
INTERNSHIPREPORT
ON
MERCHANDISING ACTIVITIES OF TEXTILE HORIZON

Prepared by:

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Daffodil International University



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Date of submission: September 10, 2015

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INTERNSHIPREPORT
ON
MERCHANDISING ACTIVITIES OF TEXTILE HORIZON



Submitted To:

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Date of Submission: September 10, 2015

Letter of Transmittal

September 7, 2015

Ms. Tanzina Hossain
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Subject: Submission of internship report on “Merchandising Activities of Textile Horizon”.

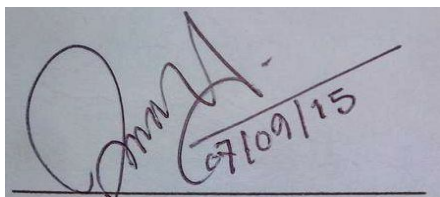
Dear Madam,

I have prepared my internship report on the topic of “**Merchandising Activities of Textile Horizon**” under your kind supervision as a requirement of completing the degree of MBA program. I have tried my best to prepare the report in consistence with the optimal standard under your valuable direction. I made every effort to reveal greater insight in this report. I hope that this will meet the standard of your judgment.

I, sincerely, hope that you will find the report satisfactory and I will be most obliged to clarify and defend my report.

Thank you for your kind supervision.

Yours sincerely



(Fatema-Tuz Jannat Nova)

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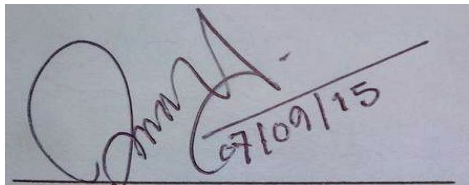
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Disclaimer

I, am Fatema-Tuz Jannat (Nova), hereby declare that the presented report of internship entitled “**Merchandising Activities of Textile Horizon**” is uniquely prepared by me after completion of three months’ work in **Textile Horizon Limited**.

I also confirm that, the report prepared only for my academic requirement not for any other purpose. It might not be used with the interest of opposite party of the organization.

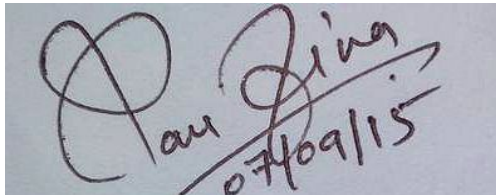


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Letter of Approval

This is to certify that **Fatema-Tuz Jannat Nova** bearing ID no.132-14-435, student of **MBA** Program, Daffodil International University, has completed the internship report under my supervision. She has worked with Textile Horizon Limited as an internee and completed the report entitled “**Merchandising Activities of Textile Horizon**” as a partial requirement for obtaining MBA Degree. She has completed the report by herself. She has been permitted to submit the report.

Fatema-Tuz Jannat Nova bears a strong moral character and a very pleasing responsibility. It has indeed been a great pleasure working with her. I wish her all success in life.



Ms. Tanzina Hossain
Assistant Professor & Supervisor
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Acknowledgement

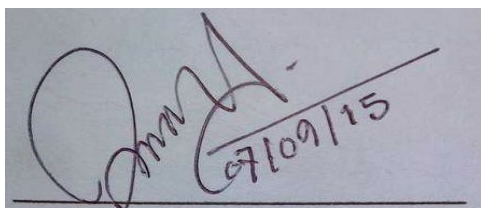
At the very beginning, I would like to express my deepest gratitude to the Almighty Allah for giving me the strength and the ability to finish the task within the scheduled time.

The internship research paper submitted here is performed as a part of my internship program. Preparation of this report received assistance, guidance and took valuable time of my Supervisor & Assistant Professor Ms. Tanzina Hossain.

Firstly, I would like to convey my gratefulness to almighty Allah for providing me the strength and opportunity to complete the report within the schedule time successfully.

However, I am immensely indebted to several staffs of Textile Horizon without whose support the report would have been really difficult to conduct. I would take this opportunity here to thank them for sharing their valuable time for long discussion and wise suggestion, thoughts during the internship program.

Finally, I would like to give thanks to my fellow friends for their help at the stage of preparing this report.



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Executive Summary

Textile Horizon is engaged in processing raw fabric to finished products and exports these products to different countries. I worked in the factory and paid occasional visits to the head office in order to cope up with the production process. I worked with almost all the departments; especially in Accounts and Finance Department, Marketing Department, Import and Export Department and Merchandising Department.

This report contains five chapters. First chapter deals with Introduction, origin, objective, scope, methodology and limitations of the report. Second chapter & third chapters are the theoretical background and the organizational part of the Textile Horizon where I have tried to show an overview of the company, its mission, vision, work-in-process, etc. Fourth chapter contains the learning part of the report; merchandizing activities and fifth chapter contains findings, recommendations, conclusion and Reference.

The report has been made by a careful review of published report, files, & discussion with responsible persons of Textile Horizon who are engaged & connected with my related department. While working with merchandising division in Textile Horizon, I have tried to find out some problems. Textile Horizon has lack of research section and development programs, after recruitment technical trainings, proper merchandising management techniques, etc.

At last, I have tried to give some recommendations against the mentioned problems of merchandising division such as arranging research section and development programs, after recruitment technical trainings, proper merchandising management techniques, etc.

I hope and believe, by implementing the mentioned recommendations Textile Horizon can reach the peak of its success.

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Chapter One

Introduction

Introduction

1.1 Introduction of the report

Garments sector is the biggest and fastest growing sector of Bangladesh. It also currency earning sector of Bangladesh. Textile Horizon is a leading readymade garment industry in Bangladesh. It is a 100 percent export oriented organization. Textile Horizon serves foreign buyers and does not have any direct consumer outlet or retail shop in Bangladesh. Recent Textile Horizon has 20 buyers. The main customers of Textile Horizon are Puma, Gstar, Espirit, Hugoboss, H&M, BMW and others. Textile Horizon does not face much competition in Bangladesh as very few companies namely, Viyellatex Textile, Beximco Textile as these buyers usually go to these countries to get their products manufactured. Textile Horizon factories are located Gazipur, Its head office is located at Uttara Model Town, Uttara sector-12, in Dhaka.

To select the location Textile Horizon considers natural resources because to build a garments industry natural resources availability are important. To forecast future demand Textile Horizon get idea from previous data latest fashion trend behavior of people, change in taste of the people, economic situation and their purchasing power. Here economic situation is important factor, because if world economic situation is not good then it affects garments sector.

1.2 Origin of the report

As a student of Business Administration, My attachment was with Textile Horizon Limited and I worked as an Internee from 5th April to 10th June, 2015. During that period, I collected information regarding preparing a report on “Merchandising Activities of Textile Horizon Limited.: A Readymade Garment”

1.3 Scope of the study

The report will mainly focus on Merchandising Activities of Textile Horizon Limited. The proposed study will cover the procedure & techniques followed by the readymade garments industry. That means, in this report all the aspects of merchandising activities has been discussed. Moreover, I will try to elaborate the merchandising profession and the production and marketing process of a garments factory.

1.4 Objectives of the report

General Objective:

- To analyze the merchandising activities of Textile Horizon.

Specific Objectives:

- To provide an overview of merchandising in readymade garments sector in Bangladesh
- To describe the merchandising activities and operating Procedure of Textile Horizon.
- To make SWOT Analysis based on the merchandising activities of Textile Horizon.
- To identify the problems regarding merchandising business of Textile Horizon.
- To recommend actions to overcome the problems that are identified

1.5 Significance of the Study

The study will disclose the present condition of merchandising system and practices at Textile Horizon. The topic “Merchandising Activities of Textile Horizon.” gave me an opportunity to have an exposure to the working environment and on the job experience in merchandising of Textile Horizon. In Bangladesh we specially mean by “Merchandising” the merchandising of garments. A merchandiser is the most important person in a garment. All work in garments factory under the direction of a merchandiser. So merchandising is a challenging profession in a garments factory or area. If a merchandiser can make shipment of the product in time, the buyer will be pleased on him and will get more order from them. So, development of the merchandising profession will develop the textile area of Bangladesh. So, I selected this study.

1.6 Methodology of the Study

In order to make the report more meaningful and presentable, two sources of data and information have been used widely.

❖ Primary Sources of Data

- Face to face conversation with the employees, senior officers Manager.
- Different relevant files like register books etc.

❖ Secondary Sources of Data

- <http://www.textilehorizon.com/>
- **E-mail 1: mobasher@textilehorizon.com**
- **E-mail 2 : mobasher@textilehorizon.com.bd**
- Journals and prospectus of Textile Horizon.
- Different websites and blogs.

1.7 Limitations of the Study

From the beginning to end, the study has been conducted with the intention to make it complete. However each and every organization has some limitations. Here are some limitations which are described below:

- Most of the primary data were not in the form those can help in writing a report.
- Lack of comprehension of the respondents was the major problem that created many confusions regarding verification of conceptual and theoretical perception.
- Lack of availability of sufficient data .
- Unfortunately due to the company's limitations (business secrecy & confidentiality) I was unable to acquire sufficient information.
- Merchandiser doesn't have enough time to give information elaborately.
- The answer of certain questions I had to go through people's opinion. Sometimes they even did not fill out the questionnaire properly for the busy schedule.

In spite of these limitation, I have tried my level best to make this report as best as possible. So readers are requested to consider these limitations while reading and justifying any part of the report.

Chapter Two

Garments at a Glance

2.1 What is Garments?

Garment means dress that is use to wear. Garments may be oven, sweater or knitwear. In garments industry it is produced at a large scale.

2.2 History of garments in the world

In the 1950s, labors in the Western World became highly organized; forming trade unions. This and other changes provided workers greater rights including higher pay; which resulted in higher cost of production. Retailers started searching for places where the cost of production was cheaper. Developing economies like Hong Kong, Taiwan and South Korea presented themselves as good destinations for relocations because they had open economic policies and had non-unionized and highly disciplined labor force that could produce high quality products at much cheaper costs.

In order to control the level of imported RMG products from developing countries into developed countries, Multi-fiber Agreement (MFA) was made in 1974. The MFA agreement imposed an export rate 6 percent increase every year from a developing country to a developed country. It also allowed developed countries to impose quotas on countries that exported at a higher rate than the bilateral agreements. In the face of such restrictions, producers started searching for countries that were outside the umbrella of quotas and had cheap labor. This is when Bangladesh started receiving investment in the RMG sector. In the early 1980s, some Bangladeshis received free training from Korean Daewoo Company. After these workers came back to Bangladesh, many of them broke ties with the factory they were working for and started their own factories.

2.3 Scenario of Ready Made Garments in Bangladesh

The ongoing global economic crisis has been the cause of major concern of export dependent economies. It has been observed major industrial countries is experiencing sharp fall in export demand. Even high exporting countries like China and India recorded sharp decline in export in last few months. Economists and trade analysts suggested efforts to improve productivity, and diversify products and export markets to weather the financial storm.

Currently, the country's highest employment generating RMG sector is hit hard by labor unrest, skilled labor shortage by more than 25 percent, weak infrastructure, higher bank interest rates and erratic gas supply. In fiscal 2007-08, only woven and knitwear, the two sub-sectors of RMG, fetched \$10.699 billion out of the total export earnings of \$14.110 billion, according to the Export Promotion Bureau (EPB). The total exports grew by 15.87 percent during this fiscal. In fiscal year 2006-07 the overall exports of the country were estimated at \$12.177 billion. EPB data also showed the knitwear sub-sector fetched \$5.532 billion of the total RMG export earnings in the immediate past fiscal year, up 21.50 percent over fiscal year 2006-07. In fiscal 2007-08, woven garments earned \$5.167 billion, registering a growth of 10.94 percent over the same period of 2006-07.

2.4 Requirements to build a Ready Made Garments factory

The minimum requirements needed to build a new Garments factory are given below:

- Trade License
- Bank Account
- Company registration by Joint Stock Company
- Project and working capital loan sanction from bank
- TIN & VAT certificate
- Project permission letter from board of investment govt. of Bangladesh
- Factory floor installation
- Fire license
- General insurance
- Factory layout plan
- Environment certificate
- BKMEA/ BGMEA membership certificate
- Labor certificate Pass book for EPZ and Chittagong customs
- Chamber of Commerce certificate
- Electricity, gas WASA, boiler connection in the factory building

2.5 Formalities needed to be a member of BKMEA

First, collect the registration form from BKMEA after depositing Tk.200 to BKMEA account related bank. Then the form has to be submitted to the following documents with completed registration form.

Required documents are as follows:

- Trade license
- Board of Investment certificate “BOI” (Registration Copy)
- Machineries Invoice
- Bill of lading (B/L) entry
- Import L/C (ILC) copy
- Photo draft of all directors
- Article of Memorandum
- Bank solvency Certificate
- Fire Certificate
- Factory Layout

2.6 Requirements to build a Ready Made Garments factory

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- Labor certificate
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- Chamber of Commerce certificate
- Electricity, gas WASA, boiler connection in the factory building

Chapter Three

Textile Horizon: Company Profile



3.1 Introduction

Textile Horizon was established in 1992 in Savar, Dhaka for meeting the demand of good quality fabrics worldwide. The unit started operations in 2003 and its production capacity fulfilled the expectations of the management and proved as a successful venture.

The management of the group is vested with a team of professionals under direct supervision of the Director, General Managers, Factory and Production Managers, Departmental Heads for each section, marketing, Administrative and a Production team of more than 2000 skilled and semi-skilled workers.

3.2 History and Background of the Industry

Textile Horizon is an old industry in Bangladesh that manufactures and exports Fabrics and Garments. It is a firm came into existence in 1992. This industry is involved in dyeing and printing on different kinds of fabric targeting mainly export markets but also keeping a small presence in the local industry.

A continuous balancing, modernization and replacement have been taking place in the organization trying to make it one of the leading exporters of its size. With the dynamic leadership of its **President Mir Mobasher Ali**, and a dedicated team of professionals in the finance, marketing, Merchandising and technical departments, **Textile Horizon** has been able to make quality products and has increased its exports sales in the last 10 years.

The main criteria of **Textile Horizon** are to be a “Maximum efficiency at no extra cost” partner with all our customers. They do have both the technical and commercial expertise at **Textile Horizon**, to deal with any query made by our overseas buyers. **Textile Horizon** are always one call away from our customers queries as they are always available on a 24/7 basis right throughout the year in this sophisticated technological world.

3.3 Short Profile of Textile Horizon

Name	TEXTILE HORIZON
Year of Establishment	1992
Location	Dhaka
Number of Product Lines	90
Status	Private Limited Company
Corporate Office	House # 46, Road # 7, Sector # 12, Uttara, Dhaka-1230, Bangladesh
Factory	Ashulia, Savar, Dhaka
Business Line	Manufacturing and Exporting Ladies and Gents T- Shirt and polo shirt
Export Outlets	Canada, Germany, France, UK, USA,
Stock Exchange Listing	No
Websites	www. textilehorizon.com

3.4 Vision

Textile Horizon vision be a leading manufacturer of quality Ready Made Garment product in international market by fulfilling our customer, human capital and business partners. Committed to serving the nation with management and financial solution, through providing jobs to the unemployed and earning invaluable foreign exchange. Winner international has planned to stretch its area of operation in the manufacturing of garments.

3.5 Mission

Textile Horizon mission is to manufacturing and supplying quality products to our valued customers on time and at a competitive price. Customer satisfaction is our main goal, competitive professional service, price, world class quality, on time delivery, honesty and reliability.

3.6 Objective

- To strive hard to optimize profit through conduction of transparent business operations within the legal & social framework with malice to none and justice for all in respective of gender disparity, caste, creed of religion or region.
- To create more jobs with minimum investments.
- To be competitive in the internal as well as external markets.
- To maximize export earning with minimum imported in-puts.
- To reduce the income gap between top & bottom categories of employees.

3.7 Organizational Organogram

↓

Merchandising Dept.	Administration Dept.	Production Dept.	Accounts & Finance Dept.
Sample section	Compliance	Knitting & Dyeing	
Marketing & Sales	Human Resource	Quality Control	
Purchase section	Store	Printing	

Security

Finishing

Cutting

Sewing

Designation wise

Director/CEO

Fabric			Garment	
Production GM	Merchandising Manager	Admin. Manager	Production GM	Accounts Manager
Knitting & Dyeing Manager	Merchandisers	Security in charge	Prod. Manager	Asst. Manager
		Compliance Officer	QC Manager	
		HR Officer		
		Store in charge		
1. Asst. Knitting Manager Asst. Merchandisers			↓ ↓	Accountants
2. Asst. Dyeing Manager		Store Officer		

QC in Charge
QC Supervisor
Qc Controller

3.8 List of Work-In-Process in Textile Horizon

Currently the following activities are in progress at the factory of Textile Horizon -

- Cutting
- Printing
- Sewing
- Garment Wash
- Iron
- Quality control
- Finishing
- Hang Tag
- Poly
- Cartons/Packing
- Inspections
- Shipment



3.9 Textile Horizon Major Buyers



3.10 Products At a glance

TEXTILE HORIZON has carved a niche in the supply of wide of fashion wear for men, women and kids, it's fashion wear are in sync with the latest design and trends. They are also involved in the sourcing of home furnishing items.

KNITS	WOVEN	HOME FURNISHING	LINGERIE
T.Shirts, Polo Shirts, Mercerized Polos, Sweat Shirts, Jackets, Blouses, Dresses, Skirts Tank Tops Pullovers, Pants, Shorts, Pyjamas, Jogging Suits, Sports / Under / Night wears, etc.	Shirts, Denim Shirts, Shorts, Boxer Shorts, Blouse, Jackets, Skirts, Pants, Suits, Night Dressers, Pyjama Sets, etc.,	Towels, Table Cloths, Tea Mates, Bed Spreads, Pillow/Cushion Covers, Curtains, Blanket, etc.	Panty, Bra, boy Leg, Thong, Capri, babies

3.11 Green Environmental Initiative

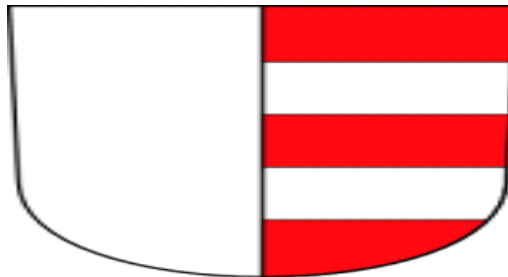
Textile Horizon is environment friendly textile Production Company. Textile Horizon initiative:

- Every day, saving 55 liters of underground water
- 250000 Textile Horizon feet roof top is being used to collect approx. 45 million liters of rainwater which
- Saving extra chemicals of water softening
- The Boiler, both technology saves substantial energy and reduced carbon emission
- Fabric dryer exhaust is being redirected to air inlet and feed into the burner to reduce the energy
- To develop natural fertilizer and being distributed among the neighboring farmers at free of cost
- Initiative which avoids environmental pollution and supports the community
- Became self-reliant in the society and unique return for any business group of Bangladesh
- Tree plantation at Tea Garden



3.12 Certifications and Awards

- **Awarded ISO 9001:2000 Quality Guarantee System**
- **ISO 14001 for Environmental Friendly attitude.**
- **Oeko – Tex Standard 100, Hohenstein Textile Testing Institute, Germany.**
- **Cotton USA**
- **Control Union (Organic Cotton)**



Chapter Four: **(Project Part)**

Merchandising Activities of Textile Horizon

4.1 Merchandising: An Overview

The term “Merchandising” may be defined as person who merchandises the goods, specifically for export purposes. Garments merchandising means buying raw materials & accessories, producing garments, maintaining required quality level and exporting the garments within scheduled time.

4.2 The main processes of Merchandising

One of the key things that I learned during my Internship is procedures of Merchandising. It follows a series of activities which are as follows:

Step 1-Understanding Sample Order:

Merchandiser has to understand the buyer's requirements carefully after receiving specification in the sample order.

Step 2-Managing production timetable:

The Merchandiser has to manage every single production schedule and order route card that helps to follow-up the execution in a planned way.

Step 3- Submitting pre-production samples:

The pre-production samples should be provided on time to the concerned buyers. Quality of the sample must be verified

Step 4-Solving shortage problem:

From the beginning actions should be taken immediately to arrange required materials, after discovering the shortage if occurred. Then the Merchandiser has to inform to his superior about the shortage as soon as possible.

Step 5-Communicating with associated people and buyer:

It is essential to communicate with the buyers regarding the order. The Merchandiser has to provide order status to the buyers frequently.

Step-6-Concluding remark on merchandising:

Merchandiser has to assign subordinates to help him in the order to execute and direct the procedures. He has to revise his knowledge from time-to-time to know current market trends.

4.3 Processes of Sampling

Another core activity of Merchandising is preparing the correct sample so that it can satisfy the buyer. During my Internship I learned about the processes of sampling which follows a sequence given below:

4.3.1 1st Pattern

1st pattern refers to the first physical version of any garment as per the artwork is done by designer or developer. In other words,

Human Mind > Sketch > Paper Sample > Sample

Purpose: See the Design work & test the Fitting

Status: Nothing specific

Material: Available

Price: Not confirmed

Quantity: 1 (for buyer) + 1 (for Merchandiser)

Delivery: As per Urgency

4.3.2 2nd Pattern

Usually designer/ developer always ask for some changes to the first pattern. Second pattern is made as per comments.

4.3.3 Counter Sample

Where the first pattern is made on designer's artwork, Counter sample should not be made on designer's artwork. It has to follow another sample given by the merchandiser. Purpose: To see the workmanship & test the factory skill

Status: Nothing specific

Material: Available Price:

Not confirmed

Quantity: 1 (for buyer) + 1 (for self-keeping)

Delivery: As per request

4.3.4 Sales man Sample

Sales Man Sample is made when price is confirmed and orders are on speculation, usually in L size in all color combinations of expected order. Buyer arranges a meeting with its customer and records their response on order quantity per color, size etc. and finally place order to their vendor.

Purpose:	Sales Meeting by Retailers, Market Appraisal, Demand / Order
forecast Status:	Final stage of the order confirmation
Material:	Actual
Price:	Confirmed
Quantity:	There is minimum quantity per color combination

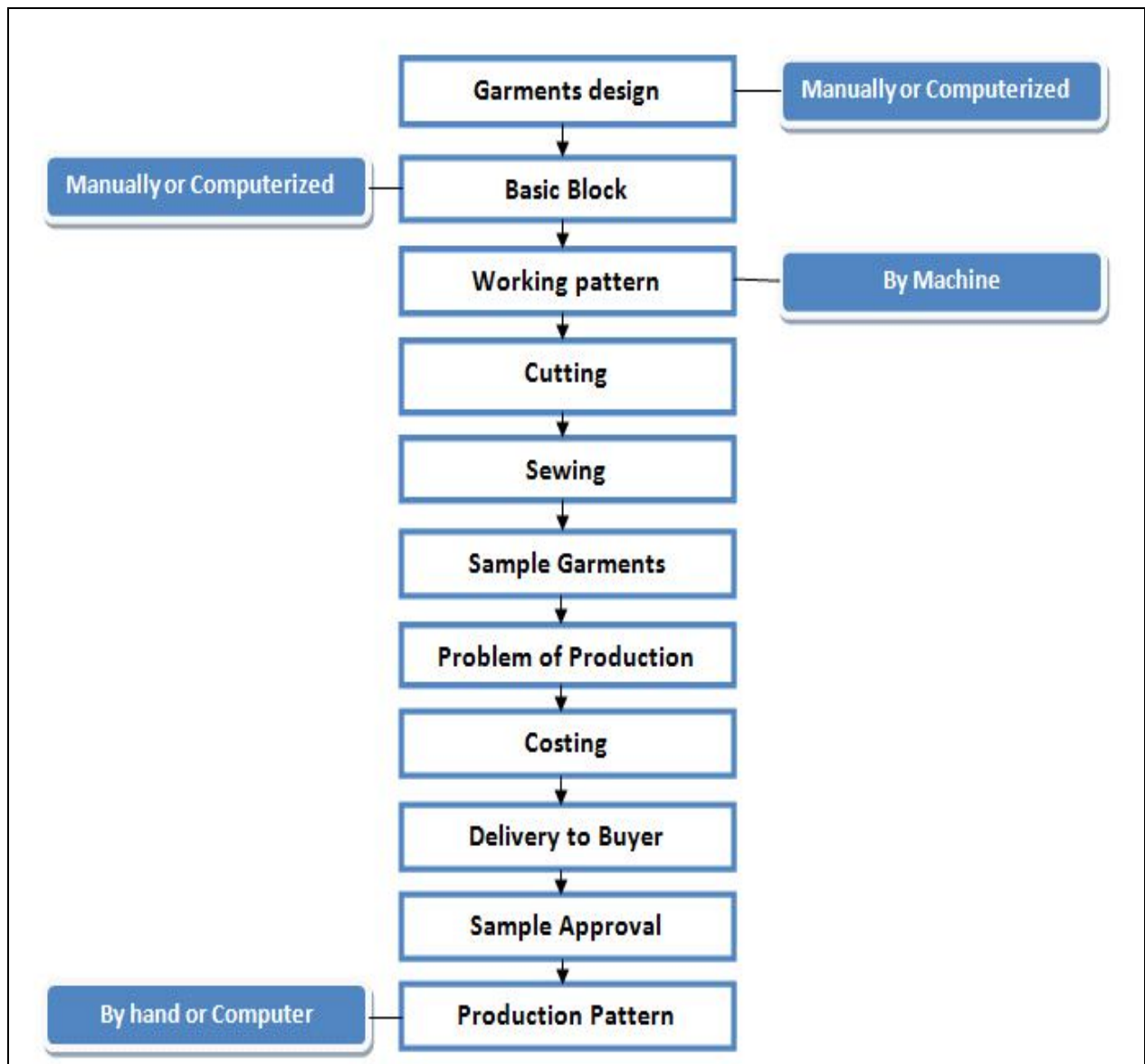
4.3.5 Photo sample

In this point of Sampling, Samples are made with actual color and material to be worn by the models on the event of shooting for catalog.



4.3.6 Approval Sample

In any discrete period of time, whenever it required any revision in the sample, a new sample is made as per new specification. It is then sent to buyer for his approval of the conformity that- the revision is done correctly.



4.3.8 Pre-Production sample

When material for bulk production arrives, factory makes a sample with the actual material and sends to the buyer.

4.3.9 Production sample

It is a reference to the buyer that the bulk is being produced as per specification. Buyer wants to be assured that correct material is sourced and line workmanship confirm to the quality.

4.3.10 Shipping sample

A sample is kept from every Pre Shipping inspection to be referred, if required, after the order has been delivered. Usually for any disputes (e.g. Claim) shipping sample is important.

4.4 Swatch

Swatch is a presentation of all the materials (Fabric & Accessories) used for any specific style/order. Usually small piece of fabric and each piece of accessories are attached on a board paper in a systematic manner. Swatch is very important for production line to make the correct construction of a garment and the QC department ensures it. Concerned Merchandiser should confirm/approve the swatch before shipment.

4.5 Trims

Trims cover all the items used in the garment except the basic fabric. There are hundreds of items used to manufacture the garments, proper selection of trims and its quality are very important for styling, otherwise the garment may be rejected or returned by the customers.

Following is a part of list that covers some names of the trims:

- Zipper/Fastener
- Main Label
- Flag Label
- Button
- Elastic
- Tags
- Sticker
- Hanger
- Poly bag
- Scotch tape
- Gum tape
- Carton etc.
- Lab-Dip

4.6 Methods of purchasing raw materials

Here fabric and some related accessories are the main raw materials. The process includes:

- Lab-Dip
- Approval of the Lab-Dip
- Collect price Quotation
- Negotiation
- P.I. Received
- Back to Back L/C transfer
- Delivery Chalan received

4.6.1 Object of Lab Dip

A lab dip is a swatch of fabric test dyed to hit a color standard. There are different matching systems followed in Labs such as Tube light matching, Sun light matching, Ultra Violet matching, Sodium light matching etc.

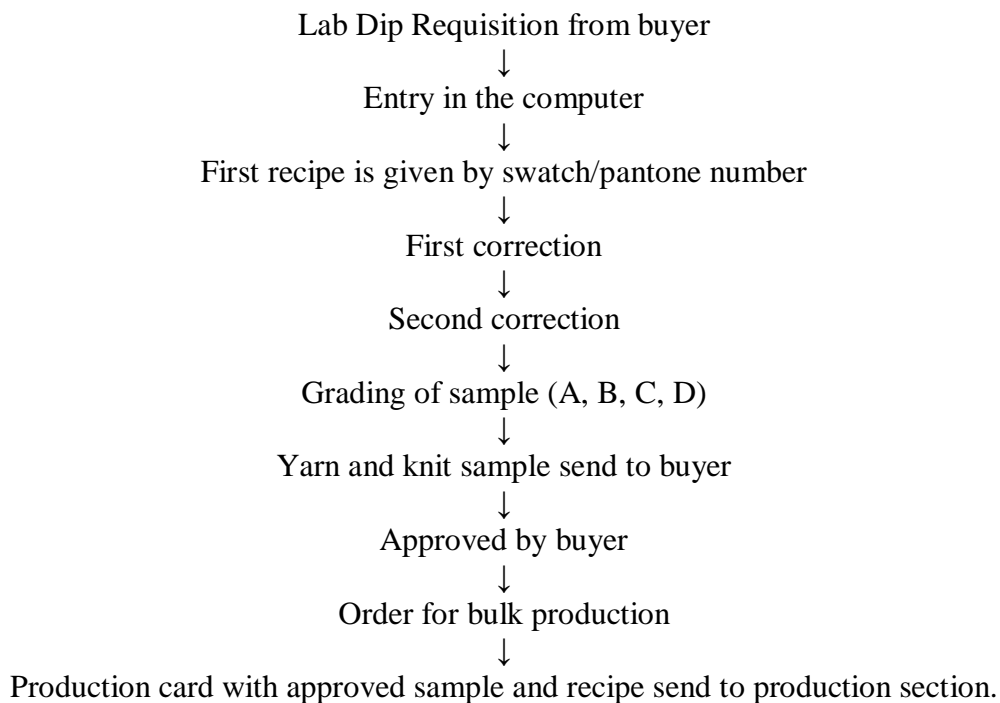


The main objectives in lab dip are as follows:

- To calculate the recipe for sample dyeing.
- To compare dyed sample with swatch by light Box or Spectrophotometer.
- To calculate revise recipe for sample dyeing.
- Finally approved Lab Dip (**Grade: A, B, C & D**)

4.6.2 Procedure Sequence of Lab Dip

Lab dip plays an important role in Dyeing Procedure. Bulk dyeing procedure completely depends on the lab dip development work. Lab dip is completely managed as the following sequence.



Approval of the Lab-Dip

- Collect price Quotation
- Negotiation
- P.I. Received
- Back to Back L/C transfer
- Delivery Chalan received

4.7 How the accepted order passes on the floor?

When the order is being accepted, Merchandiser searches the scope of knitting machine according to required Gauge, makes production schedule, Trim & Accessories Card is being prepared, makes well finishing according to buyers requirement in case of Labeling, Zippering, Buttoning, Ironing, Packaging, Cartooning etc.

4.8 How a Merchandiser track his/her production?

A Merchandiser tracks the overall production process by the following activities-

1. Following-up yarn supply in the factory
2. Knitting follow-up
3. Linking follow-up
4. Accessories supply
5. Finishing follow-up
6. Ready for export

4.9 Merchandising Section

Effective merchandising means having the right product, in the right amount, in the right place, at the right price, at the right time, all the time.

4.10 Major responsibilities of a merchandiser is given below

1. Order sourcing/supplies
2. Negotiation
3. Production
4. Calculating Yarn/Fabric consumption
5. Calculating costing of the product
6. Monitoring Quality aspect
7. Product development
8. Liaison with Buyers consumer and factory
9. Factory scheduling

4.11 Quality of a merchandiser

- Good knowledge about fiber, yarn, fabric, dyeing, printing, finishing, dyes, color fastness, garments production, etc.
- Clear conception of the usual potential quality problems in the garments manufacturing.
- Good knowledge of the usual raw materials inspection systems & garments inspection system
- Knowledge of the quota system used in each of the production countries, duty rates, custom regulation, shipping and banking documentation etc.
- Right consumption knowledge of various goods
- Costing knowledge of raw materials
- Order getting ability
- Sincere & responsible
- Hard worker

4.12 Function of merchandiser

- Developing new samples, execute sample orders
- Costing
- Programming
- Raw materials / Accessories arrangement
- Production scheduling (or) route card drafting
- Approval of various Procedure, Pattern and size set
- Pre-production follow up
- Meet Inspection Agencies
- Production controlling
- Identifying shortages and make arrangement for the shortages
- Following quality assurance procedures, quality control procedures
- Monitoring the in-house, sub-contractors and junior activities
- Buyer communication
- Communication with sub-contractors, procedure units & other 3rd parties
- Proper reporting
- Highlighting to the management
- Record maintenance
- Developing samples
- Placement of orders to suppliers
- Taking measures for consistent production
- Taking preventive action to maintain the targeted performance in all areas of activities
- Attending meeting with superiors and furnishing the required details about merchandising

4.13 Buyer liking and disliking factor of merchandiser

1. **Good presentation:** Calculation, paper, and scale etc.
2. **Manner:** Manner should be polite, good Behavior, smart talking
3. **Time Awareness:** You should be punctual and sincere
4. **Knowledge:** About product, your company and about buyers

4.13.1 Buyer disliking factor

1. Poor sales presentation
2. Unacceptable manner
3. Time wasting
4. Un-smart appearance
5. Poor knowledge

4.14 Purpose of merchandising

1. To collect order from the buyer
2. To shipment the order in time
3. To follow up the working of worker
4. To determine the actual price of the product
5. To improve the quality of the product

4.15 Merchandising management

Merchandising Management program prepare for positions in management, merchandising, inventory control, sales promotion, public relations, or human resources. This field offers a wide variety of career opportunities with retailers, manufacturers, marketing research firms and product information services. In a global, diverse, and fast paced, competitive environment, merchandisers are involved in market analysis, product planning, sourcing, procurement, pricing, distribution and visual presentation of apparel and textile products to satisfy consumer needs.

4.16 Objects of Merchandising

Merchandising notes all the planned activities to execute and dispatch the merchandise on time, taking into consideration of the 4 R's to replenish the customer.

Right Quantity: To dispatch right quantity of product what buyer ordered?

Right Quality: It should be with right quality as accepted both parties.

Right Cost: Everybody wants more from what they are paid.

Right Time: No one wants to wait idle even in a Restaurant. Keeping delivery schedule is mandatory.

4.17 Merchandising and Marketing department

Closely related to marketing is merchandising, which attempts to maximize sales and profitability by inducing consumers to buy a company's products. In the standard definition of the term, merchandising involves selling the right product, at the right price, at the right time and place, to the right customers. Fashion merchandisers must thus utilize marketers' information about customer preferences as the basis for decisions about such things as stocking appropriate merchandise in adequate but not excessive quantities, offering items for sale at attractive but still profitable prices, and discounting overstocked goods. Merchandising also involves presenting goods attractively and accessibly through the use of store windows, in-store displays, and special promotional events. Merchandising specialists must be able to respond to surges in demand by rapidly acquiring new stocks of the favored product. An inventory-tracking computer program in a department store in London, for example, can trigger an automatic order to a production facility in Shanghai for a certain quantity of garments of a specified type and size to be delivered in a matter of days.

4.18 Negotiation

A strategic discussion that resolves an issue in a way that both parties find acceptable. In a negotiation, each party tries to persuade the other to agree with his or her point of view. In advance of the negotiation, participants learn as much as possible about the other party's position and what the strengths and weaknesses of that position are, and are prepared to defend their positions and counter the arguments the other party will likely make to defend their position.

4.19 Merchandisers negotiate reasons

Merchandisers negotiate reasons

1. To secure an order from the buyer or place an order to a supplier
2. To fix a cost/price of the product for mutual benefit
3. Need to require lowering the cost or increase price of the product
4. Need to fix production and shipment plan
5. Merchandiser must determine payment terms and condition mutually profitable or acceptable

4.20 What to Say and Do during a Negotiation

Step 1: Receive the Offer:

Thank the person who extended the offer and express enthusiasm for the position. Reiterate how important this decision is and ask for some time to think it over. If it is a verbal offer only, ask when you can expect to receive the offer in writing.

4.21 What to Say and Do during a Negotiation

Step 1: Receive the Offer:

Thank the person who extended the offer and express enthusiasm for the position. Reiterate how important this decision is and ask for some time to think it over. If it is a verbal offer only, ask when you can expect to receive the offer in writing.

Step 2: Evaluate the Offer:

If you have any questions about salary, benefits, etc., ask to whom you should direct your questions for clarification. Evaluate the compensation package based on the elements listed above.

Step 3: Negotiate:

After evaluating and researching the offer, you are ready to negotiate. It is important during this phase to:

- Ask questions about how the salary was determined
- be realistic about what you want
- state your evidence clearly and succinctly for why you feel your salary should be higher
- listen

If the compensation is non-negotiable, you have to make a decision based on the current offer, or request to negotiate a different aspect of the offer (such as a higher signing bonus, early performance review, etc.).

Credit collection

Before negotiation vendor check buyer market reputation. They collect information from those buyers whose are already works with the buyers. In case of payment L/C and TT is acceptable but deferred payment try to avoid because it is risky for the company.

4.22 Letter of credit

L/C, A binding document that a buyer can request from his bank in order to guarantee that the payment for goods will be transferred to the seller. Basically, a letter of credit gives the seller reassurance that he will receive the payment for the goods. In order for the payment to occur, the seller has to present the bank with the necessary shipping documents confirming the shipment of goods within a given time frame. It is often used in international trade to eliminate risks such as unfamiliarity with the foreign country, customs or political instability.

There are mainly two types on L/C

1. Irrevocable L/C
2. Revocable L/C

4.23 How to open L/C

Opening Bank	Advising Bank	Negotiating Bank	advising Bank	Beneficiary Bank
Buyer Bank (BNP paribus cedex, France)	France Bank (Euro)	New York HSBC Bank, Citi Bank, Standard chartered Bank	Bangladesh Bank	Sellers Bank

4.24 Import - Export procedure (using L/C)

There are quite a few types of the Letter of Credit (or simply LC) It can be revocable, irrevocable, confirmed, unconfirmed, transferable, on sight, e.g.) The most common would be an irrevocable/confirmed one. These terms are commonly called "wording of the LC".

LC is a document issued mostly by a financial institution which usually provides an irrevocable (most of the time) payment to a beneficiary against complying documents as stated in the Letter of Credit.

Basically it works like this: First, you agree with the beneficiary on the terms (wording) of the LC, then you fill out a form at you bank, the bank approves it and deducts the money from your account. It notifies the beneficiary's bank and holds the money until all the terms are met by the beneficiary (providing all the documents, delivering the goods etc. whatever is specified in the LC (typically: goods delivery, commercial invoice, bill of lading, insurance documents) and then it releases the funds to the beneficiary's bank.

The LC can also be the source of payment for a transaction, meaning that an exporter will get paid by redeeming the letter of credit. Letters of credit are used nowadays primarily in international trade transactions of significant value, for deals between a supplier in one country and a wholesale customer in another. They are also used in the land development procedure to ensure that approved public facilities (streets, sidewalks, storm water ponds, etc.) will be built. The parties to a letter of credit are usually an applicant who sends the money, a beneficiary who is to receive the money, the issuing bank of whom the applicant is a client, and the advising bank of whom the beneficiary is a client. Nowadays almost all letters of credit are irrevocable.

Keep in mind also that your bank will charge you for servicing the LC. There are quite a few different fees and it comes up to a substantial amount of money.

4.25 Work Experience Activities in Textile Horizon

As I worked as an assistant of the Merchandiser in Textile Horizon so I got the opportunity to learn lots of things. At that time I have done different merchandising related task in the company which are as follows-

Daily activities

- Scanning documents
- Proper filing the documents
- Taking the photos of samples
- Mail communication
- Reporting to concern supervisor

Weekly activities

- Meeting with the fabrics and accessories supplier
- Making accessories list
- Meeting with the buyer

Monthly activities

- Meeting with the production people :

Besides observing the entire Merchandising Process, I learned many things and worked in the Finance & Accounts Department during my Internship. Following are my Internship activities in Textile Horizon –

1) Preparation of bank payment voucher:

During the time I spent in the Finance department, I used to prepare bank payment vouchers. Bank payment voucher is used when payment is made for different types of expenses and to accounts payables out of the bank account of the organization. Photo copy of the check is attached to the voucher when payment is made through check.

- Journal entry for bank payment voucher is:
- Expense account Debit
- Bank Account Credit

2) Preparation of bank receipt voucher:

Bank receipt voucher is used when payment is received and deposited into the bank account of the organization. Deposit receipt is attached to the bank receipt voucher as supporting document.

3) Preparation of journal voucher:

Journal voucher is used when there is not cash or bank is involved in a transaction. There are so many types of transactions for which journal vouchers are prepared. For example, when goods are sold to the customers on account, the journal transaction is recorded. Cash receipt vouchers and cash payment vouchers are also used for the receipt and payment of cash.

4) Maintaining admin expenses:

I used maintain records of different kinds of expenses related to office and the daily expenditures' record of the organization.

5) Maintenance of different files:

Another responsibility of mine was to maintain the files carefully which contained different important documents.

6) Preparation of Payroll Sheet:

Payroll sheet is an important document which is to be prepared in all organizations for the efficient procedures. I learned how to prepare payroll sheet in Textile Horizon. In conclusion I can say that, Textile Horizon helped me a lot to learn about the Merchandising activities as well as proper documentation in a simple way. From this Garments, I have experienced the practical knowledge about how a merchandiser works, what are his core responsibilities , what process are being followed & the methods to follow-up the activities along with all the formalities needed to make, receive and deliver a contract.

4.28SWOT analysis

A SWOT analysis is overall evaluation of the company's Strength, Weakness, Opportunities and Threats. Strength and Weakness are the internal values creating factors such as assets, skills or resources etc. And Opportunities and Threat are external values creating factors a company unable to control.



SWOT analysis of Textile Horizon is given below-

Strengths

- **Own Land:** Factories of Textile Horizon are established in its own land.
- **Effective Manpower:** Factories are well equipped with skilled, expertise and productive manpower. They are doing their level best to deliver timely shipment and exporting 100% quality garments.
- **Production of Fabrics:** Mostly employees produce fabrics as per buyers requirement.
- **Innovative product line:** Product lines are producing a unique & innovative garment which is a very good sign for the industry.
- **Proper Management:** Employees of Textile Horizon manages all the paperwork quite nicely; supervises the production from start to end and helps to ship the goods as per the requirement of buyers

Weaknesses

- **Post purchase behavior:** After shipment of the products, employees do not collect actual post purchase behavior of buyers which is really a negative sign for the industry.
- **Shortage of workers:** As the Industry is not so big & the number of employee is limited, sometimes it becomes really difficult to produce all the goods timely & workload of the workers increase to a great extent if there is a large shipment.
- **Subordinates absence in policy making:** The subordinates do not take any decision or take part in policy making in meeting. The decision always comes from the top management which is de motivating.
- **Poor salary structure:** As the industry is still in a struggling position, its salary structure is not that much good in compare to the other industries.

Opportunities

- **Covering UK & Canada market:** Recently some foreign countries are really interested about making contract with Textile Horizon which is really good news. Covering more market area of EU & Canada will help the industry to establish quickly.
- **Diversification:** Textile Horizon can expand their business by establishing the yarn, woven & sweater factories. It will help them to minimize the risk.
- **Hiring dynamic & fresh Graduates:** Textile Horizon can hire dynamic, Young & fresh Graduates who can generate innovative ideas & can lead to greater profit.
- **Attending Trade Fairs:** Textile Horizon can take part in different trade & textile fair to get public attention and can get new ideas related with today's business.

Threats

- **Absence of Spinning Plant:** Most of the big Garments industries who are well-established have their own Spinning Plant. As a result they can sell their product more cheaply but Textile Horizon doesn't have any Spinning Plant. For that reason their cost of production is high.
- **Competitors' smart move:** Competitor industries are constantly offering innovative and substitute a product which is a big threat for this industry.
- **Trade barriers:** Increased trade barriers and quota system withdrawals are the major threats for the newcomer industries like Textile Horizon.
- **Political imbalance:** One of the major threats for Textile Horizon is the current political instability. Strike, Procrastination etc. are hampering the production process quite badly.

Chapter Five

- **Findings**
- **Recommendations**
- **Conclusion**

5.1 Findings

It appears that merchandising management is one of the key areas of garments sector. But unfortunately, in Bangladesh merchandising management planning and controlling is reported to be unsound. In practice, I see the following problems when I investigate merchandising activities in Textile Horizon.

Negative Findings:

- 1) Lack of research section and development programs.
- 2) Lack of after recruitment technical trainings for new employees.
- 3) Failed to follow merchandising management techniques like buyer attention technique, sampling techniques, order delivery techniques etc. for which it failed some time to determine target order quantity.
- 4) There is no permanent marketing merchandiser of this company. Without marketing merchandiser a garment company cannot get orders from buyers.
- 5) Quality assurance system is not so modernized.
- 6) Lack of discipline in merchandizing activities

5.1 Recommendation

Generally I have given the concentration on merchandising activities of Textile Horizon. I would like to recommend the following areas that should be improved immediately to achieve the desired goals.

- 1) Textile Horizon should open its own training & development programs, and research section to achieve the highest level of efficiency of workers and employees.
- 2) After the recruitment of employees, management of Textile Horizon should provide the employees the three to six month training to make the employees learn the technical works.
- 3) Textile Horizon can develop its own merchandising technique which will help the merchandiser's to fulfill buyer attention technique, sample delivery technique and order delivery technique.
- 4) Textile Horizon should keep a permanent marketing merchandiser for the company to get more order from buyers, and they can also start marketing through trade fair & through internet market.
- 5) Quality assurance system should be modernized because quality is the top priority for all international buyers.
- 6) The employees should be encouraged to maintain the disciplinary rules & company guidelines from the hiring stage for getting the best result.

5.3 Conclusion

The RMG sector is expected to grow despite the global financial crisis of 2009. As China is finding it challenging to make textile and footwear items at cheap price, due to rising labor costs, many foreign investors, are coming to Bangladesh to take advantage of the low labor cost which is really a good sign for Textile Horizon.

Management of merchandising is a big job and is a complex one. The study shows that there are a lot of steps that Textile Horizon should undertake to improve their merchandising management in order to be successful. The study revealed that Merchandisers are the most valuable human resources for the progress of the organization. For the development of these valuable resources there are many factors involved. So to increase the productivity of an organization effectively, efficient Merchandising management is necessary



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(C) Appendix: List of Abbreviation

Particulars	Abbreviation
RMG	Ready Made garments
GSP	Generalized System of preference
MFA	Multi-Fiber Agreement
FOB	Freight on Board
GSM	Gram per Square Meter
QC	Quality Controller
I / C	Investigation Certificate
L / C	Letter of Credit
PI	Proforma Invoice