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The Study of Procurement & Commercial Shipment Functionalities of Supply Chain Department of Bata Shoe Company Bangladesh Limited.

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EXECUTIVE SUMMARY

This report primarily covers the development and implementation of the import process by the Supply Chain Management department of Bata, the nation's leading footwear brand.

Bata Shoe Company (Bangladesh) Ltd., a subsidiary of the global footwear giant Bata Corporation, has been a dominant player in the Bangladeshi footwear market since its establishment in 1962. With a rich heritage spanning over five decades, Bata has built a strong brand reputation for quality, innovation, and affordability, catering to diverse consumer segments across the country.

Supply Chain Management:

Bata Bangladesh has developed an efficient and resilient supply chain to ensure the seamless production and distribution of its footwear products. The supply chain encompasses several key components:

1. **Raw Material Sourcing:** Bata procures raw materials, such as leather, rubber, and synthetic fabrics, from both local and international suppliers. The company emphasizes sustainable sourcing practices, maintaining high standards for quality and environmental responsibility.
2. **Manufacturing:** Bata operates two major manufacturing facilities in Bangladesh, located in Tongi and Dhamrai. These factories are equipped with modern technology and machinery, enabling high-volume production while adhering to stringent quality control measures.
3. **Logistics and Distribution:** Bata's logistics network is designed for optimal efficiency, ensuring timely delivery of products to retail outlets and customers. The company leverages a combination of company-owned vehicles and third-party logistics providers to manage transportation and distribution.
4. **Inventory Management:** Bata employs advanced inventory management systems to maintain optimal stock levels across its supply chain. This ensures that products are readily available to meet consumer demand while minimizing excess inventory costs.
5. **Retail Network:** Bata boasts an extensive retail network with over 260 stores nationwide, complemented by a strong online presence. The company's omnichannel approach ensures a seamless shopping experience for customers, whether they purchase in-store or online.

Procurement:

Bata Bangladesh's procurement strategy focuses on building strong relationships with suppliers to secure high-quality raw materials at competitive prices. The procurement process includes:

1. **Supplier Selection:** Rigorous evaluation criteria are applied to select suppliers based on their ability to meet Bata's quality, cost, and sustainability standards.
2. **Contract Management:** Bata negotiates favorable terms and conditions with suppliers, including price, delivery schedules, and payment terms, to ensure cost efficiency and supply reliability.

3. Risk Management: The company implements risk management practices to mitigate potential disruptions in the supply chain, such as diversifying supplier bases and maintaining safety stock levels.

Commercial Shipment in Supply Chain Management:

Bata Bangladesh's supply chain management (SCM) is designed to ensure efficient and timely commercial shipments, critical for maintaining product availability and customer satisfaction. The commercial shipment process encompasses several strategic components:

1. Procurement and Inbound Logistics:

- Supplier Relationships: Bata sources raw materials like leather, rubber, and synthetic fabrics from trusted local and international suppliers, ensuring high quality and sustainability.
- Inbound Transportation: The company utilizes a combination of sea, air, and land transportation to import materials. Efficient inbound logistics are vital for minimizing lead times and costs.

2. Manufacturing and Production:

- Factory Operations: Bata operates two key manufacturing plants in Tongi and Dhamrai, equipped with state-of-the-art machinery. These facilities follow strict quality control protocols to ensure consistent product standards.
- Production Scheduling: Advanced production scheduling systems help manage manufacturing cycles, aligning production output with market demand to avoid overproduction or stockouts.

3. Inventory Management:

- Warehousing: Bata maintains strategically located warehouses to store raw materials and finished goods. Inventory management systems track stock levels in real-time, facilitating just-in-time (JIT) inventory practices.
- Safety Stock: To mitigate risks of supply chain disruptions, Bata holds safety stock, ensuring a buffer against unexpected delays or demand spikes.

4. Outbound Logistics and Distribution:

- Distribution Network: Bata's extensive distribution network includes over 260 retail stores across Bangladesh, supported by regional distribution centers (RDCs) that facilitate efficient product flow.
- Transportation Management: The company employs a mix of company-owned fleet and third-party logistics providers to handle outbound shipments, ensuring timely delivery to retail outlets and customers.
- Technology Integration: Bata uses advanced transportation management systems (TMS) to optimize routes, reduce transit times, and lower transportation costs.

5. Customs and Compliance:

- Regulatory Adherence: Bata ensures all shipments comply with local and international trade regulations. The company's customs clearance team handles documentation and regulatory requirements to facilitate smooth cross-border transactions.

- Trade Agreements: Leveraging trade agreements and duty exemptions, Bata reduces costs and expedites the movement of goods across borders.

6. Sustainability and Risk Management:

- Sustainable Practices: Bata is committed to sustainable SCM practices, including reducing carbon emissions in transportation and using eco-friendly packaging materials.

- Risk Mitigation: The company employs risk management strategies, such as diversifying suppliers and logistics partners, to mitigate potential supply chain disruptions.



Bata
Bata Shoe Co. (Bangladesh) Ltd.

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Chapter 1: Introduction

Introduction:

Bata, synonymous with shoes in Bangladesh, has been operating in the country since 1962, boasting a diverse range of formal and sports shoes, heels, loafers, and sandals for both men and women. With manufacturing facilities in Tongi and Dhamrai, Bata produces an impressive 160,000 pairs of shoes daily, with annual sales reaching approximately 30 million pairs. The company's early focus on factory automation, remote retailing, and modernized production techniques has ensured its profitability from the outset, propelling it to become the world's largest footwear manufacturer and marketer.

In terms of supply chain management and collaboration, Bata prioritized understanding the business environment, particularly its customer base, to tailor its product offerings accordingly. Transparency was key in establishing an open supply chain, allowing consumers to track the journey of their goods. To streamline design processes, Bata brought designers into the factory environment for immersive three-week stays, fostering collaboration between manufacturing and design teams to enhance product competitiveness and efficiency. Despite initial resistance, efforts to digitalize sampling processes were undertaken, with partnerships formed in China, Mexico, and Bangladesh to learn and implement innovative practices. This collaborative approach resulted in successful co-designed products, reflecting the combined expertise of both manufacturing and design teams.

1.1 Main Goal of the Internship Program:

The primary aim of the internship was to apply the theoretical knowledge acquired throughout four years of study in the BTM Department to practical situations. Additionally, the program aimed to:

- Provide exposure to real-world corporate environments.
- Introduce interns to the job market.
- Facilitate networking opportunities with industry professionals.
- Implement theoretical concepts into practical scenarios.
- Fulfill the requirements of the 9-credit academic course. This report reflects a three-month internship at Technohaven Company Ltd., following the standards set by the BTM Department.

1.2 Objective of the Internship Report:

- Generic Objectives: To showcase the tasks performed and the experiences gained during the internship, demonstrating the intern's understanding. It involves comparing activities and learning experiences to assess the learning outcome within the organization.
- Specific Objectives:
 1. To delineate the intern's duties and responsibilities.
 2. To provide an overview of Technohaven Company Ltd.'s position in the domestic market.

1.3 Methodology and Data Sources

Information regarding Bata Shoe Company Bangladesh Ltd. was gathered for this report through a combination of direct and indirect sources.

- Primary Source: The primary data and insights presented were obtained through face-to-face discussions with employees and workers of the company.
- Secondary Sources: 01. Company website.
 2. National news articles accessed via Google.
 3. Company brochures and other official documents.

1.4 Significance:

This study provides a comprehensive overview of Bata Shoe Company Bangladesh Ltd., particularly its Supply Chain Management Department and the industry it operates in. It emphasizes insights from employees and includes detailed information about the company's performance in local markets. The paper aims to educate readers about operational and analytical aspects of Bangladesh's footwear sector, serving as a valuable resource for students in the BTM department looking to enhance their industry knowledge.

1.5 Limitations

- Gathering primary data can be challenging, and ensuring its authenticity is even more so.
- Managers may be reluctant to share sensitive company information with interns, especially in departments like Procurement.
- Obtaining the most accurate depiction of the company's operations can be challenging.
- Time constraints may limit the depth of understanding of the entire process.

Chapter 2: Company Overview

Company Overview:

2.1 Vision & Mission of Bata Shoe Company Bangladesh Ltd.:

Vision:

- Bata Shoe Company Bangladesh Ltd. aspires to make high-quality shoes accessible to all, emphasizing comfort and incorporating new designs.

Mission:

- The specific mission objectives include:
 - Enhancing people's appearance and comfort.
 - Becoming the preferred destination for customers.
 - Attracting and retaining top talent.
 - Maintaining the highest level of respect as a footwear company.

Objectives:

- Achieving 100% estimated business in each product category.
- Introducing a shoe line that reflects lifestyle and fashion trends.
- Attaining an average 55% margin in each product category.
- Innovating ideas or systems to enhance merchandise distribution management by maintaining a four-times stock turnover.

2.2 Introduction of the Company:

The Bata Shoe Organization was established in 1894 by Czech entrepreneur Tomas Bata in Zlin, then part of Czechoslovakia. With a family legacy spanning eight generations and over three hundred years in shoemaking, Tomas Bata utilized his extensive knowledge, expertise, and skills to propel his newly founded company forward. Introducing innovations such as factory automation, long-distance retailing, and modernized shoe manufacturing, Bata ensured profitability from its inception, eventually becoming the world's largest manufacturer and marketer of footwear with a global presence.

Since its inception, Bata has been a pioneer of innovation, not only in producing and designing new styles but also in creating adaptable business models to meet the evolving demands of customers. With a rich history as a leading manufacturer and retailer of quality footwear, Bata proudly serves millions of customers worldwide every day.

Today, the Bata Shoe Organization operates in over 70 countries, employing more than 30,000 people and managing over 5,000 international retail outlets. It runs 27 production facilities across 20 countries, including two in Bangladesh, located in Tongi and Dhamrai, with a combined daily production capacity of 160,000 pairs of shoes. Annual shoe sales in Bangladesh currently amount to approximately 30 million pairs.

Bata's global reach is complemented by its commitment to local communities, facilitated by an innovative international manufacturing structure that allows for tailored responses to the unique needs of customers in each country. Guided by a core principle of understanding customers and

delivering superior products, Bata continues to uphold its legacy of over a century, striving to meet the diverse needs of its customers worldwide.



Fashion remains incomplete without well-crafted footwear, a realization that has driven Bata to introduce various designer collections for men, women, and children. These collections feature internationally renowned brands like Bata Comfit, Marie Claire, Hush Puppies, Scholl, Nike, Skechers, Power, North Star, Bubblegummers, Ben10, Sandak, Weinbrenner, and B.first, reflecting the significant shift towards branded shoe marketing in Bangladesh. Targeting specialized categories such as athletic shoes, the development of brands like Power emphasizes uncompromising quality paired with striking designs, appealing to diverse consumer segments.

Bata has also undergone significant changes in its business strategy, including the segmentation of retail outlets based on market segment profiles and the introduction of innovative concepts like Bata City Stores. These selective outlets, alongside others like Bata Family Stores, enhance consumer satisfaction by offering spacious floor spaces for a comfortable shopping experience. Incorporating modern interior decor with novel shelving systems, fittings, fixtures, and lighting reminiscent of large retail shops in the Far East and Europe, Bata's City Stores redefine the retail experience. With 261 strategically located retail outlets across Bangladesh, including the World's Largest Bata Store at Bashundhara City Mall, Bata's extensive retail network plays a vital role in brand marketing. This network is further supported by 13 Wholesale depots covering the country, along with 471 Registered Wholesale Dealers and 690 Dealer Support Program stores operating under these depots.

For over 13 decades, Bata has been at the forefront of footwear design, with professionals in its Shoe Innovation Centers worldwide continuing the tradition of innovation. They focus on discovering new materials, developing modern shoe technologies, and creating fresh footwear that combines style with comfort.

Since its inception, Bata Shoe Company (Bangladesh) Ltd. has been dedicated to one goal: customer satisfaction. With a vision of building a global family of satisfied customers and dedicated workers, the legacy of Tomas Bata remains strong and unwavering, ensuring that the tradition of excellence continues into the future.

2.3 Organizational Chart:

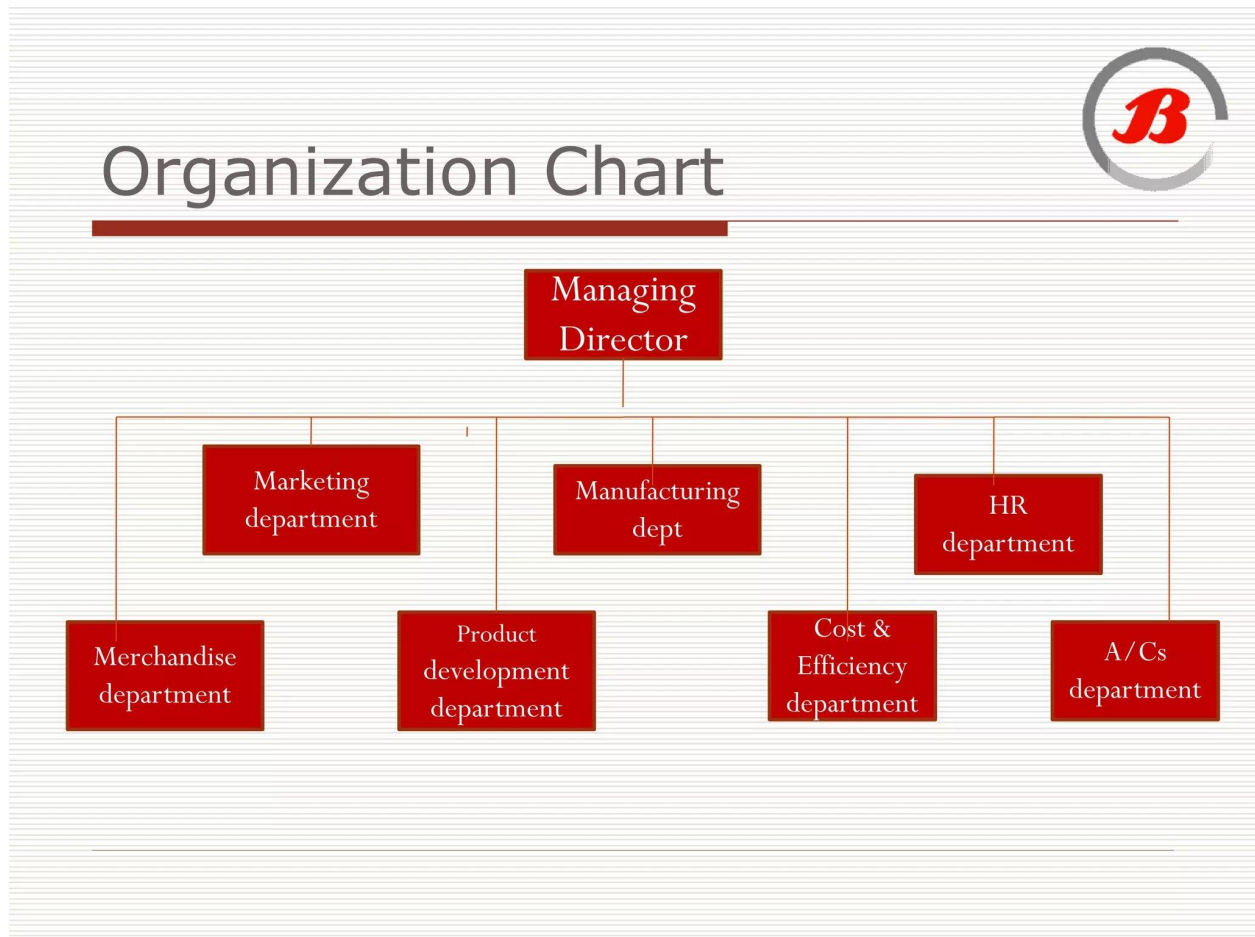


Fig 1: Organogram of Bata Shoe Company Bangladesh Limited.

2.4 Organizational structure:

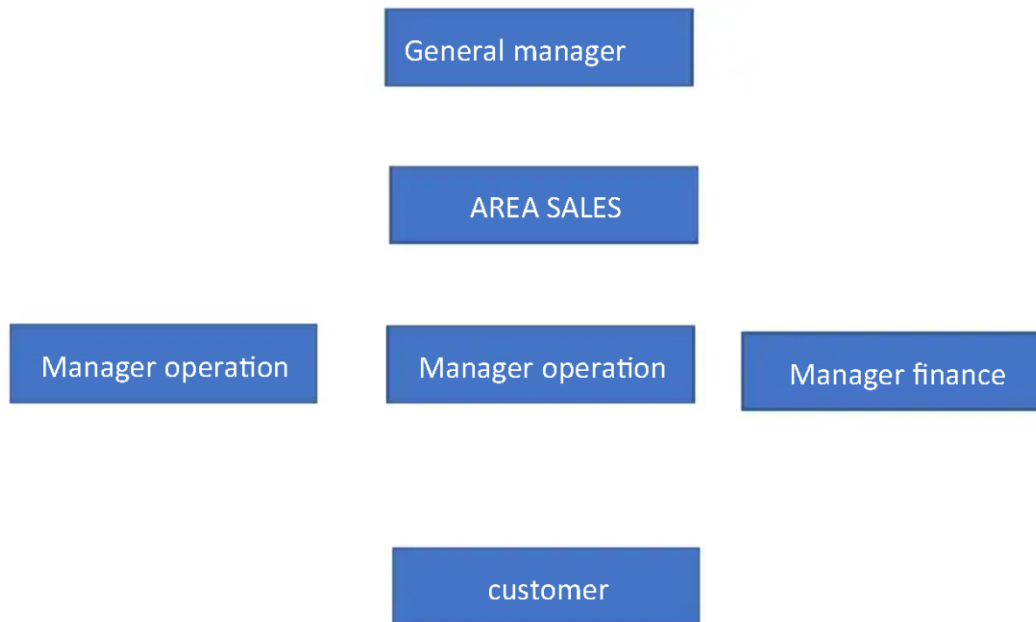


Fig 2: Organizational chart of Bata Shoe Company Bangladesh Limited.

The assessment of Bata Shoe Organization's organizational culture indicates a close alignment with a disciplined work culture characterized by a vertical hierarchy and tall structure. This suggests that management holds decision-making authority and directly oversees employees' work behavior. While the company incentivizes creative and innovative work behaviors through various rewards, both monetary and non-monetary, empowerment and autonomy are limited due to the organization's preference for strict work discipline.

However, in response to employees' growing demand for autonomy and empowerment, management has opted for a gradual transition from a centralized to a decentralized organizational structure. This transition involves delegating some authority from the top to the bottom, resulting in a new balance between strictness and flexibility within the organization. Regarding logistics provider and activities, Bata's value chain analysis, influenced by Michael Porter's perspective, highlights the company's steadfast focus on its primary activities since its inception. Notably, inbound and outbound logistics are particularly robust within the company, ensuring optimal operational efficiency in the current business landscape.

2.5 Product Category:

Bata Shoe Company Bangladesh Ltd. specializes in footwear and provides the following product categories:

- Men's footwear

- Women's footwear
- Children's footwear
- Casual shoes
- Sneakers
- Formal shoes
- Footwear accessories

2.6 Major Brands

Bata Comfit: Bata Comfit offers unparalleled comfort through its anatomically designed footwear, featuring soft uppers and footbeds with cutting-edge cushioning technologies. The brand combines chic, contemporary designs with patented comfort technology to ensure wearers stay relaxed and stylish throughout the day.

Bubblegummers: Bubblegummers provides stylish and colorful shoes tailored for active kids. As an international brand specializing in children's footwear, apparel, and accessories, it continuously innovates new designs and enhances product quality. Bubblegummers focuses on fun, fashionable footwear designed to meet the needs of growing feet.

Weinbrenner: Weinbrenner, a pioneer of innovation for over a century, offers durable footwear suitable for both adventure and leisure activities. Whether hiking through mountains, forests, deserts, or strolling through urban landscapes, Weinbrenner ensures comfort and reliability.

Power: Power delivers on its promise by offering contemporary, durable, and comfortable athletic footwear at mid-range prices. With a focus on style, comfort, and durability, Power products are ideal for sports and fitness enthusiasts.

Marie-Claire: The Marie-Claire brand, designed specifically for women, offers a wide range of designs across various price points. Targeting young working women seeking durable and fashionable shoes for the workplace, Marie-Claire provides quality products at reasonable prices.

Hush Puppies: Hush Puppies, an international brand, is distributed in the Bangladeshi market through franchising. Targeting affluent customers, Hush Puppies offers premium footwear options.

Nike: Nike, a globally recognized athletic shoe brand, is carried by Bata through licensing. While traditionally an athletic shoe, in Bangladesh, Nike is also embraced as a fashion statement by the younger generation, particularly among higher-income groups.

North Star: North Star specializes in designing and promoting shoes targeted towards the youth demographic. With a focus on dynamic and versatile footwear, the brand utilizes creative and innovative designs to appeal to both young individuals and those young at heart. Renowned for its

commitment to shoe design, North Star prioritizes not only the aesthetic appeal but also emphasizes the quality of its products.

Naturalizer: Naturalizer shoes prioritize both comfort and style, featuring trend-right looks, details, and materials for each season. Crafted with rich leathers, soft suedes, and unique elements, Naturalizer footwear embodies modern femininity.

Sandak: Sandak, a product of Bata made from plastic, caters to lower-income individuals and is suitable for year-round use. Designed for durability and rough usage, Sandak shoes are suitable for customers across various income levels.

2.7 Bata Industrials:

Bata Industrials is a prominent manufacturer of safety shoes, contributing significantly to the well-being of workers worldwide. Offering a diverse range of footwear, from heavy-duty work boots to stylish and athletic options, Bata Industrials caters to various professions where safety is paramount.

The brand distinguishes itself with exclusive features such as a shock-absorbing tunnel system, tritech plus anti-slip soles, Bata cool comfort linings, and integrated TPU toe caps. Leveraging its global expertise, Bata Industrials ensures the highest level of protection while prioritizing the wearer's comfort and coolness during work.

2.8 Distributors:

Bata prioritizes efficient and reliable methods to reach its target clients, aiming to establish itself as the primary supplier across crucial channels within every market where it operates.

Distributors play a pivotal role in building effective networks, providing the company with a strategic advantage over competitors and ensuring a consistent supply of its products to end customers. Starting with distribution centers in Tongi, Gazipur, Dhaka, and Dhamrai, Savar, Dhaka, Bata's distribution network utilizes a fleet of vehicles that traverse the nation to reach retail outlets. The company utilizes 30 Storekeeping Units in the central warehouse to store and distribute finished goods.

2.9 Customers:

Customers are indispensable to Bata's success, serving as the primary source of revenue. Bata places a strong emphasis on customer satisfaction, employing innovative measures to ensure it. The customer base encompasses families with children of all ages and teenagers from various income levels. Changes in customer demographics and preferences influence the opportunities and risks faced by Bata. The company actively considers customer preferences and attitudes, operating in a dynamic landscape of changing tastes and preferences. In the highly competitive market, Bata takes customer feedback seriously and constantly seeks ways to enhance or expand its business.

2.10 Competitors:

For a company, its competitors are often a cause of concern. Product competitors are businesses that produce similar products to yours. Companies such as Apex, Lotto, Bay, Walker, Jennys, ABC, and Akij Footwear could be regarded as competitors to Bata. However, Igloo's branding perspective shifts this view. Instead of perceiving these local businesses as adversaries, Igloo's branding function considers them as regular participants within the same industry.

2.11 Qualitative and Quantitative Factors in Bata's Supply Chain:

Bata employs both quantitative and qualitative perspectives in its supply chain management, aiming to create top-quality products with the aid of modern resources. While this approach isn't comprehensive, it serves as a complementary method to address supply chain challenges and enhance overall operations. The quantitative supply chain strategy at Bata focuses on improving service quality, reducing costs, boosting productivity, and optimizing purchasing and operating expenses. Supply chain challenges vary greatly depending on circumstances, and the quantitative approach accommodates this diversity while navigating the complexities of competition within the industry. However, supply chain practitioners at Bata also utilize more traditional methods to optimize their operations.

Chapter 3: Industry Analysis

Industry Analysis:

The footwear industry in Bangladesh traces its origins back to the colonial era, with significant modernization occurring in the late 1980s. Initially, during the British period, footwear manufacturing was limited, with imports mainly from Calcutta and later from West Pakistan after the partition of Bengal in 1947. Bata Shoe Company's establishment in Tongi in 1962 marked the first large-scale footwear manufacturing plant in East Pakistan. Presently, the industry is in the growth stage of its life cycle and comprises primarily Bata, Apex Footwear, some local brands, and imported footwear, mainly from China.

Michael A. Porter's Five Forces Model provides a conceptual framework for industry analysis, focusing on five key structural features that influence competitive forces and industry profitability.

3.1 Degree of Rivalry in the Industry:

While Bata has historically maintained a significant market share and expertise, market competition is intensifying. Previously, Bata's main concern was independent sellers with minimal establishment costs. However, the landscape has shifted, with regional and international brands entering the Bangladeshi market. This intensifies competition, requiring Bata to address both existing and new competitors with more organized structures.

3.2 Threat of New Entrants:

The threat of new entrants is high in Bangladesh, with domestic players like Apex and foreign competitors like Liberty of India gaining traction. Additionally, international brands such as Nike, Reebok, Adidas, and Woodland pose significant competition. Domestic companies like Baly, Pegasus, and Homeland further contribute to the competitive landscape. Bata must focus on variety and durability to compete effectively against both established and emerging players.

3.3 Threat of Substitutes:

The threat of substitutes in the footwear industry is relatively low, as shoes are essential items and alternatives are limited. While there may be some substitutes like sandals, the widespread use of footwear mitigates the threat to a large extent.

3.4 Bargaining Power of Suppliers:

The bargaining power of suppliers is moderately strong due to the large number of suppliers available. As upcoming and existing shoe companies purchase significant quantities, suppliers are compelled to meet their demands by enhancing quality and reducing prices. Additionally, there is a high threat of forward integration by suppliers, as brand identity is not always a critical factor in the shoe industry.

3.5 Bargaining Power of Buyers:

Buyers' bargaining power is increasing steadily with the emergence of new shoe companies focused on quality, changing trends, and modern designs. Consumers are increasingly seeking durable yet fashionable footwear, prompting companies to stay updated with trends. The entry of foreign brands like Nike and Reebok further intensifies competition. Even established brands like

Bata, with over 35 years of experience in the Bangladesh market, cannot afford to be complacent and must adapt to the evolving landscape accordingly.

3.6 Industry Life Cycle Analysis:

Products typically undergo various stages in their life cycle, each influenced by distinct competitive conditions. Different marketing strategies are required at different stages to efficiently realize sales and profits. The duration of a product's life cycle varies widely, ranging from weeks to years depending on the product type. Currently, the shoe industry in Bangladesh is experiencing the growth stage characterized by an influx of new consumers, price declines due to experience and economies of scale, well-established distribution channels, and heightened competition.

3.7 PEST Analysis:

Political and Legal Factors: Political unrest, such as hartals and strikes, poses challenges to business operations in Bangladesh. However, Bata Bangladesh benefits from being a significant taxpayer to the government and can leverage the importance of foreign direct investment (FDI) in the country.

Economic Factors: Per capita income is rising, contributing to the growth of the shoe industry, particularly with the increasing urban population and income levels. Fluctuating currency rates affect the procurement cost of raw materials from external sources.

Social and Cultural Factors: Changing lifestyles and increasing disposable incomes have made people more quality and fashion conscious. As people travel more, they are exposed to different styles and designs, prompting Bata Bangladesh to adapt its styling and store designs to meet modern fashion trends. Overall, social and cultural indicators are positive for the company's future prospects.

Technological Factors: Advancements in information technology have transformed communication channels, with the internet emerging as a crucial medium for reaching consumers. Bata Bangladesh has established a state-of-the-art facility in Dhamrai, leveraging technology to enhance operations. Departments such as Management Information Systems (MIS) monitor operations, while the Point of Sale (POS) system in wholesale depots improves efficiency and competitiveness in the business landscape.

3.8 Company Analysis

SWOT Analysis:

Strengths:

- Products of superior quality.
- Established and reputable brand image.
- Diverse range of product offerings.
- Well-developed and extensive distribution network.
- Wide variety of associated brands.
- Competent and experienced management team.
- State-of-the-art manufacturing facilities.
- Potential for tapping into new target markets.
- Dedicated and loyal customer base.

Weaknesses:

- Premium pricing strategy.
- Greater focus on product quality over design.
- Limited promotional activities.
- Insufficient efforts to attract new customers.
- High operational costs.
- Impact of high import duties and administrative expenses.
- VAT and tax implications affecting profitability.

Opportunities:

- Diverse range of product offerings.
- Enhanced customer service initiatives.
- Potential for growth in exports.
- Increased focus on product quality and design.
- Strengthened retail store network.
- Well-maintained and attractive retail outlets.
- Trained and knowledgeable sales staff.

Threats:

- Intense competition from rivals like "Apex".
- Emergence of new competitive brands such as Bay Emporium.
- Risk of counterfeiting of Bata shoes in unregulated markets.
- Consumer perception of high prices.
- Production cost pressures leading to high retail prices.
- Disruption in supply chain operations.
- Shifting consumer preferences towards trendier products.

3.9 Competitive Strategy Analysis:

A firm's profitability is not solely determined by its industry structure but also by its strategic positioning within the industry. Two generic competitive strategies include Cost Leadership and Product Differentiation, both of which can contribute to building a sustainable competitive advantage.

1. **Cost Leadership:** This strategy involves achieving a sustainable cost advantage over competitors in the same market segment. It can be achieved through economies of scale, efficient production processes, lower input and distribution costs, and effective cost control measures.
2. **Product Differentiation:** Product differentiation aims to distinguish a firm's offerings from competitors' products in ways that are highly valued by customers. This strategy involves delivering superior product quality, variety, and customer service, investing in brand image and research and development, and emphasizing creativity and innovation.

Bata offers an extensive range of products across various categories, including men's, women's, and children's footwear, as well as accessories, in the market. Through licensing and franchising agreements, Bata Bangladesh distributes approximately ten international brand footwear through its retail outlets. At the business level, Bata Bangladesh has implemented a product differentiation strategy in a cost-effective manner. The subsequent section outlines the key factors contributing to Bata Bangladesh's sustained competitive advantage in the footwear industry of the country.

3.10 The Sources of Competitive Advantage for Bata Bangladesh:

1. **Superior Product Quality & Variety:** Bata Shoe Company has established itself as the market leader in the footwear industry in Bangladesh since its inception. The Bata brand has become synonymous with high-quality footwear in the minds of consumers. Over the span of five decades, Bata has successfully provided customers with a diverse range of products. Recognizing the significance of well-designed shoes in fashion, Bata has introduced numerous designer collections for men, women, and children. The inclusion of internationally renowned brands such as Bata Comfit, Marie Claire, Hush Puppies, Scholl, Nike, Bubblegummers, Sandak, Weinbrenner, and B.first underscores the shift towards branded shoe marketing in Bangladesh. Bata has also targeted specialized shoe categories, such as athletic shoes, through the development of the Power brand. With an unwavering commitment to quality and innovative designs, Bata shoes have secured a prominent position in appealing to various consumer segments.
2. **Superior Efficiency:** A company can gain a competitive edge through superior efficiency, which enables it to maintain a lower cost structure. Bata has consistently demonstrated remarkable efficiency over the years, attributable to the following factors:

- **Cost-effective distribution network:** Bata benefits from a large, proprietary distribution channel, resulting in lower distribution expenses.
 - **Minimal advertising costs:** The company incurs relatively little expenditure on advertising owing to its strong brand image, reducing marketing expenses.
 - **Reduced input costs:** Bata benefits from lower input costs due to its ownership of a tannery, involvement in leather processing, and utilization of modern machinery and technology in the shoe manufacturing process.
 - **Economies of scale and experience:** The company leverages the advantages of economies of scale and accumulated industry experience to minimize production costs.
 - **High customer loyalty and retention rates:** Bata enjoys strong customer loyalty and experiences low rates of customer defection, leading to cost savings associated with customer acquisition and retention efforts.
 - **Efficient organizational and materials management:** Bata maintains an efficient organizational structure and effectively manages materials, contributing to overall cost efficiency.
 - **Productive workforce:** The company's workforce is highly productive, contributing to streamlined operations and enhanced efficiency across various aspects of the business.
3. **Superior Innovation:** Innovation has been integral to Bata's operations since its inception. The research and development (R&D) department continually strives to introduce new and innovative product lines that meet the evolving needs of customers. Last year alone, Bata Bangladesh introduced over 800 new lines ahead of the country's major festivals, highlighting the company's commitment to product innovation.
 4. **Superior Customer Service:** Since its establishment, Bata Shoe Company (Bangladesh) Ltd. has prioritized customer satisfaction above all else. With a vision of cultivating a global community of satisfied customers and dedicated workers, this commitment remains steadfast. Bata Bangladesh boasts a workforce of approximately 1,723 regular and dedicated employees who are deeply committed to enhancing the company's performance by ensuring high productivity and sales while maintaining product quality.

In recent times, Bata Bangladesh has launched an online selling program, allowing consumers to conveniently purchase shoes and other products directly from their homes through the company's website (www.batabd.com). Furthermore, the company offers free home delivery, enhancing customer convenience.

The introduction of "Bata Club" demonstrates Bata Bangladesh's strong focus on customer responsiveness and innovative marketing strategies. This loyalty program, the first of its kind in the footwear industry of Bangladesh, rewards loyal customers with advanced access to products, special coupons/vouchers, gifts, or free merchandise. Customers register their personal information with Bata Bangladesh and receive a unique identifier (mobile number) to participate in the program. Launched on September 15, 2015, the "Bata Club" loyalty program is currently

operational in the company's top 200 stores nationwide, boasting a member base of over 450,000 individuals.

3.11. Present Strategies Adopted by Bata Bangladesh:

- Despite facing increased competition in the footwear industry, Bata Bangladesh's management aims to maximize market share and maintain leadership in product innovation, style, design, and customer service. To achieve these objectives, the company is currently implementing the following strategies:
- **Retail Channel Optimization:** The company underwent a process of both consolidation and expansion in its retail channels. Forty-eight smaller stores that were not generating sufficient returns were closed, while three larger profitable stores were opened or expanded. Additionally, sixteen strategic stores were renovated and upgraded to enhance the company's image.
- **Manufacturing Operations Restructuring:** Further restructuring was undertaken in the manufacturing operations to align with company objectives. As a result, both factories in Tongi and Dhamrai remained fully operational to meet market demand, producing approximately 26.6 million pairs of shoes.
- **Introduction of Competitive Merchandise:** To compete with low-priced shoes, particularly in the plastic and thong categories, new merchandise at competitive prices was introduced.
- **Marketing Campaigns:** Aggressive media campaigns and in-store promotions were conducted to support Bata Bangladesh's leadership position, stimulate sales during peak periods, and promote branded programs. The company introduced many exclusive new lines of shoes, especially during festival periods.
- **Implementation of Information Systems:** The MIS team deployed a 24x7 connectivity system to provide key information to management from marketing and manufacturing operations for timely decision-making. This project was recognized at the global level and nominated for an award in 2015.
- **E-commerce Initiative:** Bata Bangladesh launched an e-commerce online buying facility to meet future marketing demands and hopes to benefit more from this marketing channel.
- **Bata Club Loyalty Programme:** To recognize and capitalize on brand loyalty, the company implemented the Bata Club loyalty program. The membership of this club has grown to 200,000, providing customers with opportunities to earn points for maximum discounts and exciting prizes on future purchases.
- **Employee Development:** Emphasis is placed on personnel development as an essential requirement for the company's progress. In 2015, a total of 260 employees participated in various training courses.

Chapter 4: Breakdown of Main Duties

This segment focuses on delineating the key duties and obligations I undertook during my tenure as an intern at Bata Shoe Company Bangladesh Limited. The aim is to differentiate between my responsibilities as an intern and those as a full-time employee within the organization. This will encompass my contributions to the organization at large.

Internship Title: Procurement & Commercial Intern, Supply Chain Management, Bata Shoe Company Bangladesh Ltd.

4.1 Work Environment & Tasks:

On December 9, 2024, I commenced my internship at Bata Shoe Company Bangladesh Ltd. within the Supply Chain Management Unit as mandated by my undergraduate program. Specifically, I was placed in the Material Sourcing department under Supply Chain Management, with a focus on Procurement & Commercial tasks. Initially, my responsibilities revolved around supporting various processes, starting from demand generation to demand management. Over the initial weeks, I received comprehensive training on the entire procurement process, from raw material purchasing to import procedures. Moreover, I gained exposure to the functions of other departments such as Procurement, Branding, Sales & Marketing, Logistics, Supply Chain, Finance & Accounts, Audit, and Insurance, all of which are directly or indirectly linked to the import process. I'll now outline some of the regular tasks I assisted with, which are relevant to the focus of my paper.

4.2. Key Responsibilities

It was via this experience that I learned about the whole raw material purchasing process, import procedure, including how to create a new LC (Letter of Credit), and the obligations I now have to care after and coordinate are as follows:

- ✓ Monitoring the production team's Purchase Requisition (PR) for items and collaborating with the Demand Planner to assess the coverage of stock situation for those items and provide a prioritized list of items that need to be purchased.
- ✓ The task is then handed to the procurement department for supplier selection, which begins with the collection of bids, the preparation of Comparative Statements (CS), the receipt of price approval in accordance with the budget, and the ultimate issuance of a purchase order against the bids received.
- ✓ I have to attend the meeting with the suppliers where the price, quality of raw material, required amount of raw material, date of supply & other important matters were discussed.
- ✓ I've to create the PO according to the PI, CS & other necessary documents.
- ✓ I have to direct the insurance department to evaluate the premium bill and cover note once I have submitted a Purchase Order (PO) to the name of the chosen supplier and the procurement department has sought a letter of credit.
- ✓ Following that, I must create an authorization file of papers sent to the relevant issuing bank for L/C opening as well as for our top management and internal audit purposes, which entails preparing the following documents: • LC Application • Proforma invoice • LCA form, IMP form

Summary Note Sheet including (purchase information, budget, current stock, pipeline quantity, and previous purchase history of that specific item) • Purchase order copy • Price approval copy and other relevant copies to support the summary note sheet

- ✓ After the audit has been completed and management approval has been obtained, the commercial department notifies the issuing bank for the LC application.
- ✓ The issuing bank delivers a draft letter of credit.
- ✓ The draft LC is then reviewed by commercials and the supplier for any corrections.
- ✓ In addition, the supplier delivers the Draft LC to their Advising Bank.
- ✓ The advising bank provides recommendations on that document in accordance with their requirements.
- ✓ After that, the supplier submits the Draft modification.
- ✓ The amended Draft LC is once again forwarded to the issuing bank for approval.
- ✓ Finally, the bank provides us with a Letter of Credit.
- ✓ The issuing bank then makes a record of the purchase in the Bangladesh Bank's computerized ledger (BB) Dashboard
- ✓ A letter of credit is issued to the advising bank.
- ✓ The supplier then deploys the product from their port with a designated freight forwarder on the agreed-upon dates and mode of shipment.
- ✓ The supplier provides the necessary shipping documentation to the advising bank on their behalf.
- ✓ Those documents are sent to the issuing bank by the advising bank.
- ✓ The products are now in route and will eventually arrive at the designated port.
- ✓ The money is released from the issuing bank to the advising bank.
- ✓ After the shipping paperwork has been cleared by the bank, they are sent to the appropriate clearing and forwarding agency (C&F).
- ✓ The shipment is now in the hands of C&F, who have extensive experience in clearing products through customs, arranging with carriers, and overseeing all aspects of shipping and logistics.
- ✓ I have to maintain track of the shipment's progress and get updates from C&F on its progress, as well as any issues that may arise that need to be addressed.
- ✓ Following completion of the assessment of a specific shipment, the C&F business sends a commercial requisition that comprises the following information: (duty payment, labor bill, shipping charge, any kind of test fee, clearance fee, miscellaneous etc)
- ✓ After that, the reimbursement is released to C&F.
- ✓ Following that, a transportation company is called to arrange for delivery to the factory.
- ✓ Finally, upon the receipt of the products, the factory issues a Material Receiving Report (MRR).

Chapter 5: Analysis

5.1 Professional Level Analysis:

The internship experience turned out to be less daunting than anticipated, especially regarding managing work hours and interactions with supervisors. Support from HR and Admin ensured compliance with regulations, and considerations were made for my academic commitments when transitioning to full-time employment. This taught me the importance of cultivating strong relationships in the workplace, even in short-term roles. I'm grateful to my academic supervisors for accommodating a schedule that allowed practical business experience alongside studies, giving me a competitive edge in the job market. I extend my thanks to my professors and institution for facilitating this real-world exposure, which has significantly contributed to my personal and professional growth over the three-month internship period.

Chapter 6: Recommendations & Conclusion

6.1 Recommendations:

1. Broaden Supplier Base: Action: Expand supplier connections to decrease reliance on a limited number of suppliers and minimize risks. Benefit: Boosts resilience in the supply chain and ensures a consistent flow of materials.
2. Embrace Technological Advancements: Action: Invest in cutting-edge technologies like AI and IoT to enhance demand prediction and streamline inventory management. Benefit: Enhances operational efficiency while cutting down expenses.
3. Prioritize Sustainability: Action: Integrate sustainable procurement methods and optimize transportation to diminish environmental impact. Benefit: Elevates brand reputation and aligns with regulatory and consumer demands.
4. Expand Market Reach: Action: Formulate strategies to enter rural markets and capture the premium footwear segment. Benefit: Expands market presence and drives up revenue.

6.2 Conclusion:

Bata Shoe Company Bangladesh Ltd. has displayed notable strengths in its procurement and commercial shipment operations, particularly in supplier management and logistics. The company's meticulous approach to selecting and managing suppliers ensures a consistent supply of high-quality raw materials, essential for upholding the brand's reputation for quality products. Through strategic contract management, Bata effectively secures favorable terms, contributing to competitive pricing and profitability.

In logistics, Bata excels in planning and executing deliveries, employing advanced route optimization and inventory management systems to ensure timely product availability. However, challenges such as traffic congestion and customs delays still pose hurdles to seamless operations. Despite its strengths, Bata faces challenges including supplier dependency and high inventory levels, necessitating strategic interventions. Diversifying the supplier base and investing in technologies like AI and IoT can mitigate risks and enhance efficiency.

Bata's commitment to sustainability presents an opportunity to implement eco-friendly practices, aligning with consumer expectations and bolstering the brand's image. Expanding into rural markets and the premium footwear segment can further drive revenue growth.

In conclusion, while Bata has a strong supply chain foundation, addressing challenges and seizing opportunities will be pivotal for sustained growth and success. Through diversification, technology adoption, sustainability initiatives, and market expansion, Bata can reinforce its industry leadership and achieve long-term prosperity.

