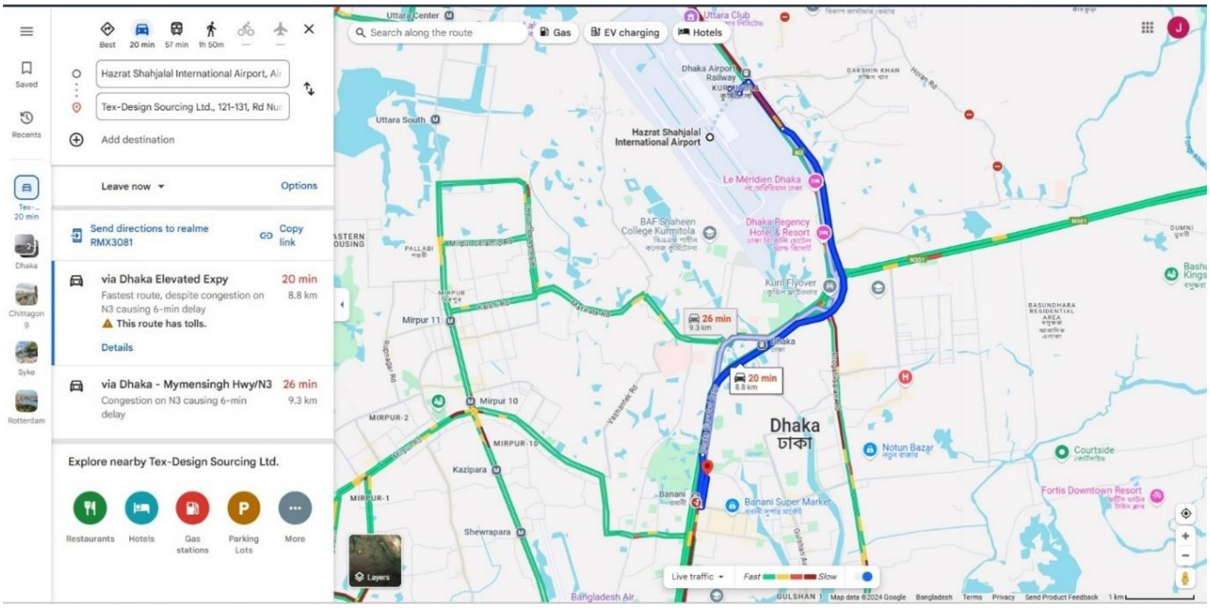
- **Child Labor:** The use of child labor is strictly prohibited. Individuals under the age of 18 are not permitted to work in our organization.
- **Working Conditions:** We ensure that working conditions comply with labor laws, providing a safe and supportive environment for all employees and workers.
- **Non-Discrimination:** Discrimination based on race, religion, region, or political opinion is not tolerated. We are committed to equal employment opportunities, including recruitment, compensation, training, and development, with all decisions made impartially by the authorities.

2.9 Company Logo

TEX-DESIGN

Tex-Design Sourcing Ltd.

2.10 Company Location



<u>Chapter: 3</u>

Theoretical Framework of Merchandising Activities

3.1Merchandising Activities

Merchandiser & Merchandising

A merchandiser acts as a vital link between buyers and sellers in the garment industry. In essence, a merchandiser facilitates the trade process, ensuring smooth transactions and successful outcomes. The responsibilities of a merchandiser include managing buying export orders (export L/C), overseeing garment production, handling exports, and ensuring profitability. To excel in these tasks, a merchandiser must possess extensive knowledge, experience, and dedication.

Merchandising refers to the activities associated with trade. Trade, in this context, involves the buying and selling of goods. A merchandiser is an individual engaged in these trade activities, and the process they manage is known as merchandising.

3.2 Basic qualification of a Merchandiser

To become a successful merchandiser, one must possess the following qualifications:

- Proficiency in English: Strong skills in speaking, writing, and comprehension.
- Effective Communication: Excellent communication techniques and interpersonal skills.
- Computer Skills: Competency in using computer applications and software.
- Knowledge of Raw Materials: Understanding of yarn, fabric, and accessories.
- Understanding of Fabric Processes: Knowledge of dyeing, finishing, washing, printing, and embroidery.
- Fabric Testing Procedures: Familiarity with the testing procedures for fabrics.
- Inspection Systems: Awareness of material and garment inspection systems.
- Quality Control: Knowledge of quality control systems and standards.
- Export and Import Knowledge: Awareness of exporting and importing countries and procedures.
- Duty Rates: Understanding of duty rates and tariffs.
- Shipping and Banking Documents: Knowledge of shipping procedures and banking documentation.
- International Order Procedures: Familiarity with the order procedures of international buyers.
- Factory Profile: Understanding of factory profiles and operations.
- Mathematical Skills: Proficiency in calculations relevant to the trade.

- Professionalism: Strong personality and well-mannered behavior.
- Motivational Skills: Ability to motivate and influence others.
- Management Knowledge: Understanding of management systems and practices.

3.3 Activities of a Merchandiser

Merchandisers can be classified into two main categories: Junior Merchandisers and Senior Merchandisers. Junior Merchandisers typically work within the factory, focusing on production-related tasks, while Senior Merchandisers operate from the head office and handle communications with buyers.

Activities of Junior Merchandiser:

- **Production Monitoring:** Oversee and track the production process to ensure it adheres to schedules and quality standards.
- **Inventory Reporting:** Collect inventory reports from the store to monitor stock levels and availability.
- **Swatch Approval:** Create fabric swatches and obtain approval from buyers.
- **Preproduction Meetings:** Organize meetings to develop schedules and plans for smooth production operations.
- **Order Placement:** Place orders with different production units to initiate manufacturing
- **Daily Reports:** Gather and review daily production reports and daily quality reports to monitor progress and address issues.
- **Local Procurement:** Address any shortages in the store by arranging for local procurement.
- **Final Inspection:** Coordinate and arrange for final inspections to ensure the products meet the required standards.

3.4 Responsibilities of Senior Merchandiser

- **Sample Development:** Create and refine samples to meet buyer specifications and obtain necessary approvals.
- **Price Negotiation:** Negotiate pricing with suppliers to ensure cost-effectiveness while maintaining quality standards.

- **Order Confirmation:** Confirm orders with suppliers and buyers, ensuring all terms and conditions are agreed upon.
- **L/C Opening:** Facilitate the opening of Letters of Credit (L/C) to secure payment terms for international transactions.
- **Opening Summary:** Prepare and review a summary of the order opening details, including key terms and timelines.
- **Sourcing:** Identify and source materials and components needed for production from reliable suppliers.
- **Material Collection:** Gather and manage the collection of materials required for manufacturing.
- **Production Planning:** Develop detailed production plans and schedules to ensure timely and efficient manufacturing.
- **Production Monitoring:** Oversee the production process to ensure adherence to quality standards and timelines.
- **Final Inspection:** Arrange and coordinate the final inspection of products to confirm they meet the required quality standards before shipment.

Chapter: 4

Merchandising Activities of Tex Design Sourcing Limited

4.1 Internal and External Communication of Merchandiser

Merchandising is a comprehensive process that involves planning, developing, executing, and presenting products to buyers. It encompasses the entire lifecycle of product development, from initial conception to final presentation. The marketing and merchandising department operates as a cohesive unit under the leadership of the profit controls head. Merchandisers specifically manage relationships with foreign buyers, ensuring that products meet their specifications and requirements.

The internal communications within the merchandising department are outlined as follows:

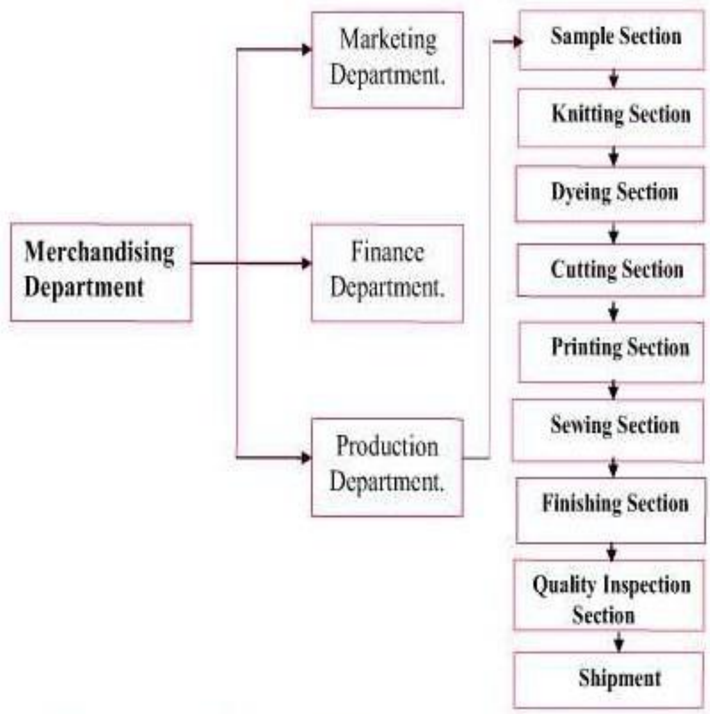
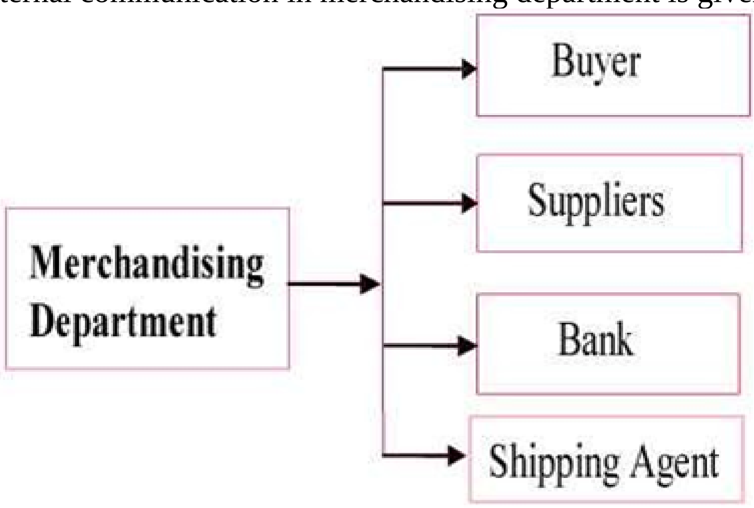


Figure: Internal Communication in Merchandising Department

External communication in merchandising department is given below:



In buying exports, merchandising can be categorized into two main types:

1. Marketing Merchandising

Main Functions:

Product Development: Collaborate on creating and refining product concepts.

Costing: Determine and manage costs to ensure profitability.

Ordering: Handle the process of order acquisition and management.

Marketing merchandising focuses on generating orders and developing high-value products. It involves direct interaction with buyers to secure orders and ensure product development aligns with buyer requirements.

2. Product Merchandising

Scope: Product merchandising is conducted within the production unit and covers the entire process from sourcing to final finishing. It encompasses all responsibilities from the initial sample creation through to shipment.

Key Responsibilities:

Product Development: Oversee the development of products from conception to finalization.

Market and Product Analysis: Analyze market trends and product performance to make informed decisions.

Selling the Concepts: Present and sell product concepts to buyers.

Hooking Orders: Secure and manage orders from buyers.

Confirming Deliveries: Ensure timely and accurate delivery of products.

Costing: Calculate and manage costs associated with product development and production.

Raw Material Management: Oversee the procurement and management of raw materials necessary for production.

4.2 Merchandising Email Format

J. C. Penney Company, Inc.

Plano, Texas, U.S.

Subject: Request for Business Development Opportunity

Dear Sir/Madam,

I am pleased to introduce our company, a well-established name in the apparel industry in Bangladesh with a decade of experience in buying merchandising. We have had the privilege of working with globally renowned buyers such as Wal-Mart, H&M, and Kmart, among others.

Attached to this email, you will find our company profile, a list of our products, and accompanying photographs. These materials will provide you with a comprehensive understanding of our offerings and capabilities.

We would greatly appreciate your feedback on our products. Should you find our offerings suitable, we would be happy to send samples for your evaluation. We are confident that a successful partnership with us will be mutually beneficial and provide long-term business opportunities.

We look forward to your response and hope for the opportunity to collaborate with you.

Thanking you,

Sourov Kumar Saha

Merchandiser

Tex Design Sourcing Limited

Merchandising Department

Dhaka, Bangladesh

4.3 Fabric Consumption Calculation

The quantity of fabric required to produce a garment is referred to as fabric consumption. Fabric consumption can be determined using either the marker planning system or a mathematical system. Here's an explanation of both methods:

1. Marker Planning System

In the marker planning system, the fabric consumption is calculated by laying out paper patterns on a marker paper. Here's how it works:

- **Size Range:** Determine the range of sizes, for example, XS, S, M, L, XL, XXL. You can select six pieces in six sizes or any other combination that suits your needs, such as three pieces in three sizes or twelve pieces in twelve sizes.
- **Pattern Making:** Create paper patterns for these sizes according to the measurement sheet. Lay out each part of the pattern on a marker paper of similar fabric width.
- **Marker Measurement:** After placing the patterns on the marker paper, measure the length of the marker paper used. This will give you the total fabric consumption for the specified number of garments.

- **Consumption Calculation:** Divide the total fabric consumption by the number of garments to find the fabric consumption per garment. For instance, if you measure the total length of the marker paper for six pieces of garments and get a total consumption, dividing this by six will provide the fabric consumption for one garment.

2. Mathematical System

The mathematical system provides a rough estimate of fabric consumption based on the measurements of each garment part. Here's how to calculate it:

- **Basic Shirt Calculation:**

Back Part:

  - Body Length: 30.5" x 1/2 Chest: 27.5" / Fabric Width: 36" x 44" = 0.529 yards

Yoke:

  - Yoke Length: 26" x Yoke Width: 7" x 2 (double part) / Fabric Width: 36" x 44" = 0.229 yards

Front Part:

  - Body Length: 32" x 1/2 Chest: 16.5" x 2 (double part) / Fabric Width: 36" x 44" = 0.666 yards

Sleeve:

  - Sleeve Length: 23.5" x Arm Hole: 25" x 2 (double part) / Fabric Width: 36" x 44" = 0.741 yards

Cuff:

  - Cuff Length: 12" x Cuff Width: 3" x 4 (2 x 2 parts) / Fabric Width: 36" x 44" = 0.99 yards

Collar:

  - Collar Band Length: 21.5" x Band Width: 2" x 2 (double part) / Fabric Width: 36" x 44" = 0.067 yards

Pocket:

  - Pocket Length: 8" x Pocket Width: 6" / Fabric Width: 36" x 44" = 0.03 yards

Total Fabric Consumption: 2.406 yards

- **Finery Ltd T-Shirt Calculation:**

Back Part:

  - Length: 75 cm x Chest Width: 50 cm = 3750 square cm

Front Part:

- Length: 75 cm x Chest Width: 50 cm = 3750 square cm

Sleeve:

- Sleeve Length: 24 cm x Armhole Width: 40 cm x 2 (for two sleeves) = 1920 square cm

Total Fabric Consumption: 9420 square cm

Conversion to Meters and Kilograms:

- Fabric Area in Meters: 9420 square cm / 10,000 = 0.942 square meters
- Fabric Weight: 0.942 square meters x 140 gm/square meter = 0.13188 kg
- Weight for 12 Pieces: 0.13188 kg x 12 = 1.5816 kg

Using these methods, you can determine the fabric consumption for producing garments accurately, whether through marker planning or mathematical calculations.

4.4 Consumption Sheet Preparation

For the buying business, accurate fabric consumption is crucial for several reasons. When a buyer sends an order inquiry, understanding fabric consumption is essential for preparing a cost sheet. Once the order is confirmed, precise fabric consumption is needed to place an accurate booking with the supplier. Miscalculations in fabric consumption can have significant financial implications for the factory:

- **Underestimation:** If a merchandiser underestimates fabric consumption, the factory may face higher fabric costs than anticipated, reducing profit margins. In severe cases, the factory might have to cover the additional costs out-of-pocket, leading to financial losses.
- **Overestimation:** Conversely, if fabric consumption is overestimated, the factory will end up with excess fabric. This not only ties up capital but also requires additional storage space. In extreme cases, the factory could face issues with fabric import regulations and potential legal troubles.

Key Considerations for Accurate Fabric Consumption:

1. **Garment Construction Knowledge:** Merchandisers must understand garment construction, including how each part is sewn and the amount of extra fabric needed for seam allowances and hems.

2. **Calculation for Extras:** Accurate fabric consumption should account for additional fabric required for garment elements such as sleeve hems, bottom hems, and inner facings.
3. **Special Requirements:** If the order includes specific requirements like matching patterns, washing, dyeing, or printing, these should be factored into the fabric consumption.
4. **Fabric Width:** Fabric consumption calculations should be adjusted based on fabric width (e.g., 44/45 inches, 51/58 inches). Orders should be placed with fabric manufacturing companies according to the fabric width to ensure accuracy.
5. **Shrinkage Considerations:** Merchandisers should account for potential fabric shrinkage by including extra allowance in the pattern-making process.
6. **Size Ratio and Cutting:** Fabric consumption should be calculated based on garment size ratios per dozen. If fabrics are cut in bays, additional fabric should be considered.

Accurate fabric consumption is vital to avoid financial losses and maintain buyer satisfaction. Proper planning and attention to detail in fabric calculations can prevent issues related to excess or insufficient fabric and ensure smooth production and delivery.

4.5 Cost Calculation System

When fixing the price, it's crucial to carefully consider the following factors:

1. **Cost of Fabric:** The expense associated with acquiring the fabric required for production.
2. **Cost of Accessories:** The costs of additional materials and components necessary for the garment.
3. **Cost of Manufacturing (C.M.):** The expenses involved in the production process, including labor and operational costs.
4. **Transportation Costs:** The costs of transporting the finished product from the factory to the seaport or airport.
5. **Clearing and Forwarding Costs:** Expenses related to customs clearance and forwarding services.
6. **Overhead Costs:** General expenses that are not directly tied to production but are essential for operations, such as utilities and administrative costs.
7. **Commission/Profit:** The margin added to cover the profit and any commissions due.

4.6 Preparing a Cost Sheet

Calculation of Material Consumed

The aim of preparing a cost sheet is to show the various types of costs incurred by the factory in the course of its operations. The cost sheet consists of particulars and amount columns. In the particular columns, you show the different kinds of expenses of the company. Calculating the materials consumed is the first step in preparing the cost sheet. The materials consumed is calculated by adding the purchased raw material cost and carriage inward to the opening stock of raw materials and then subtracting the closing stock of raw materials from this total.

Materials Consumed = (Opening stock of raw materials + purchase of raw material + carriage inward) - (closing stock of raw material).

Calculation of Prime Cost Prime cost is calculated by adding direct wages and direct expenses to the materials consumed total. Direct wages are the wages given to workers in the factory and direct expenses are the expenses incurred while making the finished goods.

Prime Cost = Materials consumed + direct wages + direct expenses**.**

Calculation of Factory Cost

The next step in the cost sheet preparation is the calculation of factory cost. The factory cost is calculated by adding the factory overheads to the prime cost. The factory overheads are the expenses related to the factory and are in no way related to administration and marketing expenses. These factory overheads can include lighting costs, salaries for workers, machinery cost, rent for factory, insurance for factory, power costs, fuel cost etc. Overhead is actually the sum total of indirect material, indirect wages and indirect expenses.

Factory Cost = Prime cost + sum of all factory overheads.

Calculation of Cost of Production The cost of production can be calculated by adding the office and administration overheads to the factory cost. Now, the office and administration overheads are the salaries of managers, director's fees, office light expenses, stationery expenses, building maintenance expenses etc.

Cost of Production =Factory cost + office and administration overheads.

Once this cost of production is calculated, you need to add the opening stock of finished goods and then subtract the closing stock of finished goods before we calculate the cost of sales.

Calculation of Cost of Sales or Total Cost the total cost can be calculated by adding the selling and distribution overheads to the cost of production. These selling and distribution overheads are mainly the expenses on promotion and marketing related activities. These can include postage expenses, transportation expenses, advertising expenses, marketing expenses and carriage outward.

Total Cost = Cost of production + selling and distribution overheads.

Calculation of Total Sales The total sales can be calculated by adding the total cost and the net profit of the firm. This is the last part of the cost sheet.

Total Sales = Total cost + net profit.

This explanation on how to prepare a cost sheet gave us knowledge of all items of cost sheets and how they are used to calculate the total cost. Only monetary aspects are considered in the preparation of cost sheets. So, try preparing the same yourself and test your accounting knowledge and skills. Good luck.

There are three methods for fixation of export prices which are as follows: FOB

C & F C I F FOB

FOB means 'free on board' i.e. exporter does not bear the cost of freight of ship or air. In this case, the exporter quotes the price by adding the fabric cost, accessories cost, cost of manufacture, overhead cost, his commission, C&F commission & cost of transportation from factory to port. It is buyer (importer) who himself bears the freight of ship or air.

C & F

C& F means Cost of Freight i.e. FOB (Cost) +Freight.

In the case ship or air freight is carried by the exporter while quoting price, the exporter quotes price a bit higher than FOB. The whole responsibility including the sending of goods to the selected port of the importer is shouldered by the exporter ship or air. Freight may vary from place to place and shippers to shippers.

C I F

C I F Means Cost, insurance & Freight. In this case in addition to the bearing of freight the Cost of insurance is also borne by the exporter. The exporter, while quoting CIF price, quotes much higher than C & F value i.e. C & F + Insurance

The following example will clarify how to fix price of a particular commodity: Let us quote a price of one dozen long sleeve shirts:

4.7 Sampling

Importance of Samples in Exporting

Samples play a crucial role in showcasing the capability of an exporter. They provide buyers with a tangible representation of the quality and innovation that the exporter can deliver. High-quality samples at competitive prices are instrumental in securing bulk orders. Moreover, samples offer additional benefits to exporters, including:

- **Yarn Consumption Estimation:** Helps in determining the amount of yarn needed for fabric production.
- **Costing Insight:** Provides a clearer picture of the overall costs involved.
- **Manufacturing Challenges:** Identifies potential difficulties and helps in optimizing processing parameters for mass production.

The sampling process is managed by a Sampling In-Charge within the Sampling Department, which operates under the oversight of the Merchandising Department.

Details Attached to Buying Samples

Once an order is confirmed, each sample sent to the buyer includes the following details on a tag to ensure clarity and transparency:

- Reference Number (Ref No.)
- Color
- Fabric
- Composition
- Description
- Quantity
- Style Number/Size
- Store Information

Types of Samples Sent to Buyers

Various types of samples may be sent to buyers, each serving a specific purpose:

1. **Salesmen Samples or Promotional Samples:** Used for marketing and promotional purposes.
2. **Proto Samples or Fit Samples:** Initial samples used to check the fit and design.
3. **Counter Samples, Reference Samples, or Approval Samples:** Final samples used for buyer approval.
4. **Wash Test Samples:** Samples used to test the fabric’s durability and behavior during washing.

5. **Photo Samples:** Samples specifically made for photo shoots and marketing materials.
6. **Fashion Show Samples:** Samples prepared for showcasing at fashion shows.
7. **Pre-Production Samples:** Samples produced before full-scale production to ensure everything meets specifications.
8. **Production Samples:** Samples from the production line to check consistency and quality.
9. **Shipment Samples:** Samples included in shipments to verify final product quality.

Role of the Merchandising Department

While a dedicated Sampling Department may exist, the Merchandising Department supervises it. Merchandisers communicate with buyers regarding sample requirements and advise the Sampling Department to ensure that samples meet buyers' price ranges and quality expectations. This collaborative effort helps in maintaining high standards and fulfilling buyer expectations effectively.

4.8 Sampling Process

Phases of Sampling in Product Development

The sampling process is critical for assessing and refining products across various contexts, including new fibers, fabric blends, yarns, and finished goods such as knitwear, garments, household items, and technical products. The sampling process generally unfolds in three key phases:

1. Initial Phase:

- Concept Development: This involves creating and refining the initial design or concept.
- Approval Process: Samples are reviewed and approved by the customer.
- Risk Analysis: Development and production teams conduct a thorough review and risk analysis.

2. Development Phase:

- Sourcing and Ordering: Components and materials are sourced and ordered based on the approved prototype.
- Testing: The product undergoes various tests to ensure it meets specifications.

- Trials: Initial production runs are conducted to finalize the sample specifications.

3. Final Phase:

- Pre-Production: This includes activities conducted before bulk production begins, ensuring readiness for large-scale manufacturing.

Types of Samples

1. Development Samples or Enquiry Samples:

- Used to address buyer inquiries and explore new styles or fabrics.
- Vital for building relationships and securing business, even if it involves significant cost.

2. Salesmen Samples or Promotional Samples:

- Produced to assist buyers in securing orders by showcasing different styles.
- Requires careful consideration of quality, color, and fit. The cost of these samples often needs to be discussed with the buyer, as they may not fully reimburse the expense.

3. Photo Samples or Fit Samples:

- Created to check measurements, style, and fit, or for promotional materials such as advertisements.
- Must be delivered on time to avoid complications with advertising schedules.

4. Wash Test Samples:

- These samples are tested for durability and performance during washing.
- Feedback from these tests may necessitate adjustments before production. They can also serve as shipment samples if sent post-production.

5. Pre-Production Samples:

- Nearly identical to approval samples but produced with actual bulk fabrics and trims.
- Serve as a final check to ensure that the upcoming production will match the sample.

6. Production Samples:

- Sent before shipment to confirm the quality and specifications of the final product.
- Should be flawless to ensure buyer approval and payment.

7. Shipment Samples:

- Sent after the shipment, including actual packing and labeling.
- Typically, not tested by buyers; any discrepancies are often attributed to leftover garments from the shipment. Informing buyers of potential issues beforehand can be beneficial.

Role of the Sampling Department

The Sampling Department, often supervised by the Merchandising Department, is responsible for creating samples that align with buyer requirements. They work closely with buyers to ensure that samples meet expected quality and price standards, thus supporting business development and order acquisition.

4.9 L/C Opening Procedures in Bank

When an importer receives a pro forma invoice from an exporter and decides to proceed with a Letter of Credit (L/C), the importer requests their bank to issue this credit, promising payment to the supplier. The bank will agree to this request only if it can rely on reimbursement by the importer. Typically, the bank considers the credit security and relies on the applicant's ability to cover the required amount, often by having adequate funds or a sufficient credit line in the bank. Since banks handle documents rather than goods, their obligation to pay is contingent upon the presentation of the specified documents within the designated timeframe. The bank's commitment to honor the L/C is not influenced by whether the beneficiary has delivered goods or not.

Before the L/C is opened, the importer must submit the following documents:

1. **Tax Identification Number (TIN)**
2. **Valid Trade License**
3. **Import Registration Certificate (IRC)**

In turn, the bank will provide the following documents for the L/C opening:

1. **LCA Form**

2. **IMP Form**
3. **Necessary Charge Documents for Documentation**

All these documents must be completed, duly signed, and filled in accordance with the bank's instructions.

4.10 Costing

Costing encompasses various activities involved in garment production, including the purchase of raw materials and accessories, knitting and finishing fabrics, sewing and packing garments, as well as transport, shipping, overheads, banking charges, and commissions. The method of costing can vary significantly depending on the garment style. Due to the diversity of garment styles, it's impractical to cover all of them here. Instead, we'll use the following examples to illustrate the costing process:

- Men's Basic T-Shirts
- Men's Printed Polo Shirts
- Ladies' Garments
- Men's Trousers

To determine the cost for buying, the following elements need to be calculated:

- **Fabric Consumption:** The amount of fabric required per garment.
- **Gross Weight of Garment Components:** Including all additional elements beyond the fabric.
- **Fabric Cost per Garment:** The cost of fabric used for each garment.
- **Other Charges:** Costs associated with prints, embroidery, etc.
- **Cost of Trims:** Includes labels, tags, badges, twill tapes, buttons, bows, and other finishing details.

4.11 Marketing

Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of goods, services, and ideas to create exchanges with target groups that satisfy both customer and organizational objectives.

Marketing Concept:

The marketing concept posits that achieving organizational goals is best accomplished by understanding and addressing the needs and wants of the target market and delivering the desired satisfactions more efficiently than competitors. This can be summarized in several ways:

- Meeting Needs Profitably
- Finding Wants and Fulfilling Them
- Loving the Customer, Not Just the Product
- Maximizing Value, Quality, and Satisfaction for the Customer's Dollar

Export Overview:

Export refers to the process of selling products beyond the country's borders.

Objectives of the Marketing/Export Department:

1. **Generate Export Business:** Committed to expanding export business globally with high-quality products.
2. **Enhance Customer Service:** Provide exceptional service to customers.
3. **Achieve Company Goals:** Actively work towards meeting the company's objectives.
4. **Develop Professional Environment:** Establish and nurture a professional working environment within the department.
5. **Instill Responsibility:** Encourage a sense of responsibility and proactive initiative among staff members.
6. **Implement Standards:** Ensure proper adherence to ISO 9002 standards.

Approval Process:

1. **Contract Review Check Sheet:** Prepare a contract review check sheet to ensure all requirements are clearly defined and production capabilities are assessed.
2. **Costing Approval:** After approval of costing and customer requirements review, prices are confirmed with the customer.
3. **Sales Contract Issuance:** Issue a sales contract with detailed specifications including construction, width/size, price, quantity, delivery, and payment terms. The cloth order is then sent to the relevant department.

Purchase Order:

1. **Indent Folder Review:** Check purchase indent folders received from customers for discrepancies. Notify customers if any amendments are needed.

Grey Demand:

1. **Export Sales Section:** Place grey demand for new orders or revisions.

2. **Production Planning and Coordination (PPC):** Coordinate between export and processing departments.
3. **Stock Management:** Update stock positions.
4. **Inspection:** Inspect grey cloth for issuance to processing.

Strike-Off Preparation & Approval:

1. **Designs & Strike-Off:** Customer provides designs via art paper, sketches, or fabric cuttings. A strike-off is prepared based on these designs.
2. **Order Assortment:** Once the customer approves the strike-off, assort the order quantity with the design. Establish a Letter of Credit (L/C) and verify it against the ordered goods. Note any discrepancies and inform the customer for amendments.

Dispatch of Goods:

1. **Verification & Notification:** Verify the quantity of goods ready for dispatch and inform the Sales and Dispatch (S&D) section for shipping.

Shipment:

1. **Documentation & Shipping:** The Shipment and Dispatch team handles all documentation and shipment of goods by air and sea.
2. **ISO Reporting:** The ISO department prepares management information system reports.

Customer Complaints:

1. **Handling Defects:** Address customer complaints regarding defects. Review defective samples if sent by the customer for evaluation and resolution.

4.12 Work Instruction for Final Quality Audit

The purpose of this procedure is to ensure that the final inspection of garments meets the required Acceptable Quality Level (AQL) standards.

Responsibility:

- QA Manager: Responsible for overseeing the implementation of the Final Quality Audit and verifying the Final Quality Audit Report.
- Final Auditor: Responsible for conducting the Final Audit and maintaining the Final Quality Audit Report.

Procedure:

- Daily Final Audit: Each style of packed garments undergoes a final audit daily. This audit adheres to the 2.5 AQL Standard. During the audit, final auditors inspect measurements, assortment, color, packing, and the number of garments per carton. Measurements are recorded in the Measurement Chart (QA/03/11).

Calibration Procedure:

This procedure outlines the requirements for calibrating inspection, measuring, and testing equipment to ensure product quality.

Responsibilities:

- Quality Control Manager / Production Manager: Responsible for implementing this calibration procedure.
- Maintenance In-Charge: Responsible for calibrating equipment and maintaining calibration records.

Master List of Equipment:

The Maintenance Department maintains a master list (MNT/3/006) of all inspection, measuring, and testing equipment. This list includes:

- Identification Number
- Equipment Name
- Range and Size
- Least Count
- Required Accuracy
- Location
- Calibration Frequency
- Calibration Status and Remarks

If equipment becomes "Out of Order," the concerned department will report it to the Maintenance Department. The Maintenance Department will verify the issue, update the master list, and properly dispose of the equipment.

Calibration:

- External Calibration: External calibration services must be approved by the Production Manager or Quality Control Manager. The calibration agency must use traceable standards. Equipment is sent in proper packaging to the calibration agency. Upon return, a "Calibration Status Sticker" is affixed, showing the calibration date and next due date, and a calibration certificate is maintained.
- In-House Calibration: Performed in a controlled environment by the Maintenance Department according to established procedures. After calibration, a status sticker is affixed, and records are maintained in the calibration data card (MNT/3/007).

Calibration Scheduling:

At the start of each month, the Maintenance Department creates a list of equipment requiring calibration that month and sends the schedule to all concerned departments. Equipment is collected and arranged for calibration as per the schedule.

Marketing Defects:

1. Shaded Parts: Components from different sections are not included correctly, leading to inconsistencies.
2. Asymmetry: Pieces not sewn together properly, causing puckering or pleating.
3. Directional Lines: Bias pieces not aligned correctly, resulting in twisting, puckering, or mismatching.
4. Skimpy Marking: Patterns not fully marked, causing fitting issues.
5. Notches and Punch Marks: Misplaced or missing notches and punch marks.
6. Marker Issues:
    - Too Wide: Causes parts not to catch in lay, leading to skimpy garments.
    - Too Narrow: Results in wasted material.
7. Mismatched Plaids: Patterns not blocked to match.
8. Misdirected Napping: Patterns not marked consistently with fabric nap direction.

Marketing Inspection Factors:

- Pattern Completeness: Ensure all parts of the pattern are included in the marker.
- Labeling/Coding: Check for correct pattern labeling and coding.
- Pattern Direction: Ensure proper alignment of pattern direction.
- Pattern Accuracy: Verify patterns are accurate and correctly aligned.
- Grain Line: Ensure the pattern grain line is correctly marked.
- Dimensions: Confirm dimensions of pattern pieces are accurate.
- Fabric Considerations: Ensure fabric length and width are properly considered.
- Marker Width: Check marker width.
- Notches & Drill Marks: Ensure accuracy of notches and drill marks.
- Knife Clearance: Verify appropriate knife clearance.
- Checks and Stripes: Ensure proper mitering for checks and stripes.

Cutting Defects:

1. Misplaced Tickets or Bundle Members: Incorrectly attached or marked, causing mixed sizes or shades.
2. Drill Marks: Misplaced or incorrect drill marks.

3. Opening Slits: Incorrect cutting angles or incomplete cuts.
4. Improper Cutting: Not following marker lines, leading to distorted parts.
5. Notches: Misplaced, too deep, shallow, or omitted.
6. Oil Spots: Due to improper equipment maintenance.
7. Improper Knife Sharpening: Causes ragged or fused edges.
8. Knife or Scissor Cuts: Damage from incorrect cutting practices.

Defects in Buying:

1. Overall Look: Ensure proper formation, color, physical properties, feel, fall, and presentation.
2. Sewing Inspection: Check for machine operator performance and common faults.
3. Sewing Defects: Address issues such as wrong stitch density, seam puckering, thread breaks, skipped stitches, improperly formed stitches, staggered stitches, and uneven stitches.

Color Defects:

1. Color Mismatch: Differences between the final garment color and the sample, or incorrect accessory colors.

Sizing Defects:

1. Size Gradation: Ensure accurate sizing across garment parts to avoid mismatched sizes.

Maintaining high-quality standards is crucial for achieving increased sales and a strong reputation. Effective quality control encompasses all stages from raw material sourcing to final garment production, ensuring adherence to national and international standards such as ISO 9000 series.

Chapter: 5

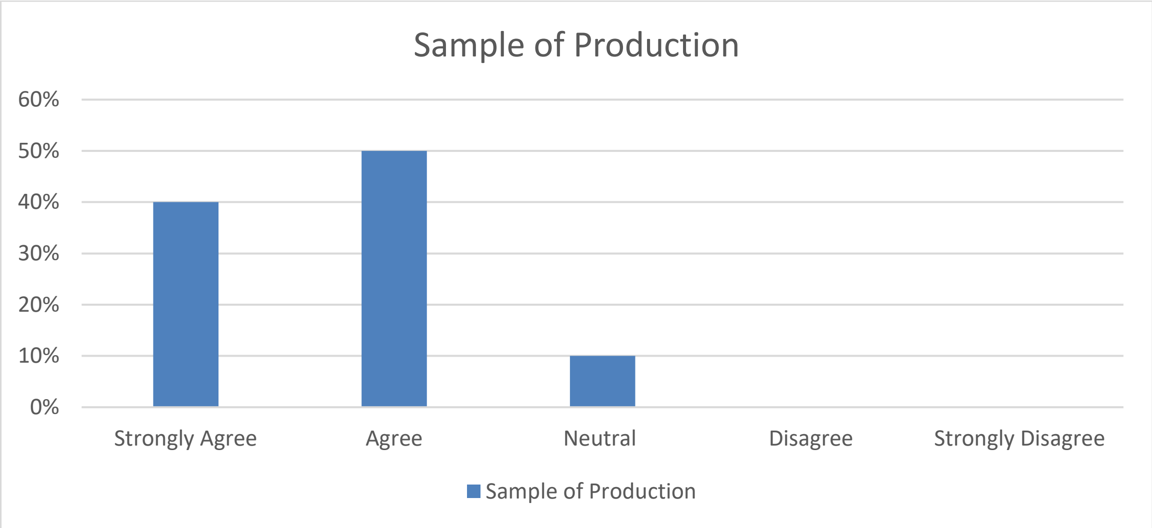
Analysis of Questionnaire

5.1 Analysis of Findings on Questionnaire

I conducted a survey involving 20 randomly selected employees from various departments to gather their opinions on the merchandising activities at Tex Design Sourcing Limited. Below are the analysis and findings from the survey:

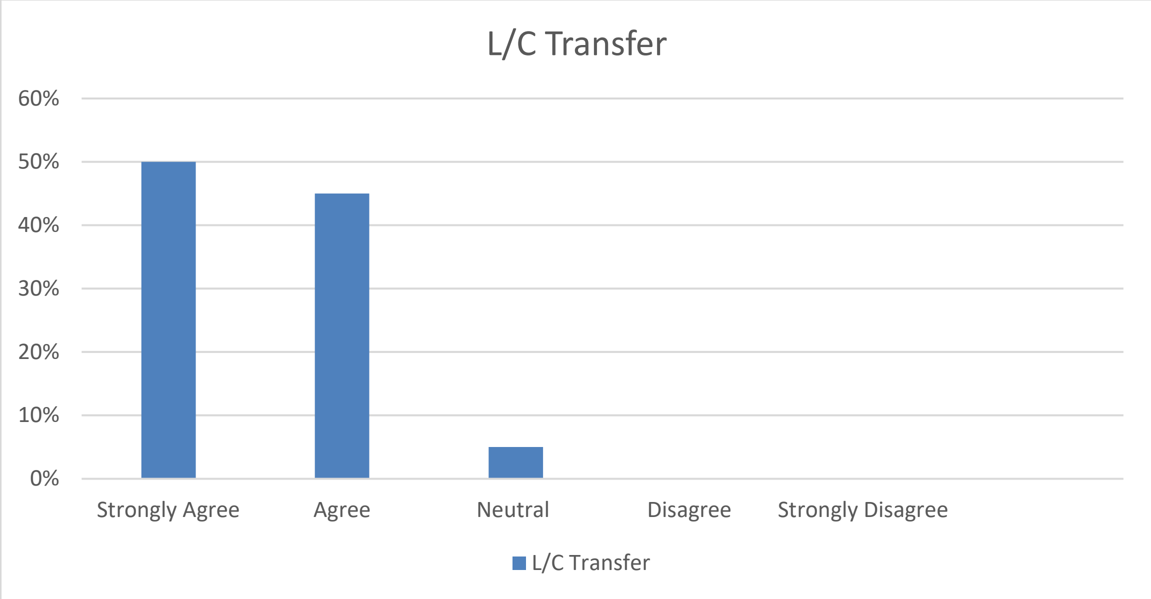
1. **Are they have capability for producing sample of production?**

In the ready-made garment (RMG) industry, production samples are crucial as they serve as a key requirement for buyers. An appealing production sample can significantly enhance a company's appeal to international buyers. Tex Design Sourcing Limited boasts robust capabilities in producing high-quality production samples.



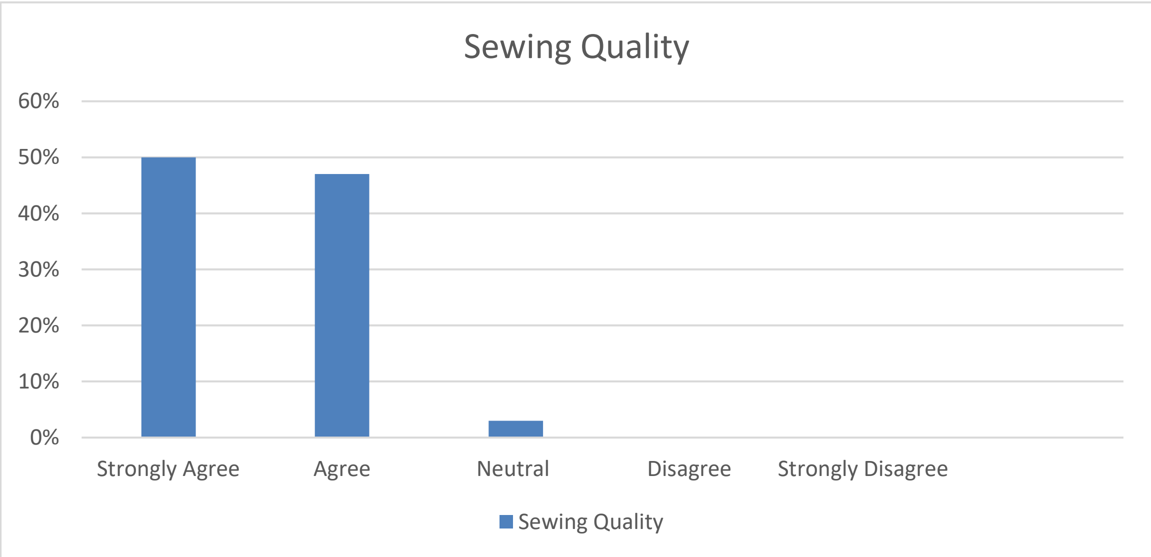
2. **Can they complete L/C transfer within time?**

The merchandiser at Tex Design Sourcing Limited is responsible for promptly transferring Letters of Credit (L/Cs). This timely transfer is crucial as it enables the merchandiser to proceed with the next steps in the order process. Despite occasional unforeseen circumstances, Tex Design Sourcing Limited generally ensures that L/Cs are transferred on time, leading to high levels of satisfaction among buyers.



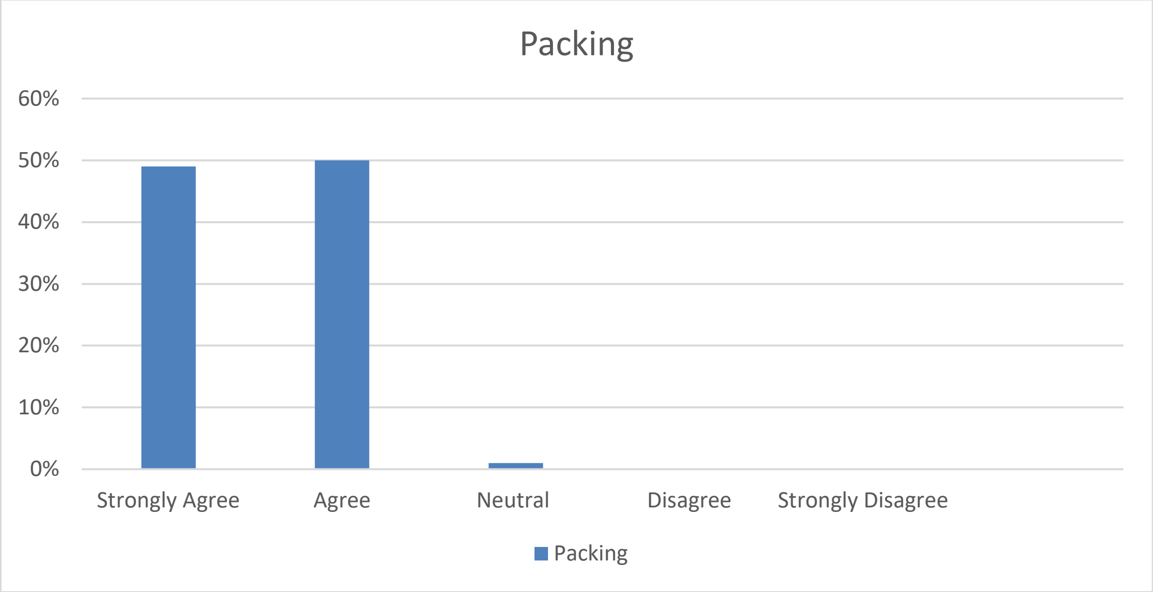
3. **Can they maintain Sewing Quality?**

The sewing quality at Tex Design Sourcing Limited is considered standard. According to the chart, 50% of buyers strongly agree with the sewing quality, 47% agree, and 3% are neutral.



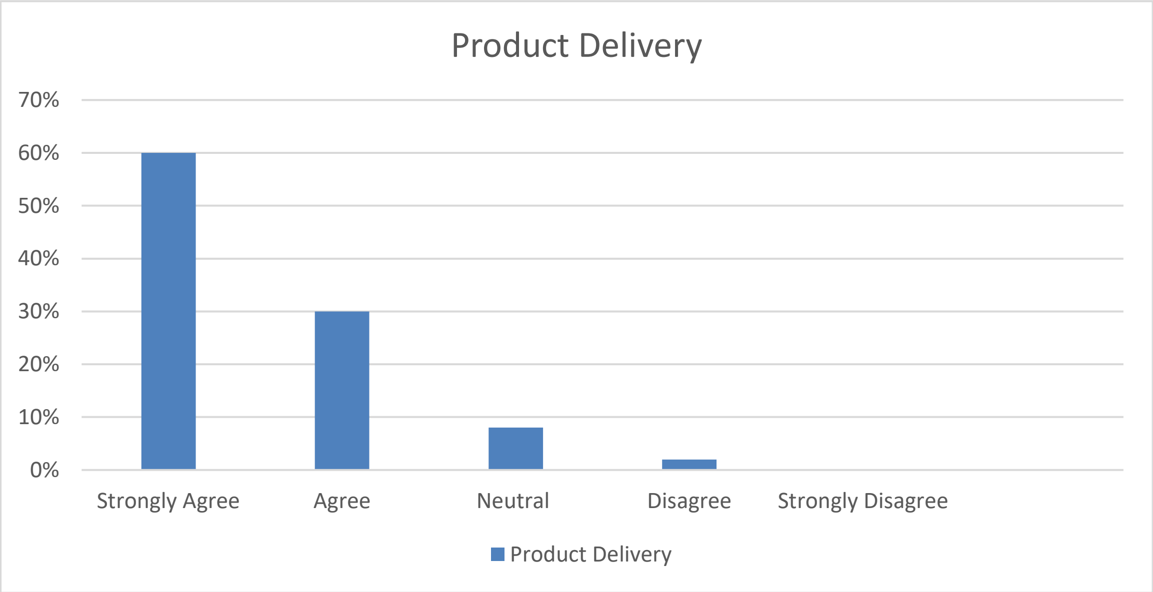
4. **How well their Packing quality?**

In addition to sewing quality, Tex Design Sourcing Limited upholds a high standard for packing procedures. Effective packing is crucial for ensuring that products reach buyers in good condition. The feedback from buyers reflects their satisfaction with the packing process: 48% strongly agree, 51% agree, and 1% are neutral regarding the quality of packing. This information was gathered from various buyers of Tex Design Sourcing Limited.



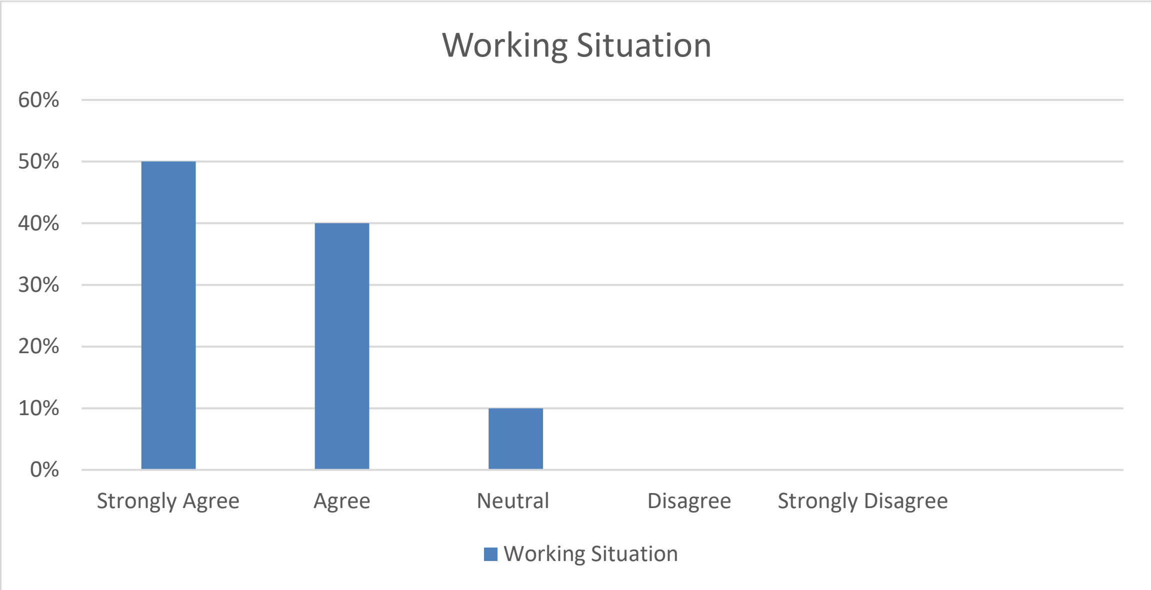
5. **Can they delivery product within time?**

Timely product delivery is a crucial responsibility of a merchandiser and significantly impacts buyer satisfaction. According to my survey, not all buyers are fully satisfied with Tex Design Sourcing Limited's delivery performance. The results show that 2% of buyers disagree with the timeliness of product delivery, 60% strongly agree, 30% agree, and 8% are neutral.



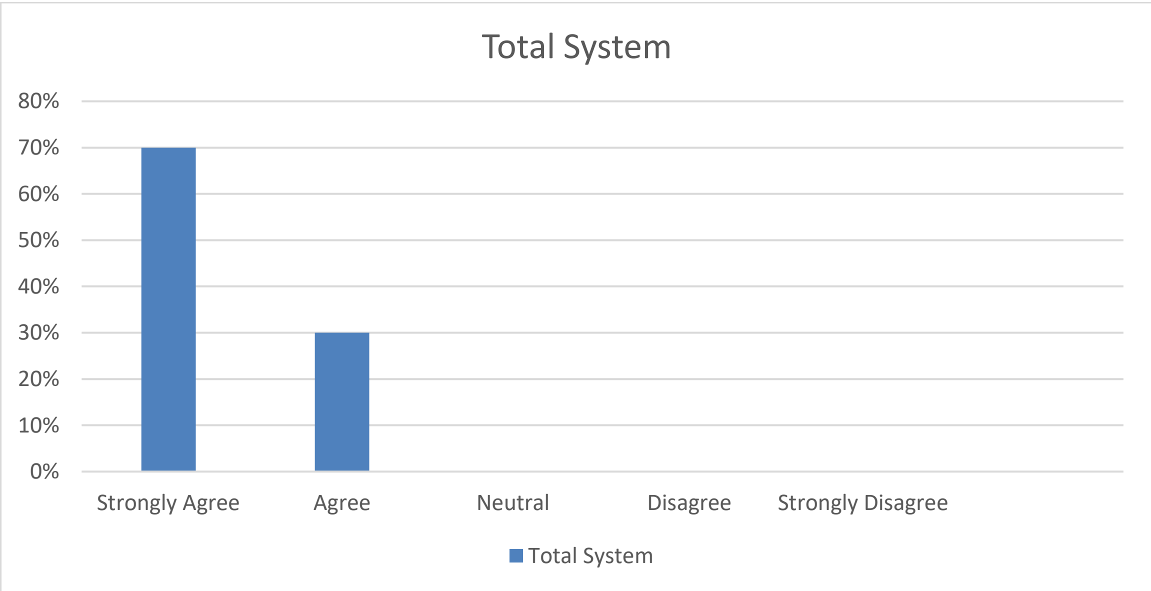
6. Are they maintaining proper working situation?

A positive working environment, characterized by reliable machinery and a clean, quiet workspace, is essential for maintaining productivity. In the survey, 50% of buyers strongly agree that Tex Design Sourcing Limited provides such an environment, 40% agree, and 10% are neutral.



7. What is your opinion about their total system?

The overall system at Tex Design Sourcing Limited is considered excellent, with 70% of buyers strongly agreeing and 30% agreeing with this assessment.



Chapter: 6

Problems, Recommendations and Conclusion

6.1 Problems Identified

1) The supply chain or procurement department at Tex Design Sourcing Limited is currently underdeveloped, leading to merchandisers being responsible for procuring all raw materials. This situation increases their workload and often results in delays beyond the shipment date, occasionally necessitating costly air shipments.
2) The planning and operations department needs strengthening, particularly in time management. The current low productivity is due to insufficient authority and oversight in production. Enhancing command and control in this area is essential for improving overall productivity.
3) The quality assurance system requires modernization to meet the high standards demanded by international buyers. Quality remains a top priority, and updating this system is crucial for maintaining competitive edge.
4) Tex Design Sourcing Limited should consider establishing its own design section. This initiative could enable the company to develop unique and innovative product designs for marketing purposes.
5) The company does not currently involve employees in policy-making or new planning processes. Incorporating employee feedback could improve organizational effectiveness and morale.
6) The current pay scale is inadequate and needs to be increased. Without improvements, the company risks losing talented employees due to uncompetitive compensation policies.

6.2 Recommendations

1) If the supply chain department handles the procurement of all raw materials, merchandisers will be able to ship goods within the lead time more effectively. This streamlined process will help ensure timely deliveries.
2) To reduce costs, Tex Design Sourcing Limited should implement a strict management and control system. Improved internal communication will enable the top management to make swift decisions and better address customer satisfaction.
3) Tex Design Sourcing Limited should establish a Department of Operational and Internal Control along with an Employee Innovation Development unit. These departments will enhance production efficiency, reduce lead times, and lower production costs.
4) The company should consider contracting with professional fashion designers both locally in Bangladesh and internationally. This collaboration can help achieve the best design results and elevate the company's market offerings.
5) Allowing employees to participate in the decision-making process will likely boost productivity and commitment to their work. Employee involvement can lead to better outcomes and a more engaged workforce.
6) Tex Design Sourcing Limited needs to establish a competitive salary structure and ensure timely payment of wages. An improved compensation plan will help retain talented employees and maintain a motivated workforce.

6.3Conclusion

The purpose of this report is to provide clear guidelines for making informed decisions about merchandising at Tex Design Sourcing Limited. It offers a comprehensive understanding of the required documentation for effective merchandising. The report includes visual representations of various documents to facilitate easy comprehension.

During the thesis work, we gained insights into key aspects of the apparel industry, including apparel costing, quality control, banking, and buyer negotiation. We learned how to calculate fabric requirements for a dozen garments, the thread needed for sewing a dozen garments, and other costing calculations.

Bangladesh, as a developing country, is making strides in addressing unemployment through its thriving apparel sector. This industry employs a significant portion of the population and has evolved from challenging beginnings to become a major contributor to the national economy, generating around 80%-85% of foreign currency earnings. Merchandisers play a crucial role in this sector, working tirelessly to secure orders, oversee production, and deliver high-quality products. Their dedication is vital to the growth and success of the industry.

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Questionnaire

on

“The Role of Merchandising in the RMG Sector of Bangladesh-A Study on Tex Design Sourcing Limited”

Dear Respondent,

As a student of Business Administration of Daffodil International University, the purpose of the questionnaire would analyze the level of **“The Role of Merchandising in the RMG Sector of Bangladesh-A Study on Tex Design Sourcing Limited”** for my internship report. I will appreciate your valuable time & support in answering the questions. All information collected will be kept strictly confidential and shall only be used for research purpose. Your kind cooperation will be highly appreciated.

Thanks in advance

Name:

Age:

Designation:

Gender:

1. **Are they have capability for producing sample of production?**

◯ Strongly Agree
◯ Agree
◯ Neutral
◯ Disagree
◯ Strongly Disagree

2. **Can they complete L/C transfer within time?**

◯ Strongly Agree
◯ Agree
◯ Neutral
◯ Disagree
◯ Strongly Disagree

3. **Can they maintain Sewing Quality?**

◯ Strongly Agree

◯ Agree

◯ Neutral

◯ Disagree

◯ Strongly Disagree

4. How well their Packing quality?

◯ Strongly Agree

◯ Agree

◯ Neutral

◯ Disagree

◯ Strongly Disagree

5. Can they delivery product within time?

◯ Strongly Agree

◯ Agree

◯ Neutral

◯ Disagree

◯ Strongly Disagree

6. Are they maintaining proper working situation?

◯ Strongly Agree

◯ Agree

◯ Neutral

◯ Disagree

◯ Strongly Disagree

7. What is your opinion about their total system?

◯ Strongly Agree

◯ Agree

◯ Neutral

◯ Disagree

◯ Strongly Disagree

Sourov Kumar Saha ID: 0242310004083029 (29-12-2024)

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