

**"Analyzing the enhancement of Accounts Receivables of Syntegon
Technology India Pvt. Ltd."**

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An internship report for

Course code and Course Title: MGA-652 Industry Internship

Credits: 16

Submitted in Partial fulfilment of Master's Degree

MBA in Finance

By

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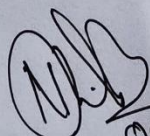
Department of Management Studies



Goa University

Date : 03.05.2024

Examined by:


03/05/2024

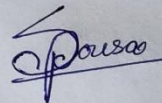
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DECLARATION BY STUDENT

I hereby declare that the data presented in this Internship report entitled, "**ANALYZING THE ENHANCEMENT OF ACCOUNTS RECEIVABLES OF SYNTEGON TECHNOLOGY INDIA PVT. LTD.**" is based on the results of investigations carried out by me in Finance at the Goa Business School, Goa University, under the mentorship of **PROF. NILESH BORDE** and the same has not been submitted elsewhere for the award of a degree or diploma by me. Further, I understand that Goa University or its authorities will not be responsible for the correctness of observations/ experimental or other findings given the internship report.

I hereby authorize the University authorities to upload this dissertation on the dissertation repository or anywhere else as the UGC regulations demand and make it available to any one as needed.



Primla Sousa

Seat No.: 22P0280002


Date: 03.05.2024

Place: Goa University

COMPLETION CERTIFICATE

This is to certify that the internship report, “Analyzing the enhancement of Accounts Receivables of Syntegon Technology India Pvt. Ltd.” is a bonafide work carried out by Miss Primla Sousa under my mentorship in partial fulfilment of the requirements for the award of the degree of **MBA** in the Discipline of Management Studies at the Goa Business School, Goa University.

Date: 03.05.2024


3/5/2024

Signature and Name of Mentor

Prof. Nilesh Borde



Signature of Dean of School/ HoD

Date: 03.05.2024

School/ Department Stamp

Place: Goa University, Goa Business School





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Date: 01/01/2024

To,
Ms. Smruti Malik
HR Executive,
Syntegon Technology india Private Limited,
Phase IV ,Verna Industrial Estate,
Verna Goa.

Sub: MBA 4th Semester Internship.

Dear Ma'am/ Sir,

The MBA Students of Goa University undergo two internships during the two year study period. They undergo first internship after the first year during summer where they are exposed to basic working of an organization, and they work in an area of their choice to understand functions, prospects and problems, etc.

In their third semester, the students choose a functional area and take a set of electives so as to get comprehensive academic inputs that enable them to have the required skills and get ready to work in an organization.

The fourth semester is designed as an internship semester where students work in an organization and use the skill sets learned in an organization of choice. Students are expected to exercise their analytical skills in attempting to evolve/ design systems that can add value to organizational functioning. We hope their fresh perspective as an outsider can provide valid contributions in this regard.

We request you to kindly accommodate our Finance student Ms. Sousa Primla in your organization for 16 weeks during 15th January 2024 to 04th May 2024.

We request you to please put the student on any relevant project/ work assignment that can be of mutual benefit to the student and the organization.

The student is required to meet the faculty mentor once every week, to update on the work she is doing in the organization, and hence we request you to kindly allow the student to visit Goa Business School, Goa University once a week.

We would appreciate it if you kindly permit her to work in your organization

Kind regards,

Hc
Programme Director,
Management Discipline,
Goa Business School,
Goa University.



SYNTEGON

PROCESSING & PACKAGING

Programme Director
Management Discipline
Goa Business School, Goa University
Taleigao Plateau, Goa-403206

PA/HRL-IN

16.01.2024

Dear Sir/Ma'am,

Sub: Approval to undergo Internship Training for Sousa Primla

With reference to your letter dated 01.01.2024, please note that your student Sousa Primla has been accorded permission to undergo internship in our organization from 17.01.2024 to 04.05.2024.

Mr. Gautam Mahambre, Deputy General Manager (Finance), would be the internal guide during the internship.

Canteen facility would be extended to your student; the student will have to commute on her own to the Factory. The student will have to make her own arrangements for PPE's like safety shoes, etc. which is mandatory.

We wish Sousa Primla, a fruitful learning experience in our Plant.

Thanking you,

For Syntegon Technology India Private Limited,


Derek Dsouza
Manager
Human Resources


Raghuvir E Harish Damodar Shirodkar
Assistant Manager
Human Resources



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Email : info@syntegon.com

Formerly known as Robert Bosch
Packaging Technology India
Private Limited

Acknowledgement

I extend my sincere appreciation to the HR department at Syntegon Technology India Pvt. Ltd. for their dedicated efforts in fostering a conducive work environment. Their tireless efforts in facilitating my onboarding and ensuring a smooth transition into the company have significantly shaped my internship experience. Their guidance and support have been instrumental in my professional growth during this period.

First and foremost, I am deeply grateful to my Manager and Mentor Mr. Gautam Mahambre for extending the opportunity to collaborate with him and his team. His mentorship and insights have been instrumental in honing my skills and expanding my knowledge within the accounting and finance domain. Under his guidance, I have experienced significant growth in my professional capabilities, and I am thankful for the privilege to learn under his supervision.

Additionally, I wish to express my heartfelt gratitude to Dr. Nilesh Borde for her invaluable assistance and unwavering support during the preparation of my internship report. His expertise and guidance were instrumental in producing a comprehensive and insightful report, and I sincerely appreciate his commitment to my success. I am truly grateful for his contributions to my learning experience.

Finally, I extend my profound gratitude to the collaborative efforts of colleagues across departments who have graciously supported my endeavors journey. Their altruistic sharing of knowledge and guidance has significantly contributed to my scholarly and professional development. I am deeply appreciative of their invaluable contributions, which have played an integral role in shaping my growth.

Executive Summary

The internship project focused on improving Syntegon Technology India Pvt. Ltd. Based in Goa's Accounts Receivable management practices. Through analysis of key metrics like Accounts Receivable Turnover Ratio, Days Sales Outstanding (DSO), Bad Debt Ratio, and Aging of Receivables, we identified areas for enhancement.

By industry benchmark, we developed strategies to optimize credit policies, streamline collection processes, and implement penalties for late payments. These initiatives aim to reduce DSO and bad debt, improving cash flow and financial performance.

Additionally, tools such as aging schedules and training receivables management teams were created to track receivables and payment deadlines efficiently, enabling proactive measures for timely collections.

Overall, the project provided valuable insights and tools for Company Syntegon to enhance its financial stability and operational efficiency.

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Chapter 1. INTRODUCTION

Packaging is an important part of our modern way of life. It is seen to be an important marketing technique. It increases the value of the product and helps to extend the market, while better packaging helps to protect the environment and maintain ecological balance.

Packaging makers and customers will profit from efforts that will transform customer experience, production and shipping, and environmental protection as the globe progresses toward more modern and sustainable approaches.

Companies and brands who can predict future trends and adapt and incorporate them into their packaging strategy would profit from being ahead of the curve.

These upcoming improvements will be a big help for companies, especially those in e-commerce, which we're already seeing now, especially with COVID-19 still affecting businesses worldwide.

“A consumer first eats with his eyes, then with his nose and then with his mouth, a saying, which aptly describes packaging.”

1.1 PROFILE OF THE ORGANIZATION



1.1.1 Historical Background

1861-1984:-

The Company Gelger & Hesser was established in 1861. It is known as the birthplace of German packaging machinery production. Foundation of Robert BOSCH Apparatebau GmbH, later renamed it as Bosch Packaging Technology. Later BOSCH entered the arena of dry pharmaceuticals. Since the 1960s, the company has increasingly focused on filling and weighing machines for the pharmaceutical sector. It came up with its first compact system for the cleaning, filling and closing of ampoules which was a milestone. Establishment of BOSCH packaging technology K.K., Tokyo, Japan-strengthened activities in Japan with a wholly owned manufacturing site.

1995-2007:-

BOSCH started activities in India with a location in Bangalore. Acquisition of Togum in Reichstett, France, the company specialized in chewing gum processing technology. The Chinese location started business with 14 associates initially focused on capsule filling machines. Valicare GmbH, was founded as a full subsidiary of Robert BOSCH which was a service provider offering qualification and validation of production and laboratory equipment for the pharmaceutical and life science industries.

Acquisition of Klockner Tevopharm B.V. in Netherlands which is a globally active manufacturer of horizontal flow wrapping machines for the packaging of chocolates, bars, biscuits, candies and pharmaceutical products. With the takeover of SIG pack (today Syntegon Packaging Systems AG), holding a minor share became a partner of Bosch Packaging Technology.

2008-2019:-

Production of packaging lines for liquid pharma started in China. In 2011, inaugurated the new manufacturing facility in the Indian federal state of Goa. It got in the manufacturing of machinery for making and filling PET containers for liquid and viscous food. Bosch Packaging Technology set up sales and service locations in Kenya, Africa and Nigeria. It added two powerful brands i.e. Kliklok (famous pioneer in carton solutions for the food industry) and Woodman (experienced in vertical packaging and strong market presence). In 2016, it came up with the first world's sealed paper packaging using new solutions which enabled the production of dust-tight packaging for dry products.

Freeze dryers were developed.

2020:-

Syntegon began operations in Bangalore, India, in 1995.

In 2007, it was transferred to Verna, Goa. A new state-of-the-art manufacturing and development facility was established in Goa just five years later, with the goal of expanding capacity and meeting the growing demand of domestic and international markets.

Syntegon India has experienced consistent development for the past 25 years, dating back to its foundation.

It is one of the leading packing machinery manufacturers in India and abroad, with 150 highly qualified and experienced workers and an installed base of over 3,000 units in India and beyond.

Syntegon Technology India provides bespoke packaging solutions for the food and non-food industries in both the domestic and international markets.

The ISO 9001: 2015-certified company creates, manufactures, and sells vertical form, fill, and seal products.

BOSCH Packaging technology provider announced it is becoming an independent enterprise and will be renamed Syntegon Technology, which stands for synergy, technology and focus on the future. The renaming comes after the sale of Bosch Packaging Technology to CVC Capital Partners which was completed on Jan 2, 2020.

There are 5,800 employees more in more than 30 locations in almost 20 countries globally.

1.1.2 Vision , Mission and Objective of the Company

▪ Mission

Processing & packaging for a better life.

▪ Vision

Intelligent & sustainable solutions for everyone.

▪ Objective of the Company

- Ensure quality , performance and commitments are satisfied.
- Achieve operational excellence through lean and continuous improvement efforts.
- Promote innovative and provide economical technology that meets global standard
- Enhance employee's competencies and capacities by providing a healthy learning environment.
- Establish suppliers as key partners to fulfil global quality and delivery requirements.
- Strict adherence to statutory, regulatory and safety requirements.
- Identify and work to discover sustainable and environment-friendly opportunities.

1.1.3 Strategy:

To become customer centric organization with growth of 10% CAGR (Compound Annual Growth Rate) and achieve EBITDA of a double digit by 2024.

- Few measures implemented for Cost Reduction.
- Energy Cost saving project in progress under green saving initiative.
- (312 KWP Solar PV Project on BOOT {built, own, operate & transfer})
- Contract Staff HC & cost reduction by replacing higher CTC contract staff with trainee engineers.
- Efficient use of contract staff during working hours & minimize working for overtime.
- Comparing the revised travel guidelines and benchmarking with other companies.

1.1.4 Different Departments at Syntegon

- CTG
- Project Management
- Mechanical Design
- Electrical Design
- IT
- HR
- Legal
- Purchase
- Manufacturing

- Logistics
- Sales
- Business Excellence Team
- EPD
- QMM
- Facility Management
- After Sales
- Strategic purchase
- Research & Development

The above mentioned, are the different departments at Syntegon Technology India Private Limited which are responsible for a successful journey till date.

1.1.5 Organizational Structure

Syntegon operates with a hierarchical organizational structure, where each department has distinct responsibilities and leverages its expertise. Decisions are made centrally by top management, with a direct flow of command from the top down.

- CEO (Chief Executive Officer):

The CEO is ranked as the highest level executive responsible for the overall strategic direction, decision-making and leadership of the company. The CEO embodies the company's values and ethos, serving as its primary ambassador to stakeholders, investors, and the broader business community.

- Vice President:

The Vice President occupies a pivotal role overseeing specific divisions or functions within the company providing strategic guidance, direction and support to achieve the organizational goals.

- Managing Director:

The Managing Director is responsible for overseeing day-to-day operations, implementing strategies and ensuring the company's performance and profitability.

- Executive Assistant:

The Executive Assistant provides administrative support to top executives, including the CEO, Vice President, and Managing Director helping them manage their schedules, enabling seamless coordination and execution of critical tasks and responsibilities. The Executive Assistant facilitates productivity and organizational performance by assisting leaders with

scheduling, communications, and logistical planning. This allows executives to concentrate on strategic priorities.

- Regional Sales:

The Regional Sales department is responsible for managing the sales activities and relationships within specific geographical regions. Through targeted sales strategies and customer-centric approaches, the Regional Sales team drives revenue growth and fosters long-term customer satisfaction, thereby enhancing the company's market presence and competitiveness.

- After Sales:

The After Sales department focuses on and assumes the responsibility of providing support and services to customers after they have purchased products through a range of support services including maintenance, repairs and technical assistance serving as a trusted ally ensuring brand loyalty.

- Customer Cluster:

The Customer Cluster department may be responsible for organizing customers into specific groups or clusters based on their needs, preferences or industries allowing for more targeted marketing and support efforts.

- Operations:

The Operations department manages the day-to-day production and manufacturing activities ensuring efficiency, quality and compliance with regulations. Through meticulous planning and process optimization, the Operations team maximizes resource utilization and output, contributing to the company's overall competitiveness and profitability.

- R&D and Engineering:

The Research and Development (R&D) and Engineering department is responsible for designing and developing new products, as well as improving existing ones, through innovation and technological advancements.

- Quality Control & Management:

The Quality Control & Management department oversees quality assurance processes, ensuring that products meet specified standards and regulations to maintain customer satisfaction and

compliance. Through meticulous testing and adherence to standards and regulations, the department safeguards product integrity, underpinning the company's reputation for reliability and trustworthiness

- Sourcing and Vendor Development:

The Sourcing and Vendor Development department is responsible for managing relationships with suppliers and vendors, sourcing materials and components, and developing new partnerships to support the company's operations by ensuring a robust and reliable supply chain.

- Human Resource:

The Human Resource department serves as the custodian of the company's most valuable asset: its people. It manages employee recruitment, training, performance evaluation and benefits administration. The department cultivates a dynamic and supportive workplace environment, driving productivity, innovation and employee satisfaction.

- Finance:

The Finance department handles financial planning, budgeting, accounting, and reporting functions, ensuring the company's financial health and compliance with regulations. The Finance department enables prudent decision-making, resource allocation and long-term sustainability.

- Support Functions:

Support Functions encompass various departments that provide essential services and support to the company's operations, including Facility Management, Legal & Compliance, Information Technology, Marketing & Communication.

Facility Management: Oversees the maintenance and management of company facilities, ensuring a safe and productive work environment.

Legal & Compliance: Manages legal affairs, including contracts, regulatory compliance, and intellectual property protection, to ensure the company operates within the law.

Information Technology: Manages the company's IT infrastructure, including networks, systems, and software applications, to support business operations and security.

Marketing & Communication: Develops marketing strategies, branding initiatives, and communication campaigns to promote the company's products and services effectively.

1.1.6 Product/Service Profile

Products:

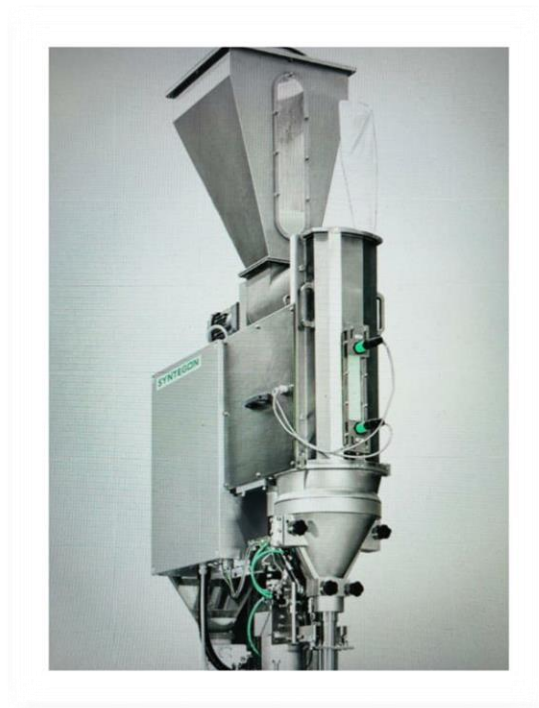
Syntegon Technology India Pvt. Ltd. supplies a variety of product solutions designed to provide Processing and Packaging solutions (technology) in the Food and Non Food segments for the domestic and international markets. It has been offering complete solutions for the pharmaceutical and food industries for over 50 years.

Portfolio

- Flexible packaging vertical
- Flexible packaging horizontal
- Confectionary packaging
- Secondary packaging

Each sectors addresses specific packaging demands, prioritizing customer happiness and market leadership across industries in international and local.





Service:

The Company is customer oriented and provides after sales services to their customers.

- Customer service
- Field service
- Remote service

Stock optimization: Syntegon's stock optimization service helps achieve higher availability of spare parts with minimal stock by analyzing spare parts consumption and delivery times. This ensures that the right parts are available when needed without excessive inventory.

Planned and unplanned maintenance: Professional maintenance is crucial for preventing costly production stoppages. Syntegon's global team of field service engineers provides support for both

planned maintenance schedules and unplanned repairs, ensuring trouble-free operation of packaging machines.

Remote services: Syntegon offers remote services and a helpline for immediate support, especially when traveling is not an option. This allows for the correction of potential faults remotely, minimizing production disruptions and unexpected downtimes.

Training: Syntegon provides customized training programs covering maintenance and ongoing operations. These programs include on-site training as well as various virtual formats accessible anytime and anywhere, ensuring that employees are continuously qualified to maintain smooth production operations.

1.1.7 Application Range

Food Categories

These are the following goodies which come for packaging from different parts of the work from their customers as well as for testing purpose for their innovative machine for their customers. These then have a categorical wise imports with proper documentation and following the norms of Indian custom duty, labourary testing is done etc.

- Bar Chocolates
- Cookies & Crackers
- Floor & Sugar
- Convenience food
- Confectionery
- Pet Food
- Snacks
- Baby Food, Clinical nutrition
- Dairy Products
- Special solutions
- Fresh & Frozen
- Tea powder and coffee powder
- Bakery products

1.1.8 AREA OF OPERATIONS

The Company's production facilities, sales and service organisations are located across the globe.

It has channels focusing on food and pharmaceutical industries in the following continents.

Europe Continent: Switzerland, Germany, UK, France, Netherlands, Austria, Slovakia & Denmark.

The American Continent which is divided into two parts: The United States & Brazil.

Africa/Middle East Continent: Egypt & South Africa

Asia-Pacific Continent: Thailand, China, Japan, Singapore & India.

Headquarter: Syntegon Technology GmbH

Location: Stuttgarter Straße 130

71332 Waiblingen

Germany

Company: Syntegon India Private Limited

Location: Plot No. N4A, Phase IV Verna Industrial Estate, Verna South Goa 403722. Industry:
Food

1.1.9 Key Points.

Syntegon, India; has its customer base in the regions of SAARC, Southeast Asia, Europe & Middle East Asia, South America, North America & China.

In the year 2021, it received highest enquiries (204) from the SAARC region and least from China (10).

Some of its key customers are ITC, HUL, P&G, Nestle, Perfetti, Mondelez ,3M & Britania.

2023-2024 they attained a target of 1.40 million project with Nestle company.

2024 their target to deliver a 112 million project .

1.1.10 Industry Analysis

- **Competitive Rivalry:**

The Company faces intense competition from competitors like Omori, Multipack, and Ishida. These market players have an expanded product portfolio as compared to the said company. In such a competitive environment, having a hold in the market after renaming of Syntegon, that was a challenge.

Rivalry competition is high as the industry is growing and customers can easily switch to competitors offering for small value. The ones that develop in terms of technology and design and have the capability of standing still in the tough phases would stand out and have an edge over its competitors.

- **Bargaining power of Suppliers:**

Initially, the bargaining power of the supplier was significantly high, where material was procured with least negotiations between the parties. Now, having identified at least two suppliers, for each part of a machinery, has successively reduced the bargaining power of the supplier.

Conjointly, considering the small-scale industries, under the policy of localization, has given an opportunity for them to business and at the same time company procures at a reasonable value.

- **Threat of new entrants:**

Considering absolute cost advantage and government regulations, it is easier for a new player to gain entry in the marketplace. A new comer with availability of funds and knowledge about the Government regulations to be abide by can have a start to this business. However, when it comes to applications, access to inputs, technical know-how, it would be a matter mark.

Individuals with technical and design knowledge prove to be a base for the success of this industry. Therefore, one must have technical base in order to get into this kind of an industry.

- **Threat of substitutes:**

Another threat could be a substitute material i.e. the present material which is used for production purpose could be substituted by some other material.

For instance, plastic which is being used in certain percentage can be completely substituted by sustainable solutions taking into consideration the various aspects that affect the environment.

- **Bargaining power of Customers:**

The bargaining power of the customers is high due to adequate sellers in the market. This compels brands to improve quality and nudge them to offer better after sale services to their customers in order to retain them.

Only the ones with immense automation and standardization stands out to the customer and are in a position to get repeat orders from their customers.

1.1.11 PESTEL Analysis

- **Political:**

Government regulations and policies within the manufacturing and packaging sectors can directly affect Syntegon's operations.

Trade agreements and tariffs, both domestically and internationally, have implications for the company's business strategies and market presence.

The stability of political environments can significantly impact investor confidence and thus influence Syntegon's growth trajectory.

- **Economic:**

Economic indicators such as GDP fluctuations, inflation rates, and interest rate changes exert a direct influence on Syntegon's sales volumes and profit margins.

Currency exchange rate fluctuations can pose challenges or opportunities for Syntegon in managing costs and competitiveness in global markets.

Economic cycles, including periods of recession or expansion, have implications for consumer spending patterns, directly affecting demand for Syntegon's products and services.

- **Social:**

Evolving consumer preferences and societal trends shape the demand for different packaging solutions, potentially impacting Syntegon's product development strategies.

Demographic shifts, including changes in population size and urbanization rates, may drive shifts in demand for packaging machinery and equipment.

- **Technological:**

Continuous advancements in technology, including automation and digitalization, present opportunities for Syntegon to enhance its manufacturing processes and product offerings.

Investments in research and development are essential for Syntegon to remain competitive and innovative in an increasingly tech-driven industry landscape.

- **Environmental:**

Growing awareness of environmental issues and sustainability concerns can influence consumer preferences towards eco-friendly packaging solutions, necessitating adjustments in Syntegon's product offerings.

Syntegon's commitment to implementing sustainable practices and reducing its environmental footprint can enhance its brand image and appeal to environmentally conscious consumers.

- **Legal:**

Adherence to regulatory standards, including health and safety regulations and product quality requirements, is paramount for Syntegon's compliance and risk management efforts.

Legal considerations such as patent protections and contractual obligations play a critical role in safeguarding Syntegon's intellectual property rights and business interests.

1.1.12 SWOT Analysis

STRENGTH	WEAKNESS
Product Portfolio Existing Customer relationship Existing Supplier relationship Bank Limit	Location
OPPORTUNITY	THREATS
European market. Expansion of product portfolio. Sustainable Solutions.	Government regulations. Price hike.

- **STRENGHT**

Product Portfolio:

The Firm's product portfolio includes variety of products which ranges from Flexible Packaging Vertical Fill & Seal machines along with dosing systems and product feeding systems; Flexible Packaging Horizontal wrapping machines with feeding systems and product distribution systems; Confectionery Packaging with candy wrapping, candy sorting units and product feeding /distribution Systems.

Syntegon conjointly caters Secondary Packaging (top Load Cartoner). This allows the existing customers to source most of their product requirements under one roof & also enables the company to expand their business from customers likewise as address an oversized base of potential new customers.

Existing Customer Relationships:

The organization has successfully retained its customers even after renaming from old master to Syntegon. This makes it obvious that the firm has maintained a smart relationship with their customers.

This has helped the Company to get repeat business from their customers. The Company makes an attempt to customize the projects as per the needs of the customers which enables them to stand out as compared to their competitors.

Existing Supplier Relationship:

Likewise, Syntegon also maintains excellent relationship with its suppliers which has enabled them to grow continuously without any hurdles.

Also during the hard times like pandemic, the suppliers made it a point to deliver the material to the location in all possible manner. It is because of this that they get quality supplies of raw material.

- **WEAKNESS**

Location:

The raw material required for manufacturing the machines is procured from the suppliers within India until if they are extreme to find. These are mainly interstate supplies owing to the same freight cost is high.

As a result the Company has a geographic disadvantage when it comes to raw material procurement.

Bank Limit:

The Company doesn't have any working capital limits with any bank. Thus, being in project industry, the cyclical business impacts cash flow.

Therefore short term loans or a credit facility with a bank will be helpful especially in the growth phase to survive in any conditions.

- **OPPORTUNITY**

European Market:

At the present stage, the major focus stays on EMEA and Africa. It paves a way of profit since it is not spread wide over into the European market.

Thus entry into the same will be a profitable opportunity to double the number of customers, revenue and profit.

Product portfolio expansion:

The Company is into manufacturing of VFFS, HFFS, CC & 2P. Moreover it has limited start with liquid filling pouches, bottle filling & pharma, therefore expanding the product portfolio will reach out to more customers.

Sustainable Solutions:

The Firm needs to ensure a steady transition towards “Green Packaging”. Though they have started with trials using paper films, it is need of an hour to be futuristic and completely switch towards green packaging.

Considering the environmental conditions it is an opportunity for the packaging technology industry to grab the same and shift to sustainable solutions.

• **THREATS**

Government Regulations:

Government prioritizing “100% Plastic Free Packaging” considering environmental issues, would have a drastic effect on the manufacturing firms that are yet to adopt plastic free packaging solutions.

Price Hike:

Another threat would be a sudden hike in the prices of raw materials that could lead to an increase in the cost of production which will, in turn, lead to an increase in the cost of machines.

This might drive the customers away in case if other players in the market are in a position to grant them affordable rates.

1.1.13 VRIN Analysis

- Value:

Syntegon's diverse product portfolio, ranging from vertical fill & seal machines to top load cartoners, caters to varied customer needs and allows for customization, adding substantial value. Furthermore, the company's strong relationships with both customers and suppliers, evidenced by repeat business and reliable material sourcing, contribute significantly to its operational efficiency and long-term success.

- Rarity

Syntegon's extensive product portfolio, coupled with its strong customer and supplier relationships, represents a rare advantage in competitive industries, distinguishing it from rivals and bolstering its market position.

- Inimitability

Syntegon's intricate machinery, coupled with its robust customer and supplier relationships, poses significant barriers to replication by competitors, underscoring its inimitable position in the market.

- Substitutability

Syntegon's unique packaging machinery, coupled with its loyal customer and supplier relationships, presents significant obstacles for competitors attempting to find direct substitutes, highlighting its non-substitutable position in the market.

1.1.14 Competitors of the Company

Syntegon Technology's processing and packaging manufacturing business faces both market obstacles and opportunities from competitors in each area.

Here's an overview of competitors:

Indian - Key players

- WestRock India Pvt. Ltd.
- Kapco Packaging
- OJI India Packaging Pvt. Ltd.

Global – Key Market Players

- Amcor (Australia)
- Ball Corporation (US)
- Bizongo (Indian)
- International Papers (US)

To achieve regulatory requirements and maintain customer trust, organisations in the processing and packaging manufacturing industry must prioritise safety and compliance with standards such as CE marks.

To compete with these organisations, Syntegon Technology must consistently innovate, enhance efficiency, and deliver exceptional service to maintain its market position.

Chapter 2. Research Topic Introduction

2.1 Introduction :

Managing accounts receivable is a critical aspect of financial management for businesses of all sizes. It involves keeping track of the money owed by customers and ensuring timely payments to maintain a healthy cash flow. Effective accounts receivable management not only strengthens the financial position of a company but also minimizes the risk of bad debts and enhances profitability.

In today's competitive business environment, optimizing accounts receivable processes has become increasingly important. With the ongoing impact of factors like economic uncertainties and changing customer behaviors, businesses are constantly seeking ways to improve their receivables management practices.

This research project aims to delve into the realm of accounts receivable management, specifically focusing on strategies to enhance efficiency and effectiveness. Through the analysis, we will explore various approaches, techniques, and best practices employed by businesses to streamline their receivables processes.

2.2 Literature review

“Multi-Party Evolutionary Game Analysis of Accounts Receivable Financing under the Application of Central Bank Digital Currency “. The integration of central bank digital currency (CBDC) into supply chain finance's accounts receivable financing presents a promising approach to address credit and information risks. Existing literature on this topic has primarily focused on exploring the evolution of financial institutions and SMEs within the context of supply chain

finance, with limited attention given to the potential benefits offered by CBDC. However, this study fills this gap by innovatively applying CBDC and evolutionary game theory to analyze strategic decisions' impacts on both parties involved in accounts receivable financing. By considering bounded rationality in risk control and conducting quantitative analysis of blockchain technology, this research offers valuable insights into enhancing financing credibility and reducing risks in supply chain finance.

“Trade credit policy and firm value”. Ferris' Transaction Theory (1981) posits that trade credit serves as a mechanism to reduce exchange costs and facilitate efficient cash flow management within firms. By allowing buyers to delay payments to suppliers, trade credit enables firms to smooth out cash flow mismatches and avoid liquidity constraints. This theory suggests that there exists an optimal level of accounts receivable where the benefits of trade credit, such as reduced transaction costs, balance against the costs, such as default risk and forgone interest income.

Its consistently shown a non-linear relationship between trade credit and firm value. At lower levels of accounts receivable, there tends to be a positive association with firm value. Trade credit facilitates sales and offers flexibility in managing working capital, thereby enhancing firm value. However, this relationship turns negative as accounts receivable increase beyond an optimal level. High levels of receivables may signal inefficiencies in credit management, increased default risk, or potential financial distress, all of which can erode firm value.

To analyze the dynamics between trade credit and accounts receivable, investigating how the extension of trade credit affects accounts receivable levels and the potential consequences of non-payment on bad debt losses.

To comprehend the intricate dynamics between trade credit and firm value, this study integrates essential control variables such as firm sales growth, firm size, and leverage. These variables allow for a comprehensive analysis, enabling a deeper exploration of factors influencing the optimal level of trade credit and its implications for firm value.

“MANAGEMENT OF ACCOUNTS RECEIVABLE IN A COMPANY” Effective management of accounts receivable is paramount for ensuring company profitability, as it directly influences Return on Assets (ROA). Extending credit entails a thorough evaluation of recipients, credit terms, and collection methods to optimize benefits while mitigating risks. Accounts receivable, particularly significant in manufacturing firms, play a pivotal role in shaping short-term financial strategies. Credit decisions involve a careful balancing act, weighing marginal costs against benefits and considering potential long-term customer value. This process requires firms to assess the creditworthiness of clients, determine suitable credit terms, and implement effective collection procedures. The importance of analyzing accounts receivable turnover, changes in credit policy, costs, benefits, and net profitability. These studies have led to the development of mathematical models for financial analysis, enabling firms to better understand and manage their accounts receivable.

“EFFECT OF CREDIT POLICIES ON ACCOUNTS RECEIVABLE AMONG MANUFACTURING COMPANIES IN NAIROBI COUNTY, KENYA “ Effective management of accounts receivable is crucial for the profitability and liquidity of manufacturing firms, particularly given challenges such as a poor tax regime and inadequate infrastructure that hinder the sector's performance. Through a descriptive and quantitative approach, this study examines the impact of credit policies on accounts receivable, drawing on data collected from

credit managers, controllers, and accountants. Analysis of elements like discounts, credit period, credit limits, and late payment penalties reveals that while most firms do not offer discounts, those that do experience a positive impact on accounts receivable. Moreover, credit limits are found to be influenced by factors such as sales turnover, customer history, and business longevity, showing a direct correlation with accounts receivable. This underscores the importance of effective accounts receivable management in sustaining firm profitability and liquidity in the manufacturing sector of Nairobi County, Kenya.

2.3 Research Objectives

1. To analyze the current credit policies of B2B enterprise and identify areas for improvement to enhance accounts receivable management.
2. To evaluate the effectiveness of communication strategies between B2B and their customers in facilitating timely payments and reducing accounts receivable aging.
3. To explore the role of technology and automation in streamlining accounts receivable processes for B2B manufacturing company, aiming to reduce payment delays and improve cash flow.

2.4 Research Gap

The main study is to Identify any patterns or shifts in DSO, bad debt expense, or collection efficiency as credit assessment practices evolve.

Scarcity of research on the effectiveness of communication strategies.

Lack of studies examining the role of technology and automation in streamlining accounts receivable processes.

2.5 Research Question

How can it enhance accounts receivable management to improve cash flow and financial stability?

2.6 Research Methodology

I utilized secondary data sources such as books, research papers, and the official website, ensuring a comprehensive understanding of the subject matter and robust analysis.

2.7 Data Analysis and Discussions

1. Create an aging schedule that provides insights into payment patterns and creditworthiness of the customer.

Firstly, we identified customers who consistently paid invoices late or after the due date. Through rigorous data collection and organization, including names, account numbers, invoice details, payment dates, and amounts owed, we established a clear picture of each customer's payment behavior.

By calculating the aging of unpaid invoices from the invoice date to the current date, we categorized these invoices into aging buckets, typically 30, 60, 90, and over 90 days past due. This categorization allowed us to assess the severity of late payments and identify potential risks to cash flow and accounts receivable turnover.

Our analysis delved into the credit history of these late-paying customers. We reviewed payment patterns, credit limits, past due balances, and any other relevant credit information to better understand their creditworthiness and assess the risk of future late payments or defaults.

Through trend analysis and pattern recognition, we identified key insights into the behavior of late-paying customers, enabling us to make informed decisions on credit management strategies. These strategies may include sending reminders, adjusting credit limits, or implementing stricter credit terms for high-risk customers.

Moving forward, we will continue to monitor and review the aging schedule and credit history of late-paying customers to ensure proactive management of accounts receivable and mitigate the risk of bad debt.

2. Customer segmentation

Customers segmentation based on their credit scores, payment behavior, and credit utilization. High-risk customers, characterized by low credit scores and chronic payment delays, identified as requiring stricter credit terms and increased communication efforts. Moderate-risk customers, with moderate credit scores and occasional payment delays, would recommend personalized support and incentives for timely payments. Low-risk customers, exhibiting high credit scores and prompt payment history, must be offered extended credit terms and targeted loyalty programs to enhance customer satisfaction and loyalty. This helps to tailor companies credit management strategies and customer relationship management initiatives effectively, mitigating risk and maximizing profitability.

3. Customer Communication

To increase communication frequency for customers with overdue payments, improve message clarity and content, and implement automated systems for consistent reminders. Additionally, considering newer channels like SMS or mobile apps for communication and incorporating personalized messaging can further optimize customer engagement and response rates. This analysis underscores the importance of effective communication in maintaining timely payments and optimizing cash flow within the organization while aligning with industry standards and compliance regulations.

4. Further categorized the overdue payments

To develop tailored collection strategies for each category of overdue payments, offering incentives for prompt payment to encourage customers to settle their accounts quickly. Additionally, reviewing and potentially adjusting credit policies and terms can help align them with customer needs and business objectives.

Calculation done on this bases.

- Days Sales Outstanding (DSO) is a financial metric that measures the average number of days it takes a company to collect payments from its customers after making a sale on credit. It is also known as the "average collection period."

Interpretation: A lower DSO indicates that the company is collecting payments from customers more quickly, which is generally favorable as it improves cash flow.

A higher DSO suggests that the company is taking longer to collect payments, which may lead to cash flow challenges or indicate potential issues with credit management.

- Accounts Receivable Turnover (ART) analysis is a financial metric used to evaluate how efficiently a company is managing its accounts receivable. It measures how many times a company collects its average accounts receivable balance during a specific period, typically a year

Interpretation: Analyzing changes in ART over time and comparing it with industry benchmarks provides insight into the company's collection efficiency relative to its peers, highlighting potential areas for improvement or areas of excellence.

- Shortening the aging period:

(0-30 days)

31-60 days

61-90 days

Over 90 days

(Instead of 120 to 180 days) revolving

Chapter 3. Task handled

As an intern in the CTG department of Syntegon Verna, I got a list of tasks to be completed everyday. To get the learning initiative started, I had to get the knowledge company basic softwares like SAP , grasping the aspects of an invoice sent by the customers and vendors & overall working in the CTG department as and when I communicate with my team.

The tasks

1. Creating Aging Report every week

Keeping track of accounts receivable.

Understood the TIP software used by the company (cash forecasting).

2. Prepare summary of employees travelling expenses

3. Accounts recivables

- Payment Receipt booking
- Forex Booking
- Bank Balance Statement updating day to day.
- Attachment of Document advice

4. Documentation as per filing norms

5. Creating G/L Ledger for customers overdue Balance.
6. Kockoff in SAP .

Cross-referencing customer payments with outstanding invoices or open items in the system to ensure accurate accounting and identify any discrepancies or unauthorized deductions.

7. Bad debt

I was responsible for clearing and recording bad debts on the spa software. This involved identifying overdue accounts, reconciling them, and updating the software to reflect the bad debt status.

8. Data entry of commissioning

I handled data entry for commissioning provisions, ensuring accurate input of commissioning activities into the company's system. This involved collecting and organizing data from various sources and inputting it into the database for future reference and reporting

9. Sales Reconciliation

My responsibilities included reviewing sales orders, invoices, and payment records to identify any discrepancies or errors. I utilized accounting software to match sales transactions with corresponding entries in the general ledger, ensuring that all revenue was properly accounted for

Chapter 4. Learnings

During my internship at Syntegon Technology India Pvt Ltd., I worked in the accounts receivable department, gaining valuable insights into the financial operations of a company. I developed a thorough understanding of the company's revenue streams and how they impact the accounts receivable process.

One of the key aspects of my internship was understanding the company's receivables management and credit policies. I learned about the importance of timely invoicing, tracking receivables, and

managing customer payments. This experience allowed me to understand how to maintain a healthy cash flow and minimize bad debt risks.

I was also involved in reconciling customer accounts and resolving any discrepancies, which required attention to detail and analytical skills. Additionally, I learned about the company's procedures for handling collections and communicating with customers regarding outstanding balances.

Furthermore, I had the opportunity to collaborate with other departments, such as sales and customer service, to ensure accurate invoicing and resolve customer inquiries promptly. Effective communication and teamwork were essential in maintaining smooth operations within the accounts receivable department and across the organization.

Through my internship, I gained practical experience in using accounting software for tasks such as generating invoices, posting payments, and generating aging reports. This hands-on experience enhanced my technical skills and prepared me for future roles in accounting.

Overall, my internship at Syntegon Technology India Pvt Ltd. in the accounts receivable department was both educational and rewarding. I am grateful for the opportunity to apply my knowledge and skills in real-world scenarios and look forward to leveraging this experience in my future career endeavors.

Chapter 5. Challenges

1. It is tedious for a person who is going to enter without any knowledge of SAP. A person might know to pass the entries on the book but find it difficult to do the same on SAP.
2. Understanding the various T-Codes that are available on SAP ERP becomes difficult for a fresher without knowledge of SAP.
3. Another problem identified was understanding to handle the invoice related issues as to who is in charge of invoices and bookings even sometimes the salesperson for customers it has to be mentioned somewhere on the documents.
4. No proper hand holding in terms of a system to work on. The new comers are engaged in filing as no system is made available to them. This restricts the new comer from performing to the best of his/her potentials.

- Solutions

1. Proper training in the area of SAP should be provided to freshers. An individual without any knowledge of SAP would find it difficult to operate accounting procedures on SAP.

2. Making a list of various T- codes and the purpose for which it is used will help a fresher and act as a guide book instructing about the various T-codes and the purpose. Also putting down steps to do about with the same will ease the procedure to follow until a fresher gets his hands on job leading to smooth working.
3. Seeking proper guidance from the right person and resolving the issue will help to reduce the time consumed in handling related to invoices. By doing this, the issues would not be piled up on one individual and kept for tomorrow.
4. Finally hands on job will lead to smooth working .Practicing the work that has to be done will lead to efficient working with ease.

• Bibliography

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Appendix I

Knockoffs FB-32

Document Edit Goto Settings Environment System Help

Clear Customer Process open items

Distribute Difference Charge off diff. Editing Options Cash Dec. Due

Standard Partial Pmt. WH Tax

Account items 903493 DCB BANK LIMITED (More)

Assignment	Document...	D. P...	Posting Date	Document...	Reference key 3	INR Net	Partially Paid Amt	CashDiscount	CDPer.	S...
	1400008913	DE	11.23.12.2020	23.12.2020		9,819.00-	0.00			
	1400008914	DE	11.23.12.2020	23.12.2020		3,086.00-	0.00			
	1400009329	DE	11.01.01.2021	01.01.2021		276,190.00-	0.00			
ATT Nov-2	94050593	RV	01.26.11.2020	26.11.2020	Peat Control 20-21	13,796.56	0.00			
ATT Pariva	94051835	RV	01.14.12.2020	14.12.2020	Peat Control 20-21	7,004.48	0.00			
DS March	94307570	RV	11.11.06.2020	11.06.2020	Peat Control	1,162.30-	0.00			
DX Nov-20	94050746	RV	01.30.12.2020	30.12.2020	Peat Control 20-21	9,945.64	0.00			
DX Nov-20	94051272	RV	01.07.12.2020	07.12.2020	Peat Control 20-21	35,022.40	0.00			
DX Oct-20	94049770	RV	01.06.11.2020	06.11.2020	Peat Control 20-21	5,039.34	0.00			

Processing Status

Number of items	30	Amount entered	0.00
Display from item	1	Assigned	187,363.56
Reason code		Difference postings	
Display in clearing currency		Not assigned	187,363.56-

Appendix II



