Dissertation

on

Inventory Management Activity of Kazi Food Industries Limited

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Letter of Transmittal

25th September, 2021

Amir Husen
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Subject: Submission of dissertation report.

Dear Sir,

With humble honor and respect, I am submitting my dissertation report on "**Inventory Management Activity of Kazi Food Industries Limited"** As per partial accomplishment of the requirements for the MSCM degree, this dissertation has been carried out under the supervision of you.

This report is an integral part of our academic courses in completion of the MSCM program which has given me the opportunity to have an insight into the inventory management activities. I hope this report reflects on the contemporary issues on the MSCM that are being Practiced by organizations in our country.

In completing the report I tried my best to blend all my knowledge and imparted every available detail and also attempted to avoid unnecessary amplification of the report.
I humbly request you to accept this report for your kind evaluation.

Sincerely,

_____
Md. Aftabul Islam
ID: MSCM2001019002
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Letter of Authorization

Certified that this dissertation report titled "**Inventory Management Activity of KFIL"** is the bona fide work of Md. Aftabul Islam, who carried out the research under my supervision. Certified further that to the best of my knowledge the work reported herein does not form part of any other report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

.....
Amir Husen
Assistant Professor
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Executive Summary

The core objective of the dissertation is to fulfill the requirement of the MSCM program as prescribed by the SU . I have been working as a Store/inventory professional of Kazi Food Industries Limited for six years. This is one of the best ways where we can see the practical scenario of the corporate world. We can get fundamental idea about job, corporate culture, which is not possible to learn through reading book or performing classroom activities. The topic of the report is "I**nventory Management Activities of Kazi Food Industries Limited".**

Now a days Food & Beverage industry in Bangladesh is developing gradually. Competition is increasing based on increasing demand. Along with the newer diversity of food & beverage products, many participants are entering into this sector. This industry is the largest sector and is the most adequate one to be used to diversify the economy.

I also attempted to gather more information on basic job functions of other departments to have better understanding of the relation between them and the supply chain department. It was commendable to see how whole heartedly they welcomed, acknowledged and appreciated new ideas and knowledge. I have provided few recommendations based upon my understanding and knowledge.

To nurse the nation, Kazi Food Industries Limited does some operations as collecting the raw material from their own source, material processing with the assistance of external production managers, stock the ultimate items, serve the products by distributors to customer etc. The food & beverage sector is one the prime concern of this organization and as well as it has a few other's SKUs. The report is founded on actual information & working process as well as their inventory related activities in KFIL.

List of Abbreviation

- ➔ MR – Materials Receive
- ➔ AMC –Average Monthly Consumption
- ➔ ROL – Re Order Level
- ➔ KFK – Kazi Farms Kitchen
- ➔ IT – Information Technology
- ➔ ERP - Enterprise Resource Planning
- ➔ KFIL – Kazi Food Industries Limited
- ➔ CSR – Corporate Social Responsibility
- ➔ ETA- Estimated Time of Arrival
- ➔ R & D – Research & Development
- ➔ PPU – Production Processing Unit
- ➔ PR – Purchase Requisition.

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Chapter-01
Introduction

1.0 Introduction:

In the past years, globalization has become more intense, and the supply chain has become more complex and wider. It passes through many different countries and cultures, dispersed around the world and working in widely different conditions. At the same time, there is a constant pressure on managers to improve the efficiency of their goods supply chain, making the movement of the material cheaper and quicker, reducing the inventory and use just-in-time (JIT) or lean operations. Here, I can experience and asses the usual phenomena and probability of the theoretical concepts which I have come across in the sessions with our learned teachers. As per example this report is the requirement of the fulfillment of the internship program. The report is on Inventory Management Activities of Kazi Food Industries Limited, which is a requirement & important for the completion & fulfillment of the MSCM program under the Faculty of Business Studies. The objective of this study is to trace and explore Kazi Food Industries Limited; capitally its food & beverage business and its procedure also. The recent activities of Kazi Food Industries Limited are include here.

Across the world Food and Beverage Industry are rapidly growing day by day. Along with raising population and quick pace in cities specifically the urban and resident becoming incrementally demanding for ready food & beverage. The city dwellers are prosperously adapting to foods & beverage as ready made. Competition is increasing day by day by the basis of increasing demand. It is high time to be brands of Kazi Food Industries Limited that recognized and performed for holding down in the competition and also for earning leading position of the food & beverage sector of the country. Our country has achieved colossal augmentation in the food & beverage sector over the last couple of decades. This growth can be attributed to the accomplishment of the food & beverage sector over the course of this decade as one of the sources. The 'inventory' is a grounding thought in production/processes . The Inventory management is the planning and controlling of inventories in order to meet the competitive priorities of the organization. Thus the Inventory management is the planning and controlling of inventories in order to meet the competitive priorities of the organization. So it is important to analyze the inventory management of Kazi Food Industries Limited.

1.1 Background of the Study:

Kazi Food Industries Limited is one of the growing private food & beverage companies of Bangladesh. I have been completed all the assigned duties successfully. I am enjoying the challenges that came along every single day. I could also bring some minor improvisations during my professional life which were able to leave their marks. These lessons that I have learned will be a valuable one for my future endeavors as well. I have prepared the report focusing all the aspect of this company by counseling with my honorable course supervisor and the team members of Kazi Food Industries Limited.

Every Company needs to adopt exact tragedy & activities for winning in the competition. Every company should increase their skill about product quality for achieving customer satisfaction as well as competitive advantages which are the eventual objective of every Organization. Leading position holder need maximum market share in a specific arena, 1st for launching creative items in the market, 1st for observing switches in buying attitude model, 1st for reacting of customer switching demand etc. Most landmark be present in the specific company that wants to achieve leading position along with implementing effective sales policy activities. Now a day’s Kazi Food Industries Limited is one of the Leading food and Beverage Providers in Bangladesh. They started their business in this market and after a short period they able to achieve their position in Food and Beverage sector.

1.2 Rational of the study :

It is noted that the dissertation program has been becoming an integral part of the Master of Business Administration (MBA) course with the passage of time. Dissertation program has provided greater opportunity not only for the fulfillment of the requirement of MBA course but also provide practical knowledge about respective industry and business side. It is totally make linkage between theoretical and practical knowledge. Moreover, for the sake of better understanding and for convenience of the different stakeholders the rationale behind the dissertation program is stated here under. In addition, impact brief about the respective group and the company in particularly as below:

• To understand a company operations in order to theoretical vs. practical knowledge.
• To familiar with related industry and business operational procedures for the fabricated the practical knowledge in order to theoretical business expertise.
• Appraise about the basis of management in general sense of related industry.
• Make aware about the operational philosophy and system of the company.

1.3 Purpose of the study:

The first purpose of writing the report is completing the partial requirement of the MBA program. Another purpose is for inventory a bridge between theory and practical knowledge. I have tried to give an overview of Kazi food Industries Limited in general in this report. Main objectives are given below:

✓ For Introducing the history and operational activities of Kazi Food Industries Limited
✓ For identifying the problems which are faced by Kazi Food Industries Limited

1.4 Objectives of the study:

Primary Objective:

- ➔ To pursue the Meat the sales target of the brands
- ➔ To discover the way to prosper Production & Sales operations

Secondary Objective:

- ➔ To show an overview about Kazi Food Industries Limited
- ➔ To introduce the business structure, processing system and the status of KFIL
- ➔ To show the production & inventory activities of Kazi Food Industries Limited
- ➔ To relate theoretical knowledge with practical experience with different functions of KFIL

1.5 Methodology of the study:

Methodology is one of the most significant part in any study proposal. It explains the procedures and methods through which a particular study will be analyzed. It describes the methodology used completing my experience during dissertation period. This chapter contains the research design used for the any research based, the various formulas and processes that I gathered information form the two major sources Primary and secondary sources.

Primary Sources:

- ➢ Acquired knowledge from the practical knowledge of during my job responsibilities,
- ➢ Took interview of my supervisors who were directly monitoring of store/inventory activities in the company.
- ➢ Gained knowledge by communicating with various vendors [Internal & External].

Secondary Sources:

• Collected information from company web sites.

• Gained information from the companies' journal publications and brusher and note books.

1.6 Limitations of the study:

I have tried heart and soul to achieve the objectives of this report and make this report feasible and informative. Although there are some limitations that made obstacle in acquiring my goals These are:

• Time limit to gather more information of the company,

• The employees are too much busy to share their experience related with my study,

• The company web site had not enough information to collect data for my study,

Though there were lots of limitations to complete this report but I tried my best to gathered and input more information from the various sources.

Chapter-02

Company Profile

2. Company Profile

Kazi Farms Group is one of the largest organization in poultry sector in Bangladesh. Kazi Farms Limited was established in 1996 as a hatchery for imported eggs ; the following year it started its own parent farms. In 2004 production started in our grand-parent (GP) farms. Which was responsible for Bangladesh's first exports of hatching eggs & day oil chicks in 2004. In that year our Managing Director-Kazi Zahedul Hasan, was named Businessperson of the year by the Daily Star/DHL Business Awards. Kazi Farms conduct maximum of their office computers by using Linux software as open source.

List of sister companies of Kazi Farms Group's:

- ➔ Kazi Farms Limited [KFL] was established in 1996 & associated poultry farming companies sell poultry feed, fish feed,chicks, eggs and live chickens & organic fertilizer across all over the country.
- ➔ Kazi Food Industries Limited [KFIL] was established in 2011 as sells it's Bellissimo & Za n Zee brand Ice Cream and they also sells Kazi Farms Kitchen brand of frozen food items and other food products across all over the country. Kazi Food export their frozen food item to different countries of the world.
- ➔ Kazi Media Limited [KML] the youngest venture of the Kazi Farms Group which operates of a private TV channel under the name of Deepto TV. Began broadcasting on 18 November'2015.
- ➔ Sysnova Information Systems Limited[SISL] which is Kazi Farms Group's an IT company specializing in open source solutions. It supports all Kazi Farms Group companies ERP[Enterprise Resource Planning].

2.1 Brand Logos of the Kazi Farms Group's Sister Companies:

Kazi Farms Limited [KFL]

Kazi Food Industries Limited [Bellissimo]

Kazi Food Industries Limited [Za n Zee]

Kazi Food Industries Limited [KFK]

Kazi Media Limited [KML]

Sysnova Information Systems Limited

2.2 Overview of Kazi Food Industries Limited:

Kazi Food Industries Limited (KFIL) is a venture of the Kazi Farms Group that started its journey in the year 2011. Its corporate office located in Dhanmondi and factory is located in Beron, Ashulia. Dhaka. Kazi Food Industries Limited started with Bellissimo Premium Ice Cream to introduce a taste of international quality ice creams with 10% milk fat to the domestic market. Bellissimo also produces parlor ice creams under the sub-brand Bellissimo Creations. Kazi Food Industries Limited has another item of ice creams with the brand name Za 'n Zee. Shakib Al Hasan is the official brand ambassador of this brand. Under the brand name Kazi Farms Kitchen they sell biggest number of frozen food items. All Kazi Farms Kitchen items are made with chickens which are vegetable-fed and completely free of harmful preservatives, antibiotic residue and tasting salt. The brand also manage franchise outlets that are rapidly arising all overthe country. Kazi Food Industries Limited is always committed to provide consumers with food products of the greatest quality. They are covenanted for not comprising any antibiotic residues, as chickens are not brought up any antibiotics among seven days of slaughter, by the terms of international manner. The meat is also covenanted to be made from chickens raised on feed without containing MBM as per European manner. The meat products are also promised to be MSG and nitrate-free, as we do not use any of these chemicals during food concoction.

2.3 Mission:

KFIL mission is ‘To be one of the most trusted and well-reputed consumer food company in Bangladesh.’

2.4 Vision :

KFIL vision is ‘To provide consumers with food products that are innovative and are of the highest quality at affordable prices.’

2.5 The Philosophy of Kazi Food Industries Limited:

- We believe in innovation.
- We believe in quality.
- We believe in rapid progression.

Unique Selling Proposition

- Vegetable Fed Chicken
- No Antibiotic Residue
- No Tasting Salt
- No Harmful Preservatives

“Vegetable Fed Chicken”

Kazi Food Industries never compromise about the health of their customers. They produce healthy chicken exclusively in Bangladesh.

They stop all their antibiotic before finish the chicken. That’s why there will be no harmful side effects enter for any customers.

At Kazi Farms Kitchen, chickens are grown up in the special house, where they ensure the better health of their chicken. And there is no risk to attacking bacteria on their chicken.

“No Antibiotic Residue”

Many Poultry Farms sometimes use “antibiotic” to protect chicken from Bacteria. As a result, general people sometimes think that they eat residual antibiotic by eating farms chicken.

Kazi Farms Kitchen ensure that they don’t use any antibiotic before 10 days of slaughter, So, it is safe to eat kaiz farms kitchen’s chicken without any hesitation,

“No Tasting Salt”

Many other companies are using high level of testing salt that are so harmful for human body. It contains

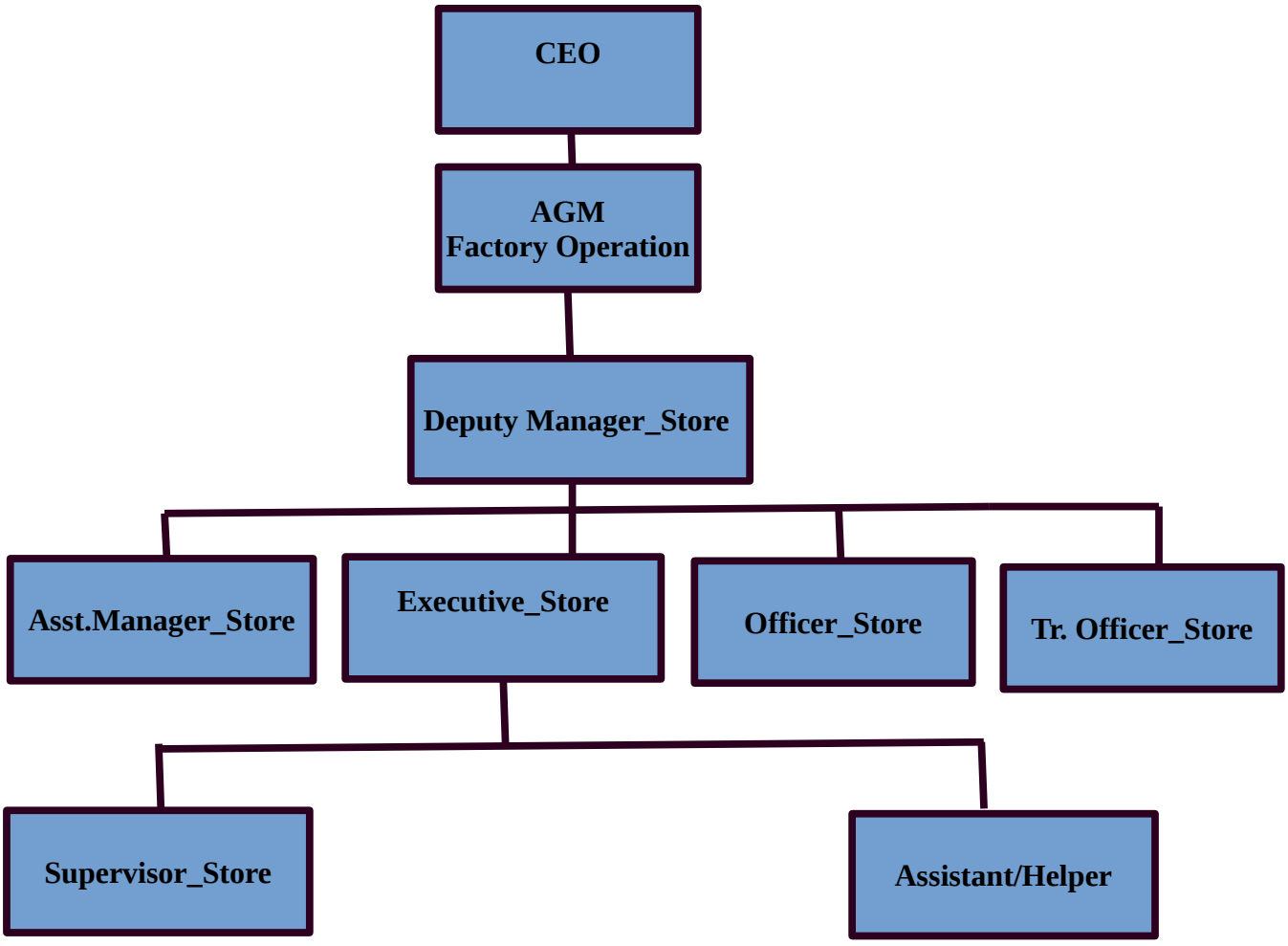
cholesterol & high blood pressure. Kazi Food always conscious about using testing salt.

“No Harmful Preservatives”

Preservatives is dangerous for human body. It causes many diseases like cancer, blood pressure etc. By eating farms chicken preservatives can easily enter into the human body. Kazi farms kitchen don’t use any preservatives in their chicken.

2.6 Organizational Store/Inventory Management Structure

Kazi food industries limited is the one of the biggest frozen food manufacturing company in Bangladesh. Currently they are following “Hierarchical Structure” to run their business. The hierarchical model is the most popular organizational chart type.



2.7 Top Management Profile of Kazi Food Industries Limited:

- **Mr.Kazi Zahedul Hasan,** an architect/engineer, obtained his M. Arch degree from Harvard University in the USA. He was a professor of the Department of Architecture at Bangladesh University of Engineering and Technology, Dhaka & in the School of Environment Design, King Abdul Aziz University, Jeddah,Saudi Arabia. He has extensive experience as an architect in the USA & KSA . He is a member of the American Institute of Architects as well as the Royal Institute of British Architects . He was founder & MD of Kazi Fashion Limited for almost 20 years ,until selling it in 2002 in order to focus on poultry. He is the founder & Managing Director of Kazi Farms Group.

- **Dr. Perween Hasan,** wife of Mr. KaziZahedul Hasan, gained an M.A. in English from Dhaka University, and another M.A. and a Ph.D. (History of Fine Arts) from Harvard University. USA. Presently, she is a professor at Dhaka University. She is a Director of all companies in Kazi Farms Group. Also he is founder of Women University.
- **Mr. Kazi Zeeshan Hasan,** earned his B.A. in Economics from Oberlin College, USA, his M. Theological Studies from Harvard University, USA, and an his M.Sc. (Management of Information Systems) from the London School of Economics, UK. He is a Director of Kazi Farms Limited and its sister companies, where he is directly involved in overseeing management of sales and raw materials purchases. He has gained training in feed milling and raw materials evaluation from Cargill Indonesia.

- **Mr. Kazi Zahin Hasan,** gained his B.A. (Economics) from Oberlin College, USA, and his Master of Public Administration degree from Columbia University, USA. He is a Director of Kazi Farms Limited and its sister companies. He has been responsible for the production operations of Kazi Farms Group for the past ten years. He has earned training in poultry in the U.S.A. and Thailand.

2.8 CSR of Kazi Food Industries Limited:

➢ From 2010 to 2019, Kazi Farms Group gave fifty three core Taka of economic corroboration to Central Women's University, the 1 st women private university in Bangladesh.

➢ Besides Kazi Farms Group contributes to the function of KaziZahural Huq College in Mary Gopinathpur, Gopalganj, that is the hometown of the Managing Director of Kazi Farms Group. These is a free privately-driven HSC college along with one of the greatest pass rates of the district.

➢ They are giving fifteen core Taka for the construction of a modern conference center at Bangladesh University of Engineering and Technology (BUET). The managing Director of KaziFarrms was student and as well as teacher of BUET.

➢ They gave One point Nine acres of land in Gazipur to Utsho in 2003 as the reason of construction
of a permanent residential school for underprivileged children.

2.9 Corporate Information of Food Industries Limited:

Name of the Company: Kazi Food Industries Limited

Company Type: Private Limited Company

Industry Type: Food & Beverage

Head Office: ShimantoShambar, level-5, Road-02, Dhanmondi, Dhaka-1205

Factory: Beron, Ashulia, Saver, Dhaka

Establish Year: 2011

Company Founder: Mr. Kazi Zahedul Hasan

Telephone: 880-2-9123432, 9134276, 9128062

E-mail: info @ kazifoodindustrieslimited.com

2.10 Departmental Activities of Kazi Food Industries Limited:

Human Resource Department [HRD]:

Kazi Food Industries Limited always believe that people is the most worthy asset. Kazi Food Industries Limited commits considerable investments in developing efficient professional human resources. They inspire their human resource to transform their innovation and creativity into new products to gratify their valued customer. Kazi Food constantly give effort for providing their human resource with best working environment. Their Human Resource involve people from various discipline such as Chemistry, Engineering, Accounting, Administration, Finance and Food experts. The talent, skilled, efficient and hard work of their employees drive Kazi Food Industries Limited towards acquiring their purpose and objectives.

Research & Development (R & D)[Frozen Food & Ice Cream]:

Highly skilled human resources of Kazi Food Industries Limited is its one of the driving forces. They are continuously striving to explore the core competencies of the employees to face the challenges of the competitive environment. Kazi Food Industries Limited necessary to research a product before launching it to the market .They should study the ingredients of a product necessary to made it as both of Frozen & Ice cream. Kazi Food Industries require to study the chemicals used in products very carefully. According to that they have chemistry and food expertise to do so. They have the plan for expanding their research department for more innovative and quality products to introduce in the market. New product launching & feedback for more effective for R & D.

Marketing & Branding Department:

Kazi Food Industries Limited Marketing and Branding department is accountable for advertising and promotional activities of products of the organization. In many times, it may be mobilized with the sales functions. Kazi Food Industries Limited Marketing and Branding department engaged in the several tasks, like promotional materials designing and developing, organizing marketing events, likely commencement and campaigns, websites developing as a digital marketing system. They operates 3 brands as Bellissimo, Za n Zee & Kazifarms Kitchen’s.

Finance, Accounting, Vat & Audit Department:

Kazi Food Industries Limited has got efficient finance, accounting and treasury & audit department. They veil day to day performance of financial transactions. The Department assist the purchase department and for short or long term investment. They have to do cross function with VAT officer of the factory. The basic function of these departments is to assure that there is monetary stability among a business and a constant cash flow for supporting day to day transactions. These departments are also accountable for payment and transaction, investments, accounting procedures, budgets and forecasting.

Distribution Channel & Network:

Kazi Food Industries Limited marketing strategies are very primitive, they have operates 12 nos depots different agents from the company, and have dealers or whole sellers across the country and also sub dealers. There distributor divided by district wise in some places each dealer have sub-dealers. In this case dealer received the goods they sell the goods and received commission from company, and whole sellers received the goods they sell it and received the commission from the company. No dealer or whole sellers have not any rights to enhance or blow goods except company’s permission Dealer and Whole sellers are working for getting commission. Company increases the price by depends on occasion and they inform their dealers and whole sellers. There are lots of Sales Representative works across the country under the dealers and whole sellers. They accept order from retail shop vender's and apprise the dealers and whole sellers. Every dealer or whole seller has specific target of sell within given time. If many times fail to earn the target company may cancel dealership or abate supply of goods and that amount transmitted to dealer.

Sales Department:

Kazi Food Industries Limited team of sales trade along with purchaser and propagate orders. They takes techniques to propagate sales alters among organizations, but few of the most ordinary are telephone, door-to-door sales, advertising and direct sales by representatives. Sales Department of Kazi Food Industries Limited may also supply corroboration task to other sectors, specifically in case the firms does not have a devoted marketing or consumer service section.

Information Technology Department [IT]:

Kazi Food Industries Limited has a potential IT Department which is accountable for providing the infrastructure for automation. It implements the governance for the usage of network and operating systems, and it helps the operational units by providing the functionality as require it also provides support for data processing and storage, networks and support for the necessary program, as well as services for the accelerator complex and for the whole company and its users.

Manufacturing/Production Department [PD]:

Kazi Food Industries Limited is modern production processing units deals with all of the processing of product service. As A large national organization it offers a several extent of products would certainly necessity a manufacturing department to spearhead product developments. Production team lead AGM-Operation's & AGM-Ice Creram & export lead another AGM. Processes all type of products in this plant & fulfill sales demand for achieved to goal .
Sales team provided a forecast one year /half yearly based on sales target. Production team supporting to them for annual goal achieve. Export is most increase as day by day in this moment. They produced ice cream and meat /flour & fish/dried fish units , they support a slaughter house in modern technology based for chicken meat requirement purpose. All most 750 employee are working here. On the Frozen Food-65+ SKU's and Ice Cream-110+SKU's & Fish-based-26+ SKU's with vegetable for export-20+ SKU's are operates in manufacturing team.

Purchase Department:

Kazi Food Industries Limited purchasing department is accountable for monitoring how many products or stock is necessary at any one time and buying accordingly. The purchasing department may also be accountable for buying in consumable products, such as stationery, to provide help the other functional departments among the organization.

Store Department :

Kazi Food Industries Limited Store department is accountable for monitoring how many products or stock is necessary at any produce accordingly. The store department working all most 2150 SKU's for production support purpose.

Product Line	Unit	Qty
Ice Cream	SKU	350
Frozen Food	SKU	420
Bakery	SKU	82
Fish	SKU	55
Dried Fish	SKU	42
Spare Parts	SKU	1150

we are also operate fridge & franchise equipment for cold chain maintain & may also be accountable for buying in consumable products, such as stationery, printing, cleaning & safety related materials to provide the support all operation line. We have maintain FIFO stickily to avoid any human hazed. We are receive all kind of RM/PM/Spare & also delivery as per production demand.

We have operate imported vaccine for chicken farms all Bangladesh for vacation purpose. It is stickily follow cold chain +2~+8 temperature maintain before delivery. Store department controlling raw meat storage -2 ~ 20 temperature & all temperature related data are recorded by engineering team. We have support various event support for sales demand. KFIL store activities all of factory & outside [deport] in large quantity activity of 24 hours running production to smooth support. Store department work other functional departments among the organization necessity . It is essential for smooth production operational workforce.

Administrative Department:

Kazi Food Industries Limited also has a potential administrative department. This department is responsible for; forming meetings, receiving minutes, audio and touch typing and letter composing are many of the day to day activities an office administrator take on.

2.11 SWOT Analysis of Kazi Food Industries Limited:

S = Strengths

W = Weaknesses

O = Opportunities

T = Threats

Strengths of Kazi Food Industries Limited:

The strengths of a business or company are secure elements, something they do well and are under their control. The strengths of Kazi Food Industries Limited are given below:

➢ Competitive pricing is a main element of Kazi Food Industries Limiteds aggregated success, as this keeps them in line with their competitors, if not above them

➢ Maintaining costs lower than their rivals and maintaining the cost advantages helps Kazi Food Industries Limited pass on some of the benefits to consumers

➢ They have potential reputation and good popularity which people view it with respect and believe in it

➢ Being financially potential supports Kazi Food Industries Limited deal with a problem, ride any dip in profits and out perform their rivals

➢ The important strength of Kazi Food Industries Limited as it is recognized and respected

➢ They have a high percentage of the market share which indicates it is ahead of many competitors

➢ Kazi Food Industries Limiteds marketing strategy has measured to be effective, helping to increase profiles and profits and standing out as a major strength

➢ Employees are experienced which helps to reach key to the success of Kazi Food Industries Limited helping to drive them forward with expertise and knowledge

➢ Kazi Food Industries Limited has an comprehensive customer base, which is a major strength about sales and profit

➢ Kazi Food Industries Limiteds distribution channel may be listed as one of their strengths and way to success

➢ Supplier relationships are potential at Kazi Food Industries Limited, which can only be seen as strength in their in total performance.

Weaknesses of Kazi Food Industries Limited:

The weaknesses of Kazi Food Industries Limited are given below:

➢ Kazi Food Industries Limiteds one of the prime Weakness is low availability of adequate infrastructural facilities

➢ gradual investment on advanced technologies catch Kazi Food Industries Limited back and limits success, as other firms are making use of better and more reliable technologies

➢ Unavailability of adequate quality control and testing methods as per international standards hamper Kazi Food Industries Limiteds market research

➢ Kazi Food Industries Limited does not act internationally, which has an effect on success, as they do not reach consumers in overseas markets

➢ High requirement huge amount of working capital of Kazi Food Industries Limited is important to expand more into the market.

Opportunities of Kazi Food Industries Limited:

Opportunities help to firms or organization to continue the business. The opportunities of Kazi Food Industries Limited are given below:

➢ Kazi Food Industries Limited could benefit by expanding their online presence and making more money from online shoppers / Internet users➢ They could benefit by Governmental helps, in the form of grants, allowances, training etc.

➢ New market opportunities can be a way to push Kazi Food Industries Limited move forward

➢ Technology changes might give Kazi Food Industries Limited an opportunity to bolster future success

➢ They are belonging in good financial position, which is a chances for them to pursue in terms of investment in new projects

➢ They have the opportunity to come in a niche market, earn leading position and therefore boost financial performance

➢ Expanding the product/service lines by Kazi Food Industries Limited might serve them increase sales and raise their product portfolio

Threats of Kazi Food Industries Limited:

Threats can be make damage to business and it can prevent to continue the business. The threats of Kazi Food Industries Limited are given below:

➢ without adopting with technology switches might be injurious to the future of Kazi Food Industries Limited as they might slip behind their opponent

➢ Switches in the way consumers shop and expend and other changing consumer patterns might be a threat to Kazi Food Industries Limited

➢ Price wars among competitors, price cuts and so on might harm profits for Kazi Food Industries Limited

➢ The actions of an opponent could be a prime threat against Kazi Food Industries Limited, for instance, if they get in new technology or expand their workforce to meet demand

➢ The arise or fall of the foreign exchange rate might threaten Kazi Food Industries Limited about importing and exporting

➢ increasing costs might be a main downfall for Kazi Food Industries Limited as it would eat into profit

➢ Kazi Food Industries Limited might be threatened by the thriving power customers have to set the price of their products/ services

➢ Alternative products available on the market present a prime threat to Kazi Food Industries Limited.

Chapter-03

Inventory Activities of Kazi Food Industries Limited

Inventory/Store Departmental Activities :

Definition: Inventory refers to all the items, goods, merchandise, and materials held by a business for selling in the market to earn a profit.

Example: If a newspaper vendor uses a vehicle to deliver newspapers to the customers, only the newspaper will be considered inventory. The vehicle will be treated as an asset.

Manufacturing Industry [Production Process Unit]:

In a manufacturing business, inventory is not only the final product manufactured and ready to sell, but also the raw materials used in production and the semi-finished goods in the warehouse or on the factory floor.

Example: For a cookie manufacturer, inventory will include the packets of cookies that are ready to sell, the semi-finished stock of cookies that haven't been cooled or packed yet, the cookies set aside for quality checking, and raw materials like sugar, milk, and flour.

Inventory Management : Refers to the process of ordering, storing, using, and selling a company's inventory. This includes the management of raw materials, components, and finished products, as well as warehousing and processing of such items.

Good Inventory Management : A good inventory management strategy improves the accuracy of inventory orders. Proper inventory management helps our figure out exactly how much inventory you need to have on-hand. This will help prevent product shortages and allow our to keep just enough inventory without having too much in the warehouse.

Main Purpose of Inventory Management: The main purpose of inventory management is to help businesses easily and efficiently manage the ordering, stocking, storing and using of inventory. By effectively managing your inventory, we'll always know what items are in stock, how much of them there are, and where they are located.

Inventory Purpose :

Meet anticipated demand ,Demand variability,Supply variability ,Decouple production & distribution ,permits constant production quantities,Take advantage of quantity discounts

Hedge against price increases ,Protect against shortages.

Role Objective :

As the Store/ inventory in-charge at Kazi Food Industries Ltd role of objective as below :

- Ensure adequate inventory levels through available control procedures.
- Maximize capacity utilization through effective planing & execute the overall inventory process accordingly.
- Planing & controlling of effective inventory policy.

Strategic Responsibility :

As the Store/inventory in-charge at Kazi Food Industries Ltd strategic responsibility as below :

- Implement an effective strategy to optimum inventory stock levels,cost & quality standard of RM/PM.
- Planing & control of store inventory levels and material management.
- Evaluate, plan and enforce the materials handling and procedure to determine best quality.
- Safety advocate, compliance to safety protocols.
- Materials Receipt,Billing,Inventory operation(manpower handling,materials handling,report making etc.)

Inventory Type :

Inventory comes in many shapes and sizes such as:

Raw/Packing Materials – purchased items or extracted materials transformed into components or products

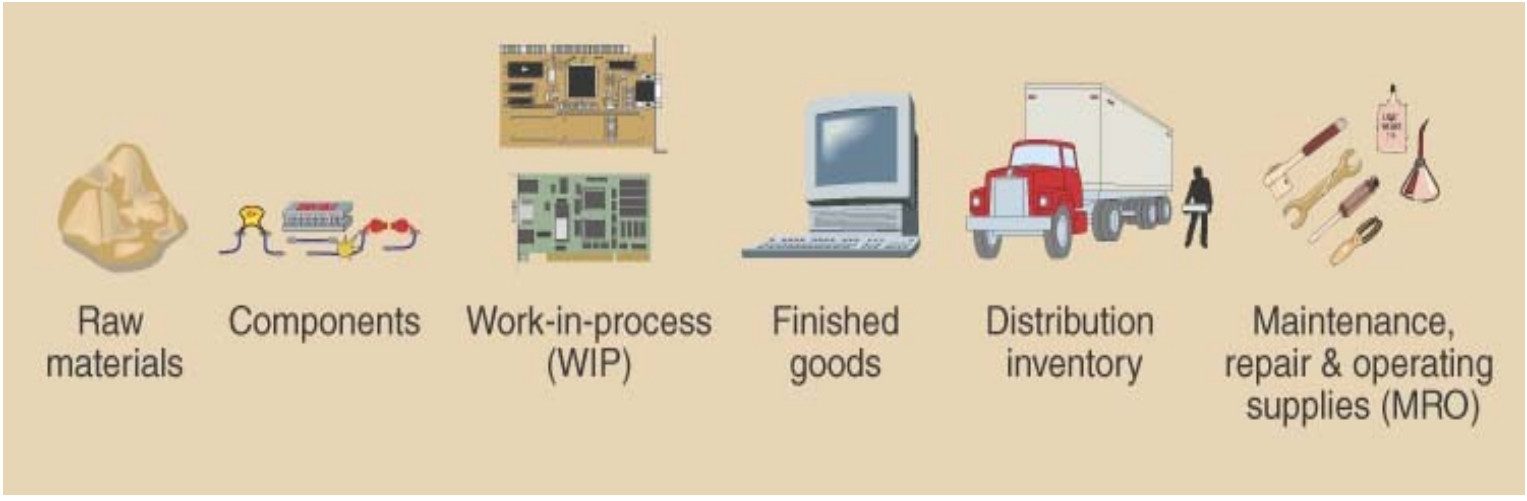
Semi Finished Goods – parts or sub assemblies used in final product

Work-in-process – items in process throughout the plant

Finished goods – products sold to customers

Distribution inventory – finished goods in the distribution system

Service inventory – It is spare parts for machine trouble shorting solve purpose.



Inventory Location, Functions and Benefits-

Inventory Location :

Manufacturing Facility
In-Transit
Warehouse
Retailer
Customer

Functions of Inventories:

Transit Inventories
Buffer Inventories (safety stocks)
Anticipation Inventories
Decoupling Inventories
Cycle Inventories

Inventory Technique :

There are three techniques of inventory valuation:

- FIFO (First In, First Out),
- LIFO (Last In, First Out),
- WAC (Weighted Average Cost)

Benefits of Inventory

Reduces ordering, setup & transportation costs (economies of scale)

Buffer against demand fluctuations

Buffer against supply fluctuations

Supply shortages

Variability in supply lead times

Buffer against price fluctuations

Benefits from quantity discounts

Protects production capacity

Allows production smoothing

Reduces managerial complexity (eliminates the need for coordination)

Can increase demand

The key factors affecting inventory policy are:-

First and foremost is customer demand, which may be known in advance or may be random. In the latter case, forecasting tools may be used in situations in which historical data are available to estimate the average customer demand, as well as the amount of variability in customer demand (often measured as the standard deviation).

Replenishment lead time, which may be known at the time we place the order, or it may be uncertain.

The number of different products stored at the warehouse.

The length of the planning horizon.

Service level requirement. In situations where customer demand is uncertain, it is often impossible to meet customer orders 100 percent of the time, so management needs to specify an acceptable level of service

Inventory valuation :

Inventory valuation is an accounting practice that is followed by companies to find out the value of unsold inventory stock at the time they are preparing their financial statements. Inventory stock is an asset for an organization, and to record it in the balance sheet,it needs to have a financial value. This value can help you determine your inventory turnover ratio, which in turn will help you to plan your purchasing decisions.

Inventory valuation is important :

Identifying the unsold items is just one step in inventory valuation. You also need a rate that you can multiply by the quantity to arrive at a final value. You may have paid different prices for these items throughout the year, so you need to choose a technique to calculate a common rate.

Inventory Valuation Methods:

There are three methods for inventory valuation: FIFO (First In, First Out), LIFO (Last In, First Out), and WAC (Weighted Average Cost).

In FIFO: That the first items purchased are the first to leave the warehouse. In other words, whenever you make a sale, under FIFO, the items will be subtracted from the first list of products which entered your store or warehouse.

In LIFO: The opposite assumption: that the last items that enter your store are the first ones to leave.

The WAC : Method uses the item’s average cost throughout the year. The average cost per unit is calculated by dividing the total cost by the total number of units purchased during the year.

Different types of cost:

Costs, including order cost and inventory holding cost.

Typically, order cost consists of two components: the cost of the product and the transportation cost.

Inventory-Related Costs

Tied up capital

Warehousing cost

Deterioration

Obsolescence(Obsolescence is the state of being which occurs when an object, service, or practice is no longer wanted even though it may still be in good working order.)

Demand shortfall

Quality defects

Changes in raw material prices

Changes in product design specifications

Inventory holding cost, or inventory carrying cost, consists of:

State taxes, property taxes, and insurance on inventories.

Maintenance costs.

Obsolescence cost, which derives from the risk that an item will lose some of its value because of changes in the market.

Opportunity costs, which represents the return on investment that one would receive had money been invested in something else (e.g; the stock market) instead of inventory.

Order Cost:

In the EOQ model, order costs are the incremental costs of processing an order of goods from a supplier. Examples of order costs include the costs of preparing a requisition, a purchase order, and a receiving ticket, stocking the items when they arrive, processing the supplier's invoice, and remitting the payment to the supplier.

Ordering cost is simply the total of expenses incurred in placing an order.

in the economic order quantity model, this is the cost of preparing a purchase order and the cost of receiving the goods ordered.. used in calculating order quantities, the costs that increase as the

number of orders placed increases. it includes costs related to the clerical work of preparing, releasing, monitoring, and receiving orders, the physical handling of goods, inspections, and setup costs, as applicable. also called acquisition cost, inventory costs.

Holding Cost :

Holding cost is the cost associated with holding one unit of an item in stock for one period of time

incorporating elements to cover: Capital costs for stock; Taxes; Insurance; Storage; Handling; Administration; Shrinkage; Obsolescence; Deterioration.

Total Cost :

Total cost describes the total economic cost of all the production and it is made up of the total variable costs. These costs will vary according to the quantities of goods purchased and includes inputs like raw materials and the fixed costs.

The Economic Order Quantity (EOQ) Model :

Assumptions of the Basic Model:

Demand occurs continuously over time with a constant rate

Inventory can be replenished instantaneously

There are no capacity limits or limits on the size of replenishment orders

A replenishment order incurs a fixed ordering (or setup) cost

Multiple products can be analyzed independently of each other

No backorder are allowed

Calculating EOQ

Total annual cycle-inventory cost:

$$C = \frac{QH}{2} + \frac{AD}{Q}$$

where

C = total annual cycle-inventory cost

Q = lot size

H = holding cost per unit per year

D = annual demand

A = ordering or setup costs per lot

ABC Inventory Classification :

ABC classification is a method for determining level of control and frequency of review of inventory items

A Pareto analysis can be done to segment items into value categories depending on annual dollar volume

A Items – typically 20% of the items accounting for 80% of the inventory value-use Q system

B Items – typically an additional 30% of the items accounting for 15% of the inventory value-use Q or P

C Items – Typically the remaining 50% of the items accounting for only 5% of the inventory value-use P

Inventory Record keeping :

Two ways to order inventory:

Keep track of how many delivered, sold

Go out and count it every so often

If keeping records, still need to double-check

Annual physical inventory, or Cycle Counting.

Cycle Counting

Physically counting a sample of total inventory on a regular basis

Used often with ABC classification

A items counted most often (e.g., daily)

Advantages

Eliminates annual shut-down for physical inventory count

Improves inventory accuracy

Allows causes of errors to be identified

Responsibilities of Inventory Management in KFIL:

Inventory Control (Raw materials/ Spare Parts):

- ➔ Recording material received and Move Vaccine.
- ➔ Reduce production loss due to material shortages.
- ➔ Implement appropriate measures to reduce production wastage.
- ➔ Forward MRR (material receiving record) for bill processing.
- ➔ Prepare requisitions against production requirement & checked
- ➔ present stock/on order & re-order levels if needed.

Material Management:

- To responsible all kind of incoming RM/PM/Vaccine(Local,Import, Stationary,Sample etc.) receipt with verify challan/Invoice or packing list and ensure quality check after that transfer this materials relevant store.
- To ensure adequate supply of the required items maintain ROL, Lead time, ETA date to meet customer's demand and production operation with minimum interruption.
- Maintain optimum stock levels through maintenance of FIFO (first in, first out) & shelf life (First Expire First Out).
- Supervise housekeeping of factory store area regular & ensure all materials appropriate rack bin system in wright place.
- To careful all time for prevent loss due to expire date, wastage and pilferage of damage.
- Supervise housekeeping and factory store & others area.

SPL Responsibilities:

- ➢ To Ensure all Imported Vaccine Received & Move/Transfer close monitoring.
- ➢ Ensure all vaccine cross check physical stock, Bin-Card and book balance.
- ➢ To Responsible all kind of vaccine related issue resolve.

Freezer Management:

- ➔ Prepare and record requisition for deep fridge and ensure regular updates.
- ➔ Freezer received from purchase & freezer maintenance departments against market demand.
- ➔ Ensure receipt requisition & delivery as per market demand timely & update regular.

Stock Reconciliation:

- ● To be ensure stock reconciliation with ERP vs physical with bin card.

- To be checked stock every day after all data posting complete & report send to HO by e-mail every week, monthly, quarterly , annually.
- Check materials received & issue with ERP vs physical & bin card.
- To Responsible for monthly inventory check physical stock, Bin-Card and book balance on regular basis.

Safety:

- Look after the overall safety of workers and ensure compliance to company safety protocols.
- Counsel workers on safety guidelines on a scheduled basis.
- Maintain highest standards in carrying out first aid on injured employees/workers.

MIS and ERP Record Keeping:

- Ensure materials received & issue with ERP vs physical with bin card.
- MIS & ERP record keeping as per management guidelines & we are follow this stickily.
- Ensure all date checked Physical & ERP for record keeping purpose.

Employee Development:

- To ensure all employee development work of his working areas.
- Ensure all employee development knowledge of every working ares.

Innovation & Improvement:

- Contribute to the development of/recommend new ideas in enhancing the store management process.

Supervisory Responsibilities :

- Determine , control , assess and review the target and extent of the works or services; supervise the implementation of activities and provide necessary direction; and evaluate and supervise the performance of the subordinate officers / workers whether companyemployees or casual
- Be aware that the employment under this company would be guided and regulated by the policies and procedures of Kazi Farm Group.

	Behavioral	Functional
Competencies	Leadership	Resource Optimization
	Communication	Cost Consciousness
	Problem Solving	Interdepartmental Co-ordination
	Result Orientation	Quality Awareness
	Creativity & Innovation	Communication Skill
	Flexibility & Adaptability	
	Pro – Activeness	
	Resource Management	
	Strategic Thinking	

KFIL Inventory Steps :

1st Steps : Purchase Requisition[PR] : Any materials requirements for smooth production firstly checking sales & production forecast as per their demand then we have check store stock, on oder / pipe line quantities, safety stock & re ordering level. After completing all procedure then we have make an requisition based on ERP system based. We have signature of departmental head with factory head then send it head office purchase team for purchase the required goods.

2nd Steps- Physical Materials Received & Quality Check : Purchase team send materials to factory with challan/invoice then inform from security gate to store/quality team we have checking physical for good quality materials. After QA declaration then we have received materials in Bin Card.

3rd Steps- Materials Received [MR] : All quality parameter match these materials then QA pass after QA Okay we have make materials received in ERP. Now stock available for issue to production & it's ready to finished product.

4th Steps- Materials Storage : All materials storing as per location wise & right place right materials maintain as per FIFO.

5th Steps- Issue/Move : All quality pass materials are issue/ move to WIP[working In Processes] then they have start to make finished goods.

6th Steps- Challan/Invoice Processes : We have complete all procedure challan/invoice in system then send to head office purchase department for billing purpose. Then supplier/vendor are eligible to bill/payment .

Foreign Materials: We have make requirement of foreign items before close monitoring due to shipment, re-order, safety stock, current consumption trend & lead time follow .Presently In the past years, globalization has become more intense, and the supply chain has become more complex and wider. It passes through many different countries and cultures, dispersed around the world and working in widely different conditions. At the same time, there is a constant pressure on managers to improve the efficiency of their supply chain, making the movement of the material cheaper and quicker, reducing the inventory and use just-in-time (JIT) or lean operations.

Supply chain team support : The supply chain has become more complex and wider. It passes thorough many different countries and cultures, dispersed around the world and working in widely different conditions. The complexity of the supply chain combined with the pressure on the managers bring many risks to the chain. These risks are unexpected events that might disrupt the flow of materials or the planned operations. They can be late deliveries, poor forecast or they can involve rarer scenarios as hurricane or earthquake. We’re always work properly with scm team due to any shortage/ excess hazily .

Chapter-04

Findings & Recommendation and Conclusion

4.1 Findings :

We are working as an Kazi Food Industries Limited was a massive experience for me.

All the employee are very friendly and helpful I have learn many things from them. I am observed many things during my report which are given below:

➢ Every employee performs their task very effectively and cordially.

➢ I once and again saw other staff members helping each other out.

➢ Office condition is very much friendly and employees are co-operative

A good job performance is occasionally praised, consequently lacking motivation of the employees. This is the duty of the HR department. Maybe they could train the senior officers to be more motivating to their fellow people.

➢ There is always a crowd of vendors so there is no standard on what the employees do throughout the day. The work activity of an employee is set, but it gets hard to finish the pre scheduled works if there is a huge rush of vendors.

➢ All the tasks are always set and parted for each of the employees. This is the way it should be, but when I saw it firsthand it was exceptional. Every employee has a particular set of responsibilities.

➢ Every employees are effective and sincere to their ascribed job responsibilities.

➢ They have improved strong and well equipped IT department for driving all the activities smooth & systematic way except any delay.

4.2 Recommendations:

- We know that Kazi Food is the leader of food and beverage industry of the country. For that they should reach their products at every corner of the country. Even in the small cities their products should be available.
- KFIL factory work jointly SCM team any kind of shortage materials
- In a competitive financial market, their products and services requires to be more focused on customers' needs than simply offering what the competitors are offering.
- Finally I have recommended to KFIL to increase the monitoring and review the matter of materials shortages issue again and again as the risk is uncertainties and newly problem face like covid-19.
- Whole world are facing a big environmental problem for supply chain & materials timely entered at production.
- We have sit together supply chain people have to find the solution to over come the all risk to running business smoothly.

4.3 Conclusion:

This dissertation started by reviewing the literature and introducing the main concepts of inventory supply chain in one simple and direct way. From the beginning of Kazi Food Industries Limited has earned the faith of people and their admiration whoever consumed its quality based product. They are optimistic regarding their food sector and they can rely on their promises for the wellbeing of their customers. Kazi Food's Management should take necessity steps for filling the gap between the service and the satisfaction level of the customers. To fill this gap, each corner of the system need to be in gradual observation for identifying the faults and so that those can be corrected properly. This study highlight some of the inventory related as target group and also highlight some faults and lacking of the Kazi Food Industries Limited products and services, and also some demand of the customers to the firm and their perceptions.

Kazi Food Industries Limited has obtained recognition at the national and international level. They gain different Awards in past few years those are different awards, CSR Award. At the end I am giving thanks to all the employee of Kazi Food Industries who helped me during my dissertation report season and to complete the report successfully.

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Categories: Guides, Inventory Management

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