INTERNSHIP REPORT ON

Short shipment in Sterling Styles Ltd

PREPARED BY

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PREPARED FOR

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Letter of Transmittal

May 23, 2016

Mr. Showvonick Dutta

Lecturer

BRAC Business School,

BRAC University.

Subject: Submission of internship report.

Dear Sir,

I am happy to the request to submit a report on my internship. I have completed my internship in a RMG company named "Sterling Styles Ltd". There I worked as a trainee Merchandiser. I have gone through intense training in merchandising and I tried to perform my best in the company. I have observed the company and I have identified an issue that is causing problems to the company. The topic is "Short shipment". This is a narrowed down topic.

Therefore, I hope that you would be kind enough to accept my internship report and oblige thereby

Sincerely yours,

…….

Rashadul Haque

ID # 12104080

BRAC Business School,

BRAC University

Executive summary

Internship plays a big role in every student's life. Internship actually is the end of the struggles, pain and hard word that a student faces to obtain a degree. For student's internship is the entrance of their professional life. Here a student implements all the knowledge in practically which was obtained from the text book. As a student I also have to complete internship and prepare a research paper according to it. This is my project which I am going to present after all these hard works.

I joined a garment factory named as "Sterling Styles Ltd" and there I worked as a trainee merchandiser. There I had lots of training and I had to face many difficulties. Step by step I learned the basics and also started to perform well. Through my observation I allocated short shipment as a problem and got the permission to work on it from my faculty supervisor. After the approval of my survey questionnaire I started to collect primary data as well as secondary data.

I have used SPSS 17 for interpretation and took the help of various statistical theories like frequency table, cross tabulation, chi square test, correlation analysis, regression analysis etc. in the end I provided some recommendations for the problem.

In the end I hope that my project is appreciated and want to thank the all mighty Allah to give me the strength to complete the project.

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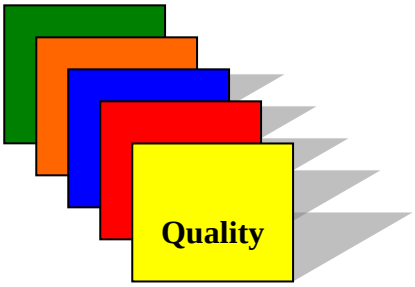
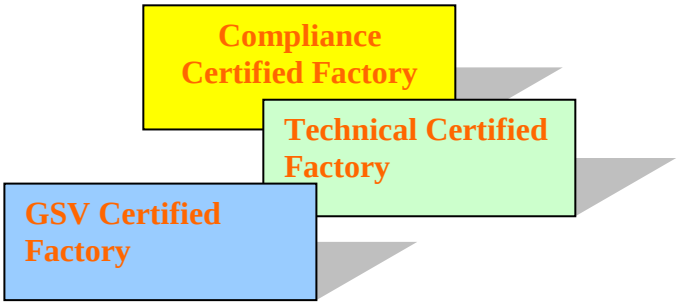
Sterling Styles Ltd.

Where Quality Stands First

100% EXPORT ORIENTED GARMENTS FACTORY





Head Office

B2, House # 25, Road # 47

Gulshan - 2

Dhaka 1212

Tel : 988 2293, 881 1543, 882 8122

Fax : 882 6192

Factory

Baron, Earpur Union,

Ashulia, Savar

Dhaka

Introduction

Sterling Styles Ltd is a bottoms (oven) manufacturing unit, located in its own self owned premises in Ashulia Savar. Sterling Styles Ltd is the latest venture of Sterling Alliance Ltd (a highly reputed & successful garment manufacturing & exporting group). The partners bring into Sterling Styles Ltd, an ideal combination of good solid experience & sound market knowledge. Though, Sterling Styles Ltd has the full backing & support of the parent companies, it will be an individual profit centre. Sterling Styles Ltd has been commissioned in March 2007.

Vision of Sterling Styles Ltd

Sterling Styles Ltd is targeting to market our capacities with customers who will be interested in a long term business relationship with us. To this end, we are even prepared to customize our set-up to suit the customer's needs, if required. It must be mentioned that Sterling Styles Ltd is a very modern unit, in Bangladesh & has in place the best equipments, machinery & systems on par with the best available in the industry today. Quality on time will be the underlying objective of our unit.

Sterling Styles' vision is –

"To achieve and maintain a long term relationship with our customers in a way that satisfies both the parties in terms of quality and cost.

Sterling Styles Ltd's commitment to its clients:

Provide a long term healthy relationship.

THE ORGANOGRAM OF Sterling Styles

Sterling Styles Ltd is a latest venture of Sterling Group. This is the new business venture of Sterling Alliance Ltd. Is quite different from other sister concerns of Sterling Group. This venture comprises two foreign investors. Sterling Styles Ltd is headed by Mr. Md. Fazlul Haque. He is the Managing Director (MD) of Sterling Styles Ltd. He directly supervises the financial section of Sterling Styles Ltd. Sterling Styles Ltd have two Indian investors who act as director here. Mr. Syed Asad Ali actively directs the Merchandising team. He also performs the role of the Chief Marketing Manager. Mr. Navneet Baghat guides the production department in the factory. There are three departments in the head office. They are the Accounts department, Merchandising department and Commercial department. They all report to the directors of the company. The accounting department performs all the tasks that are related with financial matters. They handle with invoices, bill, compensation, salary and many other things. The merchandising team performs the marketing activities. Their task also includes determining consumption, sourcing, ordering necessary supply, keeping up to date the buyer about the production status etc. On the other hand, the commercial department performs the logistical tasks and other tasks that are related with banks (Back to back L/C opening, amendment, freight management etc).

The organogram of Sterling Styles Ltd in short form is given in the next page.


Managing Director
Director
Director
Accounts Department
Merchandising Department
Commercial Department
Chief Accountant
Accountant
Merchandiser & Marketing Manager
Sr. Merchandiser
Merchandiser
Commercial Manager
Sr. Commercial Manager
Asst. Commercial Officer

Sterling Styles Ltd at a glance:

Head Office	B2, House # 25, Road # 47 Gulshan – 2, Dhaka 1212. Tel : 988 2293, 881 1543, 882 8122 Fax : 882 6192
Factory	Baron, Earpur Union, Ashulia, Savar Dhaka.

Year of establishment: 2007

Production Capacity: 500,000 Pcs per month

Total floor space: 48000sft × 3 Floors = 144000sft.

Management at a glance

Md. Fazlul haque – Managing Director

Syed Asad Ali –Director

Navneet Bhagat – Director

Saliya A. Samarakoon – Manager. Marketing & Merchandising

Mohammad Iqbal Hussain – Commercial Manager

Kawsar Uddin– Chief Accountant

Shoyeb Ahmed- Accountant

Parves Ahammad Khan – Manager. Marketing & Merchandising

Md. Arif Monsury – Sr. Merchandiser

Samima Jahan Shammi – Merchandiser

Hassan J. Sagar – Merchandiser

Md. Fazleh Elahi – Sr. Merchandiser

Kumkum Habiba – Merchandiser

Md. Akter Uddin Jamal –Asst. Commercial Manager.

Abu Rayhan - Asst. Commercial Officer

Moniruzzaman Khan - Commercial Officer

Overview of factory

The facility is housed in self owned premises, located at Ashulia (an important Garment Manufacturing Zone, in Dhaka). The building itself, is designed with the best of compliances & optimal work flow systems in mind & the unit reflects the same in its outlook. Given to past experiences, Sterling Styles Ltd know the importance of space utilizations for various work processes & have therefore planned the building accordingly, with each shop floor planned over 45,000 sqft, Sterling Styles Ltd have built the factory to have 2 separate wings (sewing + packing) to ensure a planned work flow & well ventilated & well lit working environments.

Facility and capability

Sterling Styles Ltd have commenced operations in March 2007. They are currently running 16 sewing assembly lines, producing a monthly quantity of 600,000 pcs. Needless to add, all support equipments (gensets, compressors, boilers etc) are already installed & commensurate to the planned capacity of 16 sewing lines – approx 1380 machines. We must mention here that we have sourced the best equipments available to the industry, for SSL. Our long term goal is to expand the production capacity to double the start-up capacity & have therefore designed & planned the infrastructure accordingly.

Technical Details:

Sterling Styles Ltd is equipped with state of art & modern equipments to ensure safety, quality & consistencies. To list a few

- Entire electrification on BBT from Seimens, Germany
- Cutting dept with auto spreaders & tables, imported from Konson Turkey
- All sewing machines are UBT's from Juki (Japanese make only) ,
- Specialized machines like auto pocket welt machines, Velcro attachers, felling machines, zig zag & pick stitch machines, back & front pressing machines.
- Complete JCP quality systems are being implemented by certified personnel with strong industry QA records.
- Product safety equipment like SAFQ, pull test machines, Needle detectors.
- CT-PAT & metal free zones, for packed & finished goods
- Finishing systems to ensure transparency & accountability on goods packed.

Needless to add, all of the above systems will be manned by personnel, who are from the pick of the industry.

Machine List of Sterling Styles Ltd.

Type of Machine	Brand	Model	Qty
Single needle UBT	JUKI	DDL-8700-7	614
Single needle non ubt	JUKI		96
Double needle Machine Fixed Bar	JUKI	LH-3528S	65
Double needle Machine Split Bar	JUKI	LH-3568S	32
Double needle Machine Chain Stitch	JUKI	MH-380	16
APW	JUKI	APW-895	2
Blind hemming	TREASURE	BH-101H	2
5 thread Over lock	JUKI	MO-6716-S	104
4 thread Over Lock	JUKI	MO-6714-S	16
Kansai Special	KANSAI SPECIAL	DFB-1411P-XP	25
Button Attach	JUKI	LK-1903A-SS	13
Button Hole	BROTHER	HE-800A-2	9
Bartack	JUKI	LK-1900A-HS	41
Eyelite button hole machine	JUKI	MEB-3200J	4
3 needle FOA	JUKI	MS-2161	25

Pocket Dec / velcro attacher with programmer	JUKI	LK-1920 HS	2
Pocket Dec / velcro attacher without programmer			2
Pocket Dec / velcro attacher			36
Iron- Veit	JUKI	AS-1450	36
Table- Veit / coolset	JUKI		36
Snap Attach	NGAI SHING	NS-47	20
Fusing machine	HASIMA	HPM-600CA	1
Fusing machine	HASIMA	HP 900 LCS	1
Cloth cutting machine	KM 10"	KS-AU V	9
Needle detector	LOCK INS SYSTEM	SERIAL-32/38	1
Belt loop making machine	KANSAI SPECIAL	B2000C	4
Belt loop cutter			2
End cutter machines	EASTMAN	EC-3	4
Aevery Dennison Staplers			2
Welcro Cutter		C-11	0
Band Knife	OSHIMA	OB-700A	1
Fabric Inspection machine	KANSAN	190 MTF KK	1
Cutting tables and spreader	KANSAN	LC 120 / 190	1
Spot removing tables	NGAI SHING	NS-3301	2
Thread cutting razor machines	NGAI SHING	NS-3110	16

Small iron and table for the in line ironing	ELECTRIC IRON TBL	RAMSONS-2.5 LITERS	96
Hand Stitch Machine			3
Zig zag			4
Generator 800kv	FG-welson		1
Generator 10kv			1
boiler-470kg	fulton		1
P.V belt machine	yamata		1
			1348
Cutting Table	81 Feet each		5

Key Customers of Sterling Styles Ltd.

Sterling styles ltd has the capability to produce all kinds of oven bottom wear and they have the support of our own laundry which is in the Savar area. Sterling styles ltd's laundry have all the equipment that is needed for wet & dry process.

Key Customers

- Wal-Mart
- GAP
- Target
- Sainsbury
- Mustang
- New Yorker
- Aero postal
- Dish Jeans

Sterling styles ltd is currently approved & producing children's bottoms (denim & non denim) for **Gap Inc, Target, Wal-Mart** and **Sainsbury**. Sterling styles ltd is also producing oven bottoms in the adult size ranges (mens & ladies) for **Wal-Mart, Target, Bass-pro, Land's end & Bimini Bay.**

SWOT analysis of Sterling Styles Ltd

Strength

Highly skilled workforce: In today's constantly changing scenario every organization requires a group of talented and educated workforce who can lead them to success. In the case of buying house it is very important. We don't live in a time when one could run a buying house using a fax machine. Time has changed. Every employee needs to have a good idea about international business, international logistics, banking, proficiency in English, and good knowledge in computers. But it is sad for many of Bangladeshi buying houses that they don't have enough people of that caliber. But Sterling Styles Ltd has people who are from very good background. There is a good diversity in Sterling Styles Ltd. There are highly experienced personnel working here not only from Bangladesh but some are from India and Sri Lanka having foreign degrees.

Employee training: Sterling Styles Ltd provide employee training in order to perform better. New recruits are provided with various training facilities. Qualified trainees are offered to join the company.

Factory: In Bangladesh most of the buying houses act as intermediaries among the direct buyer and the producers. Most of the buying houses don't have any factories. It is very costly to establish a factory, that's why they don't have any factory of their own. But Sterling Styles Ltd have their own factory situated in Savar. It was established in 2007. Its production capacity is 500,000 pcs per month.

Modern equipment: Sterling Styles Ltd is equipped with all the modern equipments that are required to perform a buying house. It has high speed internet connection, modern computers and workstation as well as 1200 machines installed in the factory.

Excellent marketing capabilities: Marketing plays a big role in the survival of a buying house. All the buying houses need to market their product in such a way so that they get the order. And Sterling Styles have that marketing capability to get good orders.

Employee involvement and empowerment: Sterling Styles Ltd allows its employees to make their own decision regarding the order. Employees are empowered and encouraged to make decision of their own. They actively support it to run the company in a better way.

Good reputation: Sterling Styles Ltd has the certification of **Gap Inc, Target, Wal-Mart** and **Sainsbury**. Sterling styles ltd is also producing oven bottoms in the adult size ranges (mens & ladies) for **Wal-Mart, Target, Bass-pro, Land's end & Bimini Bay.** All these customers are satisfied with their performance.

Weakness:

Low productivity: Low productivity is causing the company financially and goodwill. In the factory workers are provided with training but still the productivity remains low. The production capacity is 500,000 pcs per month but still they are unable to run at maximum.

Dependent heavily on others for orders: Sterling Styles is heavily dependent on other firms for orders. It still works for other buying houses for sub-contract. If they were able to perform with direct buyers, then they might be able to have good profits.

Poor Laundry performance: Sterling Styles have their own laundry and it allows them to avoid higher laundry prices offered by other laundry. But the laundry isn't performing its sole purpose. The performance of laundry is very bad. Wash is not good enough. Pants are torn, color bleeds, wrong wash treatment is a common incident here.

Opportunity:

Huge order coming to Bangladesh: the recent trend of foreign companies is "Race to the bottom". They come in countries like Bangladesh where the production cost is low. This means more orders are coming for Sterling Styles Ltd. Even in the recent global recession there are huge orders are coming in here. This means good opportunity for Bangladesh and Sterling Styles Ltd.

Quota-free regime: Many predicted that Bangladesh will not survive the quota free regime. But Bangladeshi RMG manufacturers proved every one wrong. Now we can export more that the specified quota. This opens a whole new dimension for us. We can produce with more companies. We already have the order of Rica Lewis, Dish jeans and Tom Tailor.

Improvement of infrastructure: Due to the development of infrastructure it is possible to export goods without any hassle. They can directly send our good to Chiottagong to export it through water way. They even export our goods through air if it is quickly required.

Growing demand due to good reputation: There is a good reputation of Sterling Styles among its buyers and this is causing huge quantities order.

Expansion: With the help of further increase of productivity & quality and design support, Sterling Styles can minimize cost and maximize profit and export value. They also have now a scope to go for more fashion oriented products deserving high price in the global market.

Threats:

Cheap products from competitors: Sterling Styles face a lot of competition from local and foreign competitors. Local competitors have less impact from foreign competitors. RMG factories situated in India and China offer products at a cheap rate. Especially China is offering

very lower prices than us which are taking away our customers. Chinese government is providing a lot of incentives to its factories which is a serious threat to us.

Power supply: The most common problem for us. It is increasing our production cost and making the product expensive. To cope up with the power problem company have already set up two generators. They are FG-welson (800 KV) and (10kv). But these are very expensive to operate.

Bank interest rate: Bank interest rate is still high enough, particularly of private bank, for investment of export oriented high value goods.

Market exploration: Unless new strong market is explored in home or abroad, any non-cooperation from USA & EU may jeopardize the whole Bangladesh RMG export business and consequently affecting us. They have already started jeopardizing. A few days ago Wal-Mart demanded a 2% discount from all Bangladeshi factories.

Price hike of supply materials: Sudden price hike of cotton and yarn in the global market is pushing Sterling Styles Ltd to a very awkward situation to devastate the business.

Worker strike: The type of labor and political anarchies of the recent days if prevails in the future, we may lose the business in the future. Last month's labor strike damaged Sterling Styles factory in Savar.

Description of my job:

As I enrolled in sterling Styles ltd as an intern in merchandising division so my role was related to analyzing, planning, acquiring, handling and controlling the entire order from start to finish. My department consisted of 22 employees. The main job of merchandising department is to oversee the orders right from the time the order is received from the buyer till calculating the account profitability and shipment.

In order to complete the order merchandisers of our department have to coordinate with buyers, various departments within the organization, suppliers, and job worker's logistics outside the company.

Specific responsibilities of the job and aspects of job performance:

- ❏ Communicating the buyer's instructions and order specification to other departments
- ❏ Preparing internal order sheets
- ❏ Preparing purchase orders
- ❏ Informing quality department regarding quality requirements by the buyer
- ❏ Mediating production and quality departments
- ❏ Giving shipping instructions and following shipping
- ❏ Coordinating the samples with the buyer
- ❏ Receiving and sending the couriers of buyers

Critical observation and recommendation:

While working as an intern in Sterling Styles I found some critical matters which need to be taken under consideration. Though Sterling Styles is efficient in their day to day operations but in some aspects they need to be more careful such as hiring goal oriented and responsible workforce. Handling all items relating with garment merchandising is difficult therefore merchandiser needs huge knowledge and tremendous effort to perform their functions.

The project part

What is short shipment?

Before I go to the main project parts I want to explain about the topic have chosen for my research. The topic is known as short shipment. This term is very common in Bangladeshi RMG sector. From the buyer (other buying house or direct buyer like Wal-Mart) we get orders. As an example it can be said that we get order of making 100,000 pants. We have to deliver them at a specified date. But for many reasons we cannot deliver them at that amount of pants. If it is delivered less than it was ordered, then they are called as short shipment. Normally buyers tolerate 3% to 5% variance in the shipment. If we want to ship less than 5% then we need to have a special permission to export. Sometime they don't allow us to export or want special discounts from us for exporting less. This very harmful for the company's perspective. So I have provided deep insight in this topic to reveal its reasons and effects.

Objective of my research

My main motive to conduct this research is to find out the reasons of short shipment and the effects of it. The topic "Short shipment" has a big impact in the Bangladeshi RMG sector. I have chosen some important areas and I have designed my survey and research paper according to it. During the completion of my survey I have tried to give some answers of some important questions. My objective is to

1. Reveal the reasons that are causing "Short shipment",
2. The effect of "Short shipment" in Bangladeshi context and
3. Provide possible solutions that can be adopted to prevent short shipment.

Significance

This is very important for Bangladeshi garments sector. In simple word short shipment means providing the buyer less products against the original order. Because of shipping less products company reputation can be damaged and later the buyer (Wal-Mart, Rica Lewis, Gap etc) may not give us any new orders. They can also reduce the order quantity and pay us less than previous time. If reputation is damaged, then there is no way to regain it and there will be no order for us. No order means the company is bankrupt. I believe that Sterling Styles Ltd should concentrate their attention to this matter in order to prevent future actions like order cancellation.

Hypotheses:

Null Hypotheses:

There is no significant relationship between "Short shipment" with fabric shading variation, late in housing or raw materials, thread shortage and productivity.

Alternative Hypotheses:

There is significant relationship between "Short shipment" fabric shading variation, late in housing or raw materials, thread shortage and productivity.

Methodology:

I have mainly used primary data to find the reasons of short shipment. To show the effect of short shipment I have used secondary data which is provided by the commercial department of our company.

I have made a survey questionnaire consisting 30 questions. The numbers of respondents were 30. I have surveyed in Sterling Styles ltd, Sterling Creations Ltd and in Fortune X.

To analyze data, I have used SPSS 17.0 and Microsoft Excel. I also have provided various charts and gave an in depth analysis of each question.

Primary data analysis

- Gender of the respondents:

Table 1.1

Gender of the respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	25	83.3	83.3	83.3
	Female	5	16.7	16.7	100.0
	Total	30	100.0	100.0	

This information actually reveals the real scenario of Bangladeshi RMG sector. From the table we can see that among 30 respondents there are only 5 are female who represent only 16.7% of

total respondents are. We all know that women hold the majority in the factory but there are very few who make it to the top.

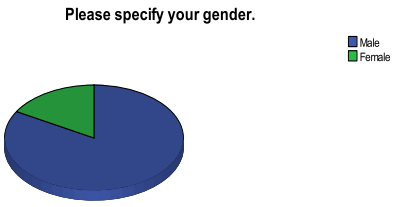


Figure 1

- Age group of the respondents.

Table 1.2

Please specify your age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 25	2	6.7	6.7	6.7
	25 to 30	17	56.7	56.7	63.3
	31 to 40	7	23.3	23.3	86.7
	Above 40	4	13.3	13.3	100.0
	Total	30	100.0	100.0	

From the table 1.2 we can see that there are only two people who are below 25 years, there are 17 people who are between 25 to 30 years and they represent half (56.7%) of the total respondents. There are 7 people who are 31 to 40 years old and only 4 people who are above 40 years old. The scenario that old people are holding all the key positions of the company is changing. New graduates are joining the RMG sector and new ideas are generated.

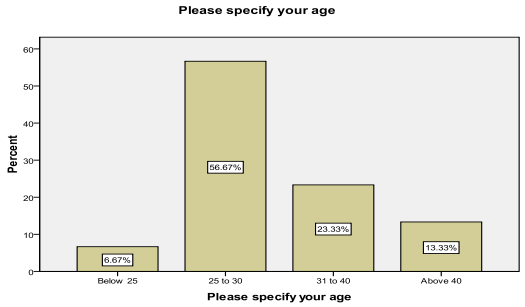


Figure 2

- Work experience of the respondents.

Table 1.3

Work experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	5	16.7	16.7	16.7
	1 to 3 years	13	43.3	43.3	60.0
	3 to 5 years	4	13.3	13.3	73.3
	More than 5 years	8	26.7	26.7	100.0
	Total	30	100.0	100.0	

From the table we can see that there are only 5 people who are working in the RMG sector less than a year. They are trainee and have high hopes to reach the top. There are 13 people who have been working 1 to 3 years and they represent almost half (43.3%) of the total respondents. There are 4 people who are working 3 to 5 years and 8 people who are working more than 5 years. In the garments sector experience is everything. The rule of doing business is constantly changing and to cope up with this challenge new graduates are joining the workforce.

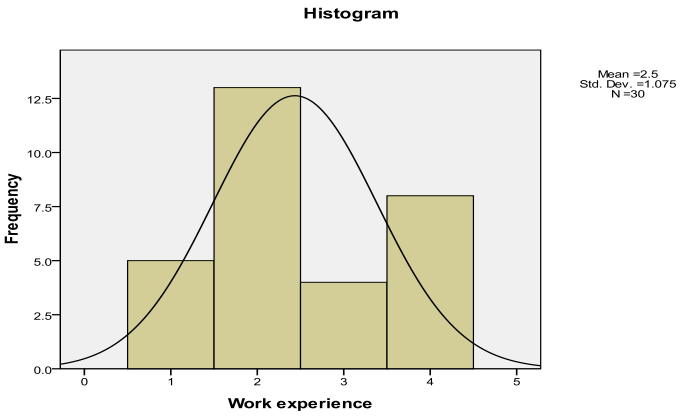


Figure 3

Factors that are contributing short shipment

Through my research I have found out some factors that are contributing short shipment. These factors are those factors that directly influence short shipment. Some factors are hidden are often they are ignored by the company as common incident in the company. But those factors are damaging the company with short shipment. The purpose of my research was to find the effects of short shipment.

The key factors that are creating short shipment includes

- Fabric shading variation
- Late in housing
- Thread shortage
- Poor productivity

Factor 1: Fabric shading variation

Table 2.1

Fabric shading variation leads to "Short Shipment".

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	6	20.0	20.0	20.0
	Agree	21	70.0	70.0	90.0
	Neutral	2	6.7	6.7	96.7
	Strongly Disagree	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Well we can see that among 30 respondents 70% respondents that means 21 respondents have answered that they agree fabric shading variation is creating short shipment. 20% have strongly agreed that this is creating short shipment. fabric shading change is a very bad this for a company. Is the fabric shading doesn't matches then the have to order new fabric. We have to remember fabric alone costs 40% of back to back L/C value which means this is the most expensive this of the materials.

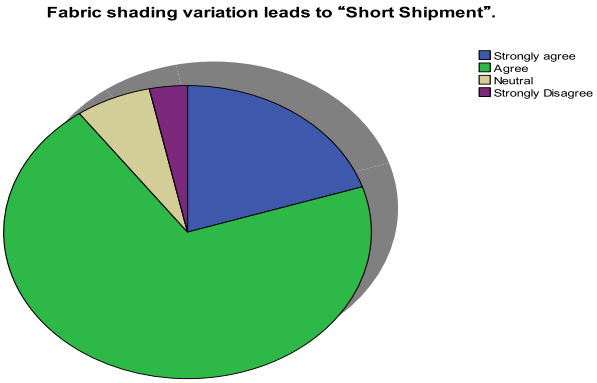


Figure 4

Factor 2: Late in housing of products

Table 2.2

There is a chance of "Short Shipment" which may be occurred due to late in housing of all materials.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	3	10.0	10.0	10.0
	Agree	8	26.7	26.7	36.7
	Neutral	7	23.3	23.3	60.0
	Disagree	7	23.3	23.3	83.3
	Strongly Disagree	5	16.7	16.7	100.0
	Total	30	100.0	100.0	

In housing means that all the products are received and stored in the storage. Without all the materials stored in the house a factory cannot go to production. If they go without in housing all the products, then they will be stuck in the middle of production and the factory will halt until they get all the products. 26.3% people and 10.0% people have respectively supported that improper in housing of all materials are causing short shipment.

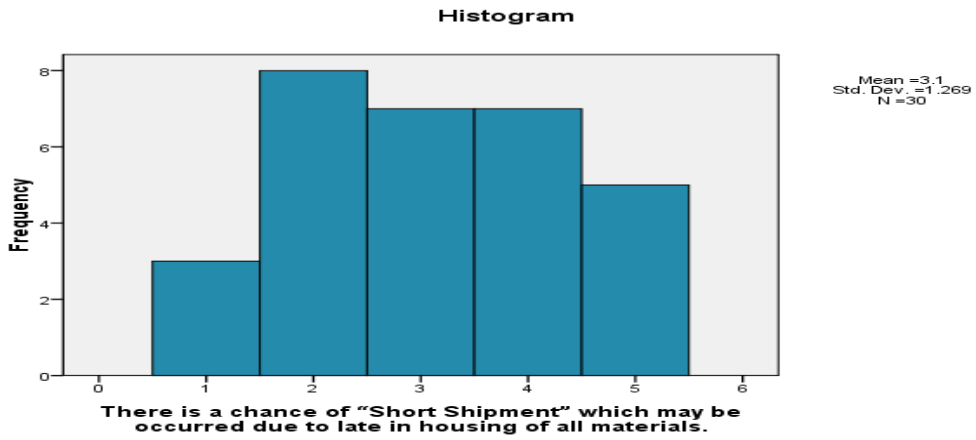


Figure 5

Factor 3: Thread shortage

Table 2.3

Thread shortage is contributing "Short Shipment".

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	2	6.7	6.7	6.7
	Agree	13	43.3	43.3	50.0
	Neutral	5	16.7	16.7	66.7
	Disagree	4	13.3	13.3	80.0
	Strongly Disagree	6	20.0	20.0	100.0
	Total	30	100.0	100.0	

Thread is the second most important thing in the production process of the product. If they cannot sew the pant then the product will be of no use. The respondents have agreed with the fact that thread shortage is causing short shipment. From the chart we can see that 13 respondents (43.3%) have agreed and 2 respondents (6.7%) have strongly agreed with the fact. Only 4 people have disagree with the fact and 6 people have strongly disagreed with the fact.

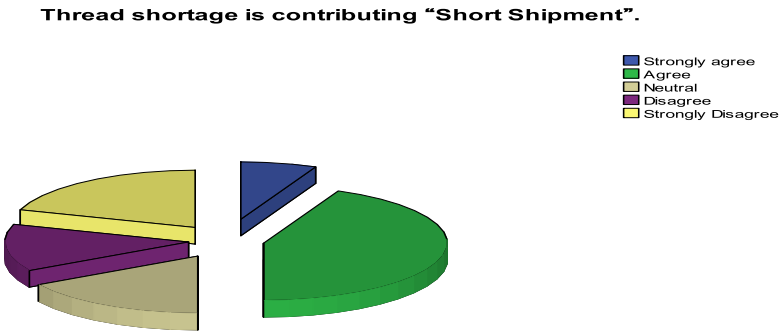


Figure 6

Factor 4: Poor productivity

Table 2.4

Poor productivity can contribute "Short Shipment".

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	4	13.3	13.3	13.3
	Agree	11	36.7	36.7	50.0
	Neutral	5	16.7	16.7	66.7
	Disagree	9	30.0	30.0	96.7
	Strongly Disagree	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Poor productivity is the most important factor that is contributing short shipment. Poor productivity means that the factory is producing less than it is originally capable of. If the factory produces than its original limit then the factory won't be able to reach the goal to produce certain number of good in a specified time. As a result they won't be able to ship the ordered price. 11 people have strongly agreed with the mentioned fact, who represent 36.7% of the total respondents.

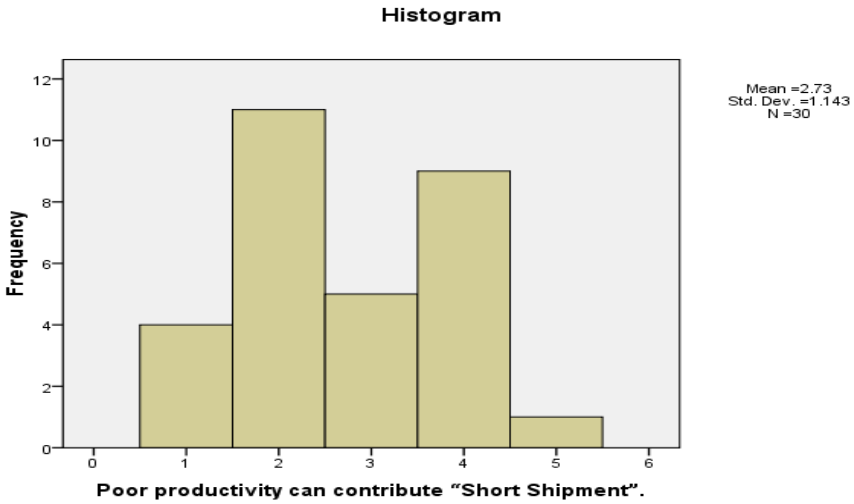


Figure 7

Important findings from the survey:

Fabric/pocketing shortage

Table 3.1

What are the reasons for fabric/pocketing shortage?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Mistake of booking.	10	33.3	33.3	33.3
	Consumption variation	16	53.3	53.3	86.7
	Fabric wastage in cutting process	2	6.7	6.7	93.3
	Fabric shading	1	3.3	3.3	96.7
	All of them	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Well from the survey we can see the reasons that are contributing fabric/pocketing shortage. Fabric is the main raw material for the product. This is also the most expensive part of the raw material. Pocketing is the fabric that is used to make pockets. The fabric which is used for pockets are called pocketing. Main fabric and pocketing are treated in the same manner and stored in the same store. From table 3.1 we can see that almost half of the respondents (53.3%) have chosen consumption variation as the main reason for fabric/pocketing shortage. to make an order merchandisers make an order sheet in which the specify how much of a certain good is needed to them. Sometimes mistake in booking occurs and this mistake is selected by 33.3% respondents.

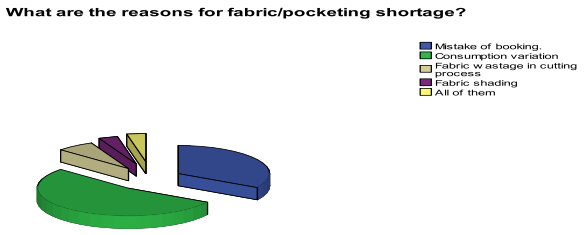


Figure 8

Consumption variation

Table 3.2

What is the reason for fabric/pocketing consumption change?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Change of width	7	23.3	23.3	23.3
	Change in measurement sheet	20	66.7	66.7	90.0
	Other……	3	10.0	10.0	100.0
	Total	30	100.0	100.0	

Consumption change is a term which means the required number of goods of a certain material has changed. Its required quantity may reduce or increase. Normally it reduces. From table 3.2 it is clear the main reason for consumption change is change in measurement sheet. Initially all the merchandisers receive a technical package (commonly known as tech pack) which contains all the info of that order. They have to follow its every single detail. If there is a change then buyer confirms it by e-mail or by sending a new tech pack. This is a common incident and that's why most of the respondents (66.7%) have selected this reason.

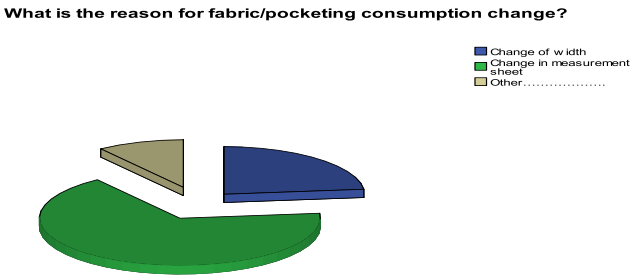


Figure 9

Wash problem:

Table 3.3

Have your goods ever got rejected (partly/ full) by the buyer due to wash problem?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yeah, so many times.	9	30.0	30.0	30.0
	Sometimes laundry makes a mistake.	20	66.7	66.7	96.7
	4	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Wash in an integral part of production. After the pants have been sewed they are sent to the laundry and washed according to the order. There are many types of wash, like stone standard, stone blast, softener etc. if they are not washed properly then they may be rejected by the buyer. 20 respondents have selected laundry mistake as a main reason for rejection. Buyer can reject the whole shipment or can select the pants that are washed properly and allow the export of those selected products.

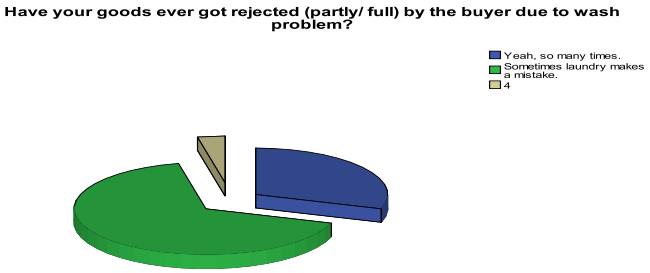


Figure 10

Trims shortage

Table 3.4

Trims shortage occurs due to….

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Booking mistake of trims	4	13.3	13.3	13.3
	Late in house of trims	5	16.7	16.7	30.0
	Wastage during trims attachment	7	23.3	23.3	53.3
	All of them	14	46.7	46.7	100.0
	Total	30	100.0	100.0	

Trims are the products that are attached to the product at the end of production. Trims include wash tag, made in tag, barcode, logimoda sticker, anti-shoplifter sticker, price tag etc. it is very important that these trims are attached properly. If any of the trims are missing, then that pant will be rejected by the inspection company. As we know that trims are attached before export, it is very important that all the trims all in the store. If some of them are missing the shipment will be rejected. From table 3.4 we can see that 46.7% of the respondents have selected all the reasons for trims shortage. These reasons are booking mistake of trims, late in housing of trims and wastage of trims. These reasons are supported by 13.3%, 16.7% and 23.3% respondents respectively.

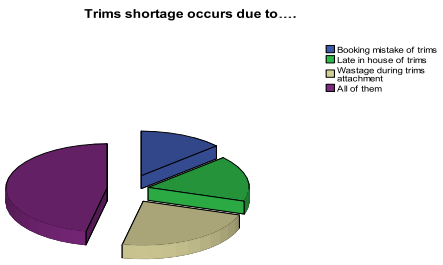


Figure 11

Reasons for trims wastage:

Table 3.5

Why trims are wasted during attachment?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Wrong guidance from supervisor	5	16.7	16.7	16.7
	Workers fault	7	23.3	23.3	40.0
	Exchange with other (similar) trims	1	3.3	3.3	43.3
	All of them	15	50.0	50.0	93.3
	Other……	2	6.7	6.7	100.0
	Total	30	100.0	100.0	

Well from table 3.5 we can see that 50.0% respondents agree that wrong guidance of the supervisors, workers fault and exchange with other trims together cause trims shortage. This may be caused by workers fault single handedly and this is supported by 23.3% respondents.

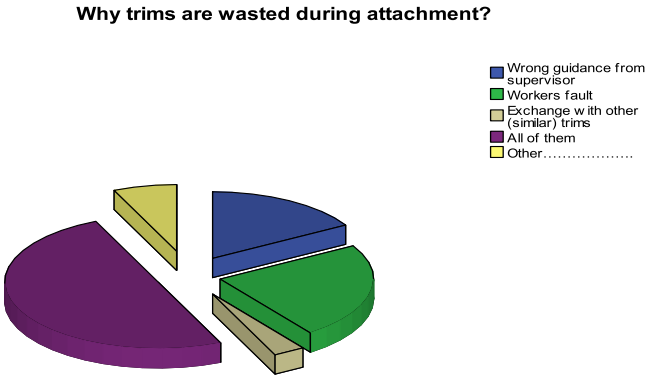


Figure 12

Impact of inspection failure

Table 3.6

Inspection failure causes company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Short Shipment.	5	16.7	16.7	16.7
	Re-production cost.	7	23.3	23.3	40.0
	Reputation of the company.	1	3.3	3.3	43.3
	Air delivery of products.	3	10.0	10.0	53.3
	All of them	14	46.7	46.7	100.0
	Total	30	100.0	100.0	

From the company's perspective inspection failure is the worst scenario in the export. If an order is failed in the inspection is needed to conduct for the second time after correcting the reasons that contributed inspection failure. It creates short shipment, re-production cost, reputation cost and air delivery which is represented by 16.7%, 23.3%, 3.3% and 10.0% of respondents respectively. But most of the respondents have agreed that all these are caused by inspection failure.

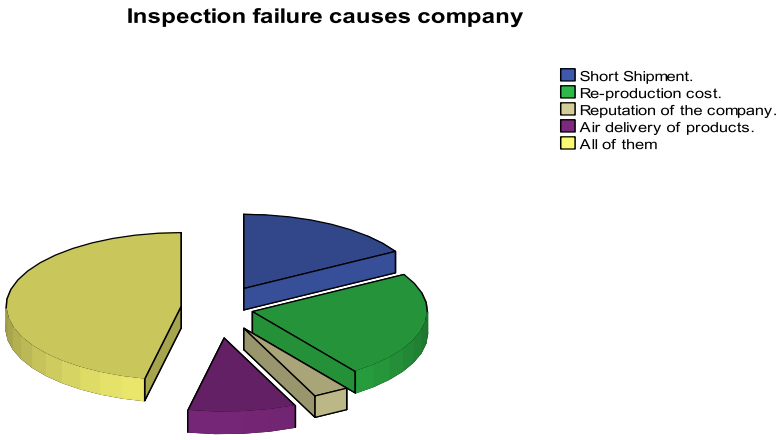


Figure 13

Poor productivity

Table 3.7

Poor productivity can be caused because of

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Lack of skilled labor	2	6.7	6.7	6.7
	Lack of modern equipment	4	13.3	13.3	20.0
	Lack of guidance of supervisors	1	3.3	3.3	23.3
	Worker strike	3	10.0	10.0	33.3
	All of them	19	63.3	63.3	96.7
	Other……	1	3.3	3.3	100.0
	Total	30	100.0	100.0	

Poor productivity means production rate is less than what the factory is capable of producing. 63.3% of respondents have agreed that lack of skilled labor, lack of modern equipment, lack of guidance of supervisors and worker strike are the reasons that are causing poor productivity.

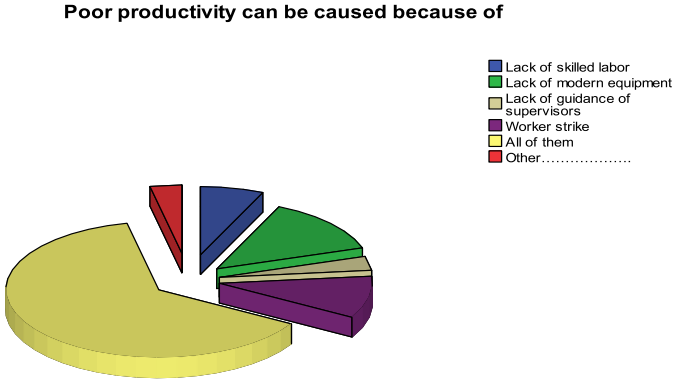


Figure 14

Inspection failure reasons

Table 3.8

The reasons for inspection failure

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Measurement problem	7	23.3	23.3	23.3
	Wrong trims placement	5	16.7	16.7	40.0
	Quality	2	6.7	6.7	46.7
	All of them	16	53.3	53.3	100.0
	Total	30	100.0	100.0	

From table 3.8 we can see that 7 people have selected measure problem, 5 people have selected wrong trims placement and 2 people have selected quality for inspection failure that represent 23.3%, 16.7% and 6.7% of total respondents. And half of the respondents think that all the reasons are causing short shipment.

Figure 15

Cross tabulation analysis:

Cross tabulation is a statistical technique that establishes an interdependent relationship between two tables of values, but does not identify a causal relationship between the values. They are usually presented as a contingency table. There is a difference between with frequency distribution and cross tabulation. A frequency distribution provides the distribution of one variable but a contingency table describes the distribution of two or more variables simultaneously.

Relationship between wash problem and the factors that are causing wash problem:

Null hypotheses, H_0:

There no significant relationship between wash problem and the factors that are causing wash problem.

Alternative hypotheses, H_1:

There significant relationship between wash problem and the factors that are causing wash problem.

Table 4.1

			What do you mean by wash problem?					
			Fabric damaged(scratch/tear) due to wash	Fabric color change due to wash	Wrong wash treatment	All of them	Other……	Total
Have your	Yeah, so	Count	0	1	0	2	6	9

goods ever got rejected (partly/ full) by the buyer due to wash problem?	many times.	% within Have your goods ever got rejected (partly/ full) by the buyer due to wash problem?	.0%	11.1%	.0%	22.2%	66.7%	100.0%
		% within What do you mean by wash problem?	.0%	33.3%	.0%	16.7%	66.7%	30.0%
		% of Total	.0%	3.3%	.0%	6.7%	20.0%	30.0%
	Sometimes laundry makes a mistake.	Count	4	2	1	10	3	20
		% within Have your goods ever got rejected (partly/ full) by the buyer due to wash problem?	20.0%	10.0%	5.0%	50.0%	15.0%	100.0%
		% within What do you mean by wash problem?	100.0%	66.7%	50.0%	83.3%	33.3%	66.7%
		% of Total	13.3%	6.7%	3.3%	33.3%	10.0%	66.7%
	4	Count	0	0	1	0	0	1

	% within Have your goods ever got rejected (partly/ full) by the buyer due to wash problem?	.0%	.0%	100.0%	.0%	.0%	100.0%
	% within What do you mean by wash problem?	.0%	.0%	50.0%	.0%	.0%	3.3%
	% of Total	.0%	.0%	3.3%	.0%	.0%	3.3%
Total	Count	4	3	2	12	9	30
	% within Have your goods ever got rejected (partly/ full) by the buyer due to wash problem?	13.3%	10.0%	6.7%	40.0%	30.0%	100.0%
	% within What do you mean by wash problem?	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	% of Total	13.3%	10.0%	6.7%	40.0%	30.0%	100.0%

Explanation:

From table 4.1 we can see that 22.2% people think fabric damage, fabric color change due to wash and wrong wash treatment all are leading to partial or full rejection of goods. 50.0% people think all the reasons (fabric damage, fabric color change due to wash and wrong wash treatment) are caused by laundry mistake. 20.0%, 10.0% and 5.0% people of this group think that fabric damage, fabric color change due to wash and wrong wash treatment are done by laundry mistake respectively.

Table 4.2

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.306[a]	8	.003
Likelihood Ratio	15.830	8	.045
Linear-by-Linear Association	3.406	1	.065
N of Valid Cases	30		

a. 13 cells (86.7%) have expected count less than 5. The minimum expected count is .07.

Chi-square tests:

Chi square tests are used to find the statistical significance of the cross tabulations. This method tests the fit between a theoretical frequency distribution and a frequency distribution of observed data for which each observation may fall into one of several classes.

From table 4.2 we get,

X^2 (df) = value

P=?

Now, X^2 (8)= 23.306

P= .194 > .003

Chi square is telling that whether the table is statistically fit or not. If significant then it is statistically fit and if not then it is statistically unfit. We can see that there is significant relationship and this is statistically fit.

Table 4.3

Symmetric Measures

		Value	Approx. Sig.
Nominal by Nominal	Phi	.881	.003
	Cramer's V	.623	.003
N of Valid Cases		30	

Cramer's V:

Cramer's V tests the strength of association of the cross tabulations. If the value is closer to 1 then the relationship is strong. And if the value is closer to 0 then the relationship is weak. The value is .623. This means there is a strong relationship.

Correlation analysis:

Correlation is used to measure the strength and direction of a linear relationship between two random variables. If two variables are correlated, then we can use information about one variable to predict the values of the other variable.

Table 5.1

Descriptive Statistics

	Mean	Std. Deviation	N
Thread shortage occurs due to….	3.17	1.367	30
Thread shortage is contributing "Short Shipment".	2.00	.788	30

Table 5.2

Correlations

		Thread shortage occurs due to….	Thread shortage is contributing "Short Shipment".
Thread shortage occurs due to….	Pearson Correlation	1	.384*
	Sig. (2-tailed)		.036
	Sum of Squares and Cross-products	54.167	12.000
	Covariance	1.868	.414
	N	30	30
Thread shortage is contributing "Short Shipment".	Pearson Correlation	.384*	1
	Sig. (2-tailed)	.036	
	Sum of Squares and Cross-products	12.000	18.000
	Covariance	.414	.621
	N	30	30

*. Correlation is significant at the 0.05 level (2-tailed).

Explanation:

Null hypothesis (H_0): There is no correlation exists between thread shortage and short shipment.
Alternative hypothesis (H_1): There is correlation exists between thread shortage and short shipment.

From table 5.2 we can see that p value of the correlation test is 0.036. This is less than .05 so this is statistically significant. So we can reject the null hypothesis which is "There is no correlation exists between thread shortage and short shipment". We can accept the alternative hypothesis which is "There is correlation exists between thread shortage and short shipment".

Regression analysis:

Regression analysis is a mathematical method of modeling the relationships among three or more variables. It is used to predict the value of one variable given the values of the others. Regression analysis attempts to measure the degree of correlation between the dependent and independent variables, thereby establishing the latter's predictive value. Regression analysis is two types. They are linear regression and multiple regression. Linear regression uses one independent variable to explain or predict the outcome of Y, while multiple regression uses two or more independent variables to predict the outcome. For the purpose of my research I have used linear regression.

Here I am giving a linear regression analysis using independent variables and dependent variables of my research.

Table 6.1

Descriptive Statistics

	Mean	Std. Deviation	N
Short shipment	1.93	.868	30
Fabric shading variation leads to “Short Shipment”.	1.97	.765	30
There is a chance of “Short Shipment” which may be occurred due to late in housing of all materials.	3.10	1.269	30
Thread shortage is contributing “Short Shipment”.	2.97	1.299	30
Poor productivity can contribute “Short Shipment”.	2.73	1.143	30

Table 6.2

Correlations

		Short shipment	Fabric shading variation leads to "Short Shipment".	There is a chance of "Short Shipment" which may be occurred due to late in housing of all materials.	Thread shortage is contributing "Short Shipment".	Poor productivity can contribute "Short Shipment".
Pearson Correlation	Short shipment	1.000	.308	-.213	.029	.051
	Fabric shading variation leads to "Short Shipment".	.308	1.000	.323	-.140	-.089
	There is a chance of "Short Shipment" which may be occurred due to late in housing of all materials.	-.213	.323	1.000	.002	.400
	Thread shortage is contributing "Short Shipment".	.029	-.140	.002	1.000	.017
	Poor productivity can contribute "Short Shipment".	.051	-.089	.400	.017	1.000
Sig. (1-tailed)	Short shipment	.	.049	.129	.441	.395
	Fabric shading variation leads to "Short Shipment".	.049	.	.041	.230	.319

	There is a chance of "Short Shipment" which may be occurred due to late in housing of all materials.	.129	.041	.	.496	.014
	Thread shortage is contributing "Short Shipment".	.441	.230	.496	.	.464
	Poor productivity can contribute "Short Shipment".	.395	.319	.014	.464	.
N	Short shipment	30	30	30	30	30
	Fabric shading variation leads to "Short Shipment".	30	30	30	30	30
	There is a chance of "Short Shipment" which may be occurred due to late in housing of all materials.	30	30	30	30	30
	Thread shortage is contributing "Short Shipment".	30	30	30	30	30
	Poor productivity can contribute "Short Shipment".	30	30	30	30	30

Table 6.3

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.528[a]	.279	.163	.794	.279	2.416	4	25	.075

a. Predictors: (Constant), Poor productivity can contribute "Short Shipment"., Thread shortage is contributing "Short Shipment"., Fabric shading variation leads to "Short Shipment"., There is a chance of "Short Shipment" which may be occurred due to late in housing of all materials.

Model summary:

Model summary provides information about the regression line's ability to account for the total variation in the dependent variable.

Coefficient of determination, $\boldsymbol{R^2}$ is used to predict the future outcomes on the basis of other related information. It is the proportion of variability in a data set that is accounted for by the statistical model. It provides a measure of how well future outcomes are likely to be predicted by the model.

From table 6.3 we can see that the value of $\boldsymbol{R^2}$ is **0.279** or **27.9%**. This means that the reasons of "Short shipment" can be explained by the 4 independent variables. $\boldsymbol{R^2}$ = **0.279** or **27.9%** means that the dependence of the dependent variable (Short shipment) on the independent variables (fabric shading variation, late in housing or raw materials, thread shortage and productivity) is 27.9%. The rest 72.1% cannot be explained by these independent variables.

Adjusted $\boldsymbol{R^2}$ is a modification of R^2 that adjusts for the number of explanatory terms in a model. Unlike R^2, the adjusted R^2 increases only if the new term improves the model more than would be expected by chance. The adjusted R^2 can be negative, and will always be less than or equal to R^2. From table 6.3 we can see that **Adjusted $\boldsymbol{R^2}$ = 0.163** or **16.3%**.

Table 6.4

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.097	4	1.524	2.416	.045[a]
	Residual	15.770	25	.631		
	Total	21.867	29			

a. Predictors: (Constant), Poor productivity can contribute "Short Shipment"., Thread shortage is contributing "Short Shipment"., Fabric shading variation leads to "Short Shipment"., There is a chance of "Short Shipment" which may be occurred due to late in housing of all materials.

b. Dependent Variable: Short shipment

Explanation:

Analysis of variance (ANOVA) is a collection of statistical models, and their associated procedures, in which the observed variance is partitioned into components due to different explanatory variables. The total variation (SST) is 21.867 and variation explained by regression

(SSR) is 6.097 and variation explained by regression error SSE is 15.770. So we can say that the explaining power of the regression model is good because SSR is less than SSE.

From table 6.4, we can see that the significance level is 0.045. So this test is significant.

Table 6.5

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.053	.688		1.530	.039
	Fabric shading variation leads to "Short Shipment".	.576	.213	.507	2.703	.012
	There is a chance of "Short Shipment" which may be occurred due to late in housing of all materials.	.338	.138	.494	2.446	.022
	Thread shortage is contributing "Short Shipment".	.064	.115	.096	.556	.583
	Poor productivity can contribute "Short Shipment".	.222	.146	.292	1.524	.140

a. Dependent Variable: Short shipment

Explanation:

The Beta (β) coefficients are the estimated coefficients of population variables. Unstandardized coefficients include the y-intercept in the regression equation. Standardized coefficients are used in standardized regression equation which has no y-intercept.

From table 6.5 we can see that the unstandardized beta of fabric shading variation is .576. This means that if other variables are constant; then increase in fabric shading variation will increase the dependent variable by .576 times.

The unstandardized beta of late in housing of all materials is 0.338. If we hold other variables constant, then the dependent variable will increase by 0.338 times.

The unstandardized beta of fabric thread shortage is .064. This means that if other variables are constant; then increase in thread shortage will increase the dependent variable by .064 times.

For poor productivity the unstandardized beta is .222. This means that if other variables are constant; then increase poor productivity will increase the dependent variable by .222 times.

The standardized beta for fabric shading variation is 0.507. This means when other variables are constant then increase in fabric shading variation will increase the dependent variable by .576 times.

For late in housing of all materials the standardized beta is 0.494. If we hold other variables constant then increase in late in housing of all materials will increase the dependent variable by .494 times.

Thread shortage has a standardized beta of 0.096. This means when other variables are constant then increase in thread shortage will increase the dependent variable by 0.096 times.

The standardized beta for poor productivity is 0.292. This means when other variables are constant then increase in poor productivity will increase the dependent variable by .292 times.

$$\mathbf{Y = a + b_1*[X_1] + b_2*[X_2] + b_3*[X_3] + b_4*[X_4]\ldots\ldots\ldots + b_n*[X_n]}$$

From the coefficient test results we can write that,

Short shipment = 1.053 + .576 (Fabric shading variation leads to “Short Shipment”) + .338 (There is a chance of “Short Shipment” which may be occurred due to late in housing of all materials) + .064 (Thread shortage is contributing “Short Shipment”) + .222 (Poor productivity can contribute “Short Shipment”)

From table 6.5 we can see that the significance level of fabric shading variation and late in housing of all materials have a significance level below 0.05. So we can say that these independent variables are related with the dependent variable.

Thread shortage and poor productivity have a significance level well above 0.05. So these independent variables do not contribute that much towards the dependent variable.

Secondary data analysis

These data were provided by the commercial department who track the value of their exported goods against the L/C. There are three other buying houses and they bring order of direct buyers.

Export of INDUS order:

INDUS is a buying house who gives us the order of Dish Jeans. These figures explain about the export details of an order. These figure include the order no, L/C no of that order, unit price, total amount, commercial invoice no, date of shipment, order quantity, shipped vale etc.

Table 7.1

EXPORT STATUS OF INDUS.-01
L/C NO : IMP083500218 DT: 26-11-2008
L/C
VALUE $203,168.90

PO NO #	Order QTY	Unit PRICE	TTL AMNT	COMM INV. NO	EX. FTY DTATE	SHIPPED QTY/PCS	SHIPPED VALUE
MPM036	9185	$9.78	$89,829.30	006/09	18.03.09	5350	$52,323.00
MPM037	6060	$9.78	$59,266.80	033/09	28.03.09	8993	$87,951.54
MPM038	5260	$9.78	$51,442.80	034/09	20.04.09	4120	$42,353.60
TOTAL	**20505**		**$200,538.90**			**18463**	**$182,628.14**

Table 7.2

L/C NO : IMP093500285 DT.: 09-01-2009
L/C
VALUE $164,277.19

PO NO #	O.QTY	U. PRICE	TTL AMNT	COMM INV. NO	EX. FTY DTATE	SHIPPED QTY/PCS	SHIPPED VALUE
MPM038	6303	$10.48	$66,055.44	SSL/060/09	03.05.09	10508	$98,249.80
MPM042	10505	$9.35	$98,221.75	SSL/061/09	13.05.09	5501	$57,650.48
TOTAL	**16808**		**$164,277.19**			**16009**	**$155,900.28**

Table 7.3

EXPORT STATUS OF INDUS.-03
L/C NO : IMP093500373 DT.: 03-03-2009
L/C
VALUE $147,682.47

PO NO #	O.QTY	U. PRICE	TTL AMNT	COMM INV. NO	EX. FTY DTATE	SHIPPED QTY/PCS	SHIPPED VALUE
MPL033	2020	$8.96	$18,099.20	SSL/063/09	20-06-09	6420	$60,463.20
MPL031	8501	$9.56	$81,269.56	SSL/065/09	11-07-09	6196	$59,571.51
MPL013	5017	$9.63	$48,313.71	SSL/084/09	25-07-09	2577	$24,313.92
TOTAL	**15538**		**$147,682.47**			**15193**	**$144,348.63**

Total amount of money that is not received against L/C of INDUS is

= **$17,910.76 + $8,376.91+ $3,333.84 = $29,624.51**

Export of ITPS order:

ITPS represents Rica Rewis in Bangladesh. Sterling styles have performed many time for ITPS.

Table 7.4

EXPORT STATUS OF ITPS-01
L/C NO : 01CR3071/4012851 DT.: 24-11-2008
L/C
VALUE $ 112,972.10

PO NO #	O.QTY	U. PRICE	TTL AMNT	COMM	EX. FTY	SHIPPED	SHIPPED
83200	5010	5.19	26,001.90	INV. NO	DTATE	QTY/PCS	VALUE
83128	4680	5.93	27,752.40	007/09	08.02.09	4977	25,830.63
83129	4000	5.43	21,720.00	054/09	10.04.09	10920	58,455.60
83130	3860	5.13	19,801.80	055/09	12.04.09	4540	26,922.20
83131	3200	5.53	17,696.00			**20437**	**$111,208.43**
TOTAL	**20750**		**$112,972.10**				

Table 7.5

EXPORT STATUS OF ITPS-02

L/C NO : 01CR3071/4015349 DT.: 22-01-2009

L/C VALUE $ 245,978.00

PO NO #	O.QTY	U. PRICE	TTL AMNT	COMM	EX. FTY	SHIPPED	SHIPPED
83861	3278	$ 5.55	$ 18,192.90	INV. NO	DTATE	QTY/PCS	VALUE
83863	5525	$ 5.24	$ 28,951.00	012/09	23.03.09	8520	$ 45,630.60
83862	3278	$ 5.55	$ 18,192.90	032/09	30.03.09	2920	$ 14,162.00
83868	3320	$ 4.86	$ 16,135.20	039/09	01.04.09	3020	$ 16,761.00
83869	360	$ 5.33	$ 1,918.80	057/09	29.04.09	353	$ 1,881.49
TOTAL	**15761**		**$ 83,390.80**			**14813**	**$ 78,435.09**

Table 7.6

EXPORT STATUS OF ITPS-04

L/C NO :	411830300154		44,296	$ 221,042.40
L/C NO :	01CR3071/4015349		10,800	$ 69,984.00
TOTAL			**55,096**	**$ 291,026.40**

PO NO #	O.QTY	U. PRICE	TTL AMNT	COMM	EX. FTY	SHIPPED	SHIPPED
90078	20000	4.68	93,600.00	INV. NO	DTATE	QTY/PCS	VALUE
90197	1512	5.19	7,847.28	038/09	18-05-09	3453	17,777.19
90203	816	5.07	4,137.12	050/09	25-05-09	792	4,403.52
90205	408	5.07	2,068.56	081/09	01-06-09	19560	91,540.80
90211	792	5.56	4,403.52	083/09	7/6/2009	20600	108,150.00
90212	768	5.19	3,985.92				
90079	20000	5.25	105,000.00				
91300	3600	6.52	23,472.00				
91303	4800	6.40	30,720.00				

91304	2400	6.58	15,792.00				
TOTAL	**55096**		**$291,026.40**			**44405**	**$221,871.51**

Total amount of money that is not received against L/C of ITPS is = **$ 1,763.67+ $ 4,955.71 = $75,874.27**

Li& Fung:

Li & Fung is a Hong Kong based buying house who give Sterling styles the order of Wal-Mart.

Table 7.7

EXPORT STATUS OF LI & FUNG.-03

L/C NO : 253011769459-S DT.: 04-05-09

L/C VALUE 675,547.26

PO NO	O.QTY	U. PRICE	TTL AMNT	COMM	EX. FTY	SHIPPED	SHIPPED
29801158	1710	5.05	8,635.50	INV. NO	DTATE	QTY/PCS	VALUE
29801159	1260	5.05	6,363.00	SSL/076/09	25-05	2970	14,998.50
29801160	134208	5.05	677,750.40	SSL/077/09	25-05	133317	673,250.85
29801170	408	5.05	2,060.40			**136287**	**$688,249.35**
TOTAL	**137586**		**$694,809.30**				

Total amount of money that is not received against L/C of all these orders is =

$29,624.51+$75,874.27+$6,559.95 = $112,055.73

This is not good for the company. The company is not getting money on a continuing basis for short shipment. Sterling styles ltd deals with many buyers and if they continue to receive less than what they might then they will surely lose their customers, reputation and financial debt will rise.

Summary of findings:

The main reasons of short shipment are

- Fabric shading variation
- Late in housing of all materials
- Thread shortage
- Poor productivity

Other important findings from the research

- Fabric/pocketing are wasted in the cutting process.
- Thread shortage occur due to late in house, wrong thread delivery and thread consumption change.
- Inspection failure causes company short shipment, re-production cost, reputation of the company and air delivery of products.

Recommendation

From the research it is clear that short shipment is really happening in Sterling styles ltd and this is causing a lot of problems for the company. The problems that are contributing short shipment include

□ **Fabric shading variation**

□ **Late in housing of raw materials**

□ **Thread shortage**

□ **Poor productivity**

This is impossible to completely eliminate the factors that are contributing short shipment. but it is possible to minimize these factors. If these recommendations provided below are implemented, then short shipment can be reduced in a large extent.

□ **Provide proper training:** To prevent fabric shading variation sterling styles can provide proper training to its employees. If they are trained, then they will make fewer mistakes. As a result, short shipment will reduce greatly.

□ **Manage proper database system:** After receiving order merchandisers get busy to find local suppliers that can meet their expectations in terms of cost and quality. Sometimes they source them from their previous experience and order them. But there is no way that they can whether they are providing raw materials at a cheap rate. Sometimes they are lost and unable to find the right supplier's name from their memory. There is a simple way to prevent this. A proper database system can be developed and constantly updated by system analysis. This database will contain the name of the supplier, their cell no, mail address, office address etc. this will reduce time and provide the company the chance to pick the best supplier.

□ **Educate supervisors:** Supervisors are the person who guide and order the workers to put trims. Workers just follow his command and put the trims to the place that is mentioned by the supervisor. If supervisor orders wrong trims, then workers will put the wrong trims. Trims are printed with different languages. So it is common that wrong trims are attached. If supervisors are educated about the trims, then they will do fewer mistakes and short ship0ment will reduce.

□ **Improve productivity:** Productivity is really a problem for the company. The reasons that are effecting productivity includes lack of skilled labor, lack of modern equipment, lack of guidance of supervisors, worker strike etc. to prevent this company need to-

- Provide proper training factory employees
- Buy modern equipment
- Empower supervisors

Limitations

The main limitation of my research was time. This survey needed more in depth analysis for more time to reveal more facts that are related with the dependent variable. I had only one two months to work on with it. Another limitation of my survey was the sample size of the respondents. My sample size is small but I tried to visit other buying houses to get a neutral

result. Some of the respondents were afraid that the survey result may be seen by their supervisors and they were hesitating to give the actual information. Some information were not provided by the management in the fear that it will be leaked and their competitors may use that info for their own good. Despite my limitations I tried my best to get close the actual facts.

Budget:

The management of Sterling Styles Ltd were helpful in my research. I took the permission from my supervisor Mr. Fazleh Elahi to print the survey questionnaire from office printer. So I didn't have to spend any money to print them. But I have to visit the merchandisers who were working at factory in Savar. And I have to visit Fortune X and Sterling Creations for research. In transportation I spend around 400 taka.

I spend around almost one moth to select the topic. Then I developed the questionnaire. Then after two weeks I got the approval of my questionnaire. I almost spend one week to complete the survey. Then after one and half weeks later I got the information from the commercial department. So it took me around three months to complete the project.

Conclusion

From the data analysis it is clear that short shipment is really happening in the company and the factors that are contributing short shipment have been identified. These factors are damaging company reputation and making the company less profitable.

The reasons have been uncovered and if necessary steps are taken such as the recommendations provided above then short shipment can be greatly reduced. This will improve company performance and goodwill. In future they will have no problems in dealing with other buyers.

So in the end it can be said that null hypotheses is proved to be wrong and alternative hypotheses is the correct hypotheses.

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