



شركة الخليج للكابلات والصناعات الكهربائية ش.م.ك.ع
Gulf Cable & Electrical Industries Co. K.S.C.P

Internship placement report at
GULF CABLE & ELECTRICAL INDUSTRIES CO.
BY
AARON MARLON FRANCO

**Submitted to Goa Business School,
Goa University.**

DECLARATION

I, Aaron Marlon Franco, certify that this internship report entitled as “**GULF CABLE & ELECTRICAL INDUSTRIES CO.**” is submitted to the Department of Goa Business School, Goa University in partial fulfilment of the requirements for the degree of Master in Business Administration under the supervision of Mr Bhavik Vyas (Senior Training Officer).

AARON MARLON FRANCO.
MBA 2101.
GOA BUSINESS SCHOOL, GOA UNIVERSITY.

DATED: 11/07/2022

ACKNOWLEDGEMENT

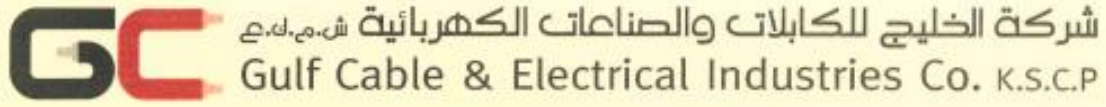
This dissertation would not have been possible without the guidance and the help of several individuals who in one way or another contributed and extended their valuable assistance in the preparation and completion of this Internship program.

I would like to express my gratitude to Goa Business School for including internship program which has provided an opportunity to gain practical working experience in the organization.

I am thankful to Mr. Naser O. Kanaan – Executive Director, Mr. Bhavik Vyas – Senior Training Officer from Gulf Cable for devoting time from their busy schedule and explaining how work is being done in the manufacturing company and assigning me with various tasks during these 8 weeks/346 hours of internship period.

I would also like to extend special thanks to the entire staff for their full co-operation, guidance and support during my internship.

INTERNSHIP ACCEPTANCE LETTER



شركة الخليج للكابلات والصناعات الكهربائية ش.م.ك.س.ج.
Gulf Cable & Electrical Industries Co. K.S.C.P

cables that pulse with life

Ref:GC / AD / 144 / 2022 : الإشارة

Date: 17th March, 2022 التاريخ

To
Goa University
Goa Business School
Taleigao, Goa 403206 - India

Subject: Acceptance of Mr. Aaron Marlon Franco into our Internship Program,
May – July, 2022

We are Gulf Cable & Electrical Industries Co. KSCP Kuwait is one of the region's leading manufacturer's of power cables producing various types of cable and having facility in Kuwait and Jordan.

We are pleased to confirm that we have accepted the below mentioned candidate into our Summer Internship Program as detailed below:

Intern Name : Mr. Aaron Marlon Franco
Date of Birth : 14 August, 2000
Nationality : Indian
Passport No : T4014275

Duration of Internship Program: Eight weeks (5 Days x 6 Hours), between May to July, 2022

Training schedule shall be made with adequate time in various departments such as Purchasing, Stores, Technical, Production, Planning, Quality Control, Local & Export Sales & Marketing, Projects, Maintenance, Administration and Finance - Costing. Our Senior Training Officer, Mr. Bhavik Vyas shall coordinate with all concern authorities to ensure an efficient and productive training program, and by following all safety and security protocols of the Company.

We wish the intern every success and look forward to welcoming him at our factory & offices in Kuwait. In case of any further information please do not hesitate to contact us.

Yours sincerely,

Naser O. Kanaan
Executive Director
Administration & Public Relations



Bhavik Vyas
Senior Training Officer
Mobile : +965-92220148



هاتفنا: ٢٢٢٢٠١٤٨ - ٢٢٢٢٠١٤٨ - ٢٢٢٢٠١٤٨ - ٢٢٢٢٠١٤٨ - ٢٢٢٢٠١٤٨ - ٢٢٢٢٠١٤٨ - ٢٢٢٢٠١٤٨ - ٢٢٢٢٠١٤٨ - ٢٢٢٢٠١٤٨ - ٢٢٢٢٠١٤٨
Tel.: 24675244 - 24645500 - Fax: 24675850 - 24675305 - P.O.Box : 1196 Safat Code No. 13012 - Kuwait - Cable : WIREGULF - Com. Reg. 23213
Website : www.gulfcable.com - E-mail : info@gulfcable.com - Issued and paid up Capital KD 20,993,131 - رأس المال المصدر والمدفوع د.ك. ٢٠,٩٩٣,١٣١
10 - 2020

INTERNSHIP CERTIFICATE



شركة الخليج للكابلات والصناعات الكهربائية ش.م.ك.ع
Gulf Cable & Electrical Industries Co. K.S.C.P

This is to certify that

Mr. Aaron Marlon Franco

(MBA Student of Goa Business School, Goa University)

has successfully completed his summer internship program
at Gulf Cable & Electrical Industries Co. K.S.C.P. State of Kuwait

Duration of Internship

From 25-May-2022 until 11-July-2022 (for 346 Hours)

(Areas of training & work:

Finance & Accounting, Costing, Risks & Compliance,
Financial Control, Supply Chain & Logistics, Planning,
Sales, Marketing & Business Development,
Production, Maintenance, Quality Control,
Administration, and Information Technology)

Certificate No : 2022/07-1082

Issued Date : 11 July, 2022

Place of Issue : State of Kuwait

Bhavik Vyas
Senior Training Officer



Naser O. Kanaan
Executive Director
Admin. & Public Relation



Cables that pulse with life

Tel: 24645500 - 24675244 - Fax: 24675305 - 24675850 www.gulfcable.com
P.O.Box 1196 Safat, Code No. 13012 - Kuwait - Cable: WIREGULF - Com. Reg 23213



Certificate of Internship

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1. EXECUTIVE SUMMARY:

I am fortunate to be provided with an opportunity by Goa Business School to do my internship in an industrial manufacturing company, travel to Kuwait, and join Gulf Cable & Electrical Industries Co. KSCP, one of the leading manufacturers of power cables in the Middle East.

My learning and working experience in Gulf Cable has been remarkable because it conducts its business according to world-class standards. The Company's Training Department planned a special program where on most days I was imparted job training in the mornings, and, given hands-on practical working experience for the rest of the day.

It was highly informative to see how all departments in the Company work in close coordination with each, promoting true team spirit amongst its employees. My report details the work put in by all departments to create an end-product that is of the highest quality, and, held in high esteem by the local and international clientele.

Management and employees of the Company are truly professional in their approach to work. With this internship, I learned new skills and was able to meet & interact with people of various backgrounds, and this gave me a better understanding of people and cultures.

2. PROFILE OF THE COMPANY:

Gulf Cable is a Kuwaiti Share Holding Company. The organisation was established in 1975 with the assistance of the Kuwait Government with the objective of meeting growing local requirements and providing users with quality wires and cables that exceed customers' expectations and positively contribute in developing the society and with the use of experience and technology of M/s. Furukawa Electric Co, Japan. As a part of expansion plan, Gulf Cable acquired an Industrial Complex in Hashemite Kingdom of Jordan in 2004. It is the only domestic manufacturer and exporter of power cables, control cables, telecommunication cables and overhead conductors in Kuwait.

1991 INVASION - During the 1991 Gulf War most of the installed machines along with newly acquired machines and equipment under commissioning were looted and taken away by the invading forces.

1992 RESTORATION - Gulf Cable was rebuilt by restoring damaged buildings and structures, basic machines, test equipment and utilities were procured and commissioned to reach pre- invasion status. Manufacturing commenced on priority for supply of cables for restoring power supply to the State of Kuwait. Several new machines were added then after.

3. INDUSTRY ANALYSIS:

3.1 PORTER'S FIVE FORCE ANALYSIS:

A. Competition

- GC is the only cable manufacturer in Kuwait, however there are lot of competitors from GCC countries.
- GC is making presence felt and competing in export markets like Iraq, Saudi Arabia etc.
- GC Product Quality plays vital role in market competition.
- Customer loyalty to GC brand.

B. New Entrants into the Industry

- GC is the only cable manufacturer in Kuwait, however there are lot of competitors from GCC countries.
- New entrants into this industry shall face huge capital investments, license/legal approval barriers, and low demand.
- Limited Resources; Lack of expertise.

C. Supplier Power

- Gulf Cable has a market share of 94% in local market.
- Most of the raw materials are imported from renowned/branded suppliers.
- Product cost majorly depends on raw materials costs.
- Price of metals, its variations etc. affects price of final product.
- Vendor development for easily suppliable and quality materials.

D. Buyer Power

- Most buyer are local.
- Competition from GCC manufacturers influences buyers and prices.
- Customer loyalty to GC brand.

E. Threat of Substitute Products and Services in the Market

- Market instability causing raw material costs variations.
- Pandemic also is a big threat for all businesses.
- No threat of product substitution expected in the cable industry.

3.2 PESTLE ANALYSIS:

1) **Political factors:**

- Government policies are subject to change from time to time.
- War kind situations can cause disruptions.
- Political stability in country or region, etc.

2) **Economic factors:**

- Oil price instability.
- New projects in market.
- Unpredictable demand/supply etc.

3) **Socio-cultural factors:**

- GC ensures it has complete knowledge of country, peoples and client organization.
- Before mobilization regular business visits reports is monitored.
- Monitoring media for obtaining knowledge of customs/traditions of country where organization is operating or clients belong.

4) **Technology:**

- GC employees regularly attend international seminars, conferences, exhibitions, and training workshops in order to keep updated in terms of knowledge.
- GC strives for technological research & development work by conducting various trials and bulk trials.
- New invention & product developments like recently developed Solar PV cables & AAAC (All Aluminium Alloy Conductors).
- Machineries, tools and testing equipment of latest technologies from renowned, branded suppliers.

5) **Legal factors:**

- Laws and regulations varies with times, and compliance is obligatory. At present GC complies with various laws, regulations, permits & licenses such as Kuwait State laws or regulations, labour laws, ministries-related laws, Kuwait Environment Protection Act, Kuwait Stock Exchange laws, financial regulators Capital Markets Authority laws, taxation policies, etc.
- Compliance are regularly reviewed at GC by internal & external audits, Permit Team meetings, Management Review meetings, etc.

6) Environmental factors:

- GC is ISO: 14001 (Environment Management System) certified company by TUV Nord.
- GC is committed to preventing environmental pollution and reducing the usage of natural resources by periodically monitoring the air quality, noise level, LUX (illuminance) level, water consumption, diesel consumption, liquid waste disposal, etc.

4. COMPANY ANALYSIS:

4.1 SWOT ANALYSIS:

Strengths:

- Only cable manufacturer in the country.
- State of the art technology from industry's leading suppliers.
- An all-inclusive quality, with high-skill technical expertise, and its highly diversified products offering multiplicity of alternatives at competitively attractive prices.
- Government enforced cushion over external competitors up to 15% depending upon types of projects.
- Diverse product range from domestic wires to power cable upto 33kV, FRLS, LSZH, FS cables, overhead conductors, etc.
- In-house manufacturing of major raw material (copper rods & PVC compound)
- ISO: 9001, ISO: 14001, ISO: 45001, BASEC, and LPCB UK (Loss Preventive Certification Board) certified company.

Weaknesses:

- Availability of raw materials relying on imports.
- Less aggressive marketing strategies.
- Legal regulations change frequently
- Fluctuation of Raw Material prices

Opportunities:

- Could penetrate lucrative markets in countries such as Syria, Iraq, Saudi Arabia, and even Northern Africa.
- Could adopt digital technologies, different software, paperless works, etc.
- Could benefit from developing online marketing strategies, etc.

Threats:

- Disruption in shipping lines due to force majeure situations (war, natural calamities) could affect materials imports.
- Market instability, and inflation possibilities.

4.2 VRIN (VRIO) ANALYSIS:

Value:

- GC manufactures or imports specialised cables (fiber optic, LSFR, HFFR, lead cables, telephone cables CAT-5 & CAT-6) in order to meet the relatively small volume requirements of the Company's biggest clients, thus providing an all-inclusive supply solution as a package deal.
- GC provides jointing kits and accessories as a complete solution for laying cables for public utilities.
- GC manufactures plastic/wire band rolls used for sealing khabus (Arabic bread) packets which is a government initiative to provide low-cost staple food for the population. In doing this on a 'not-for-profit' basis, Company partners with a big client, The Kuwait Flour Mills & Bakeries Co, and improves presence in the market, as well as, relations with an important client.
- During the pandemic GC supplied cable requirements to all makeshift vaccination centers and isolation centers in a very short period of time, free of cost.

Rarity:

- In an ever-growing economy, GC is the only manufacturer of domestic wires, power and telephone cables in Kuwait.
- In a country renowned for patriotism, GC is seen as a rare, prestigious local brand with world-class quality, and customers purchase their products with pride.

Imitability:

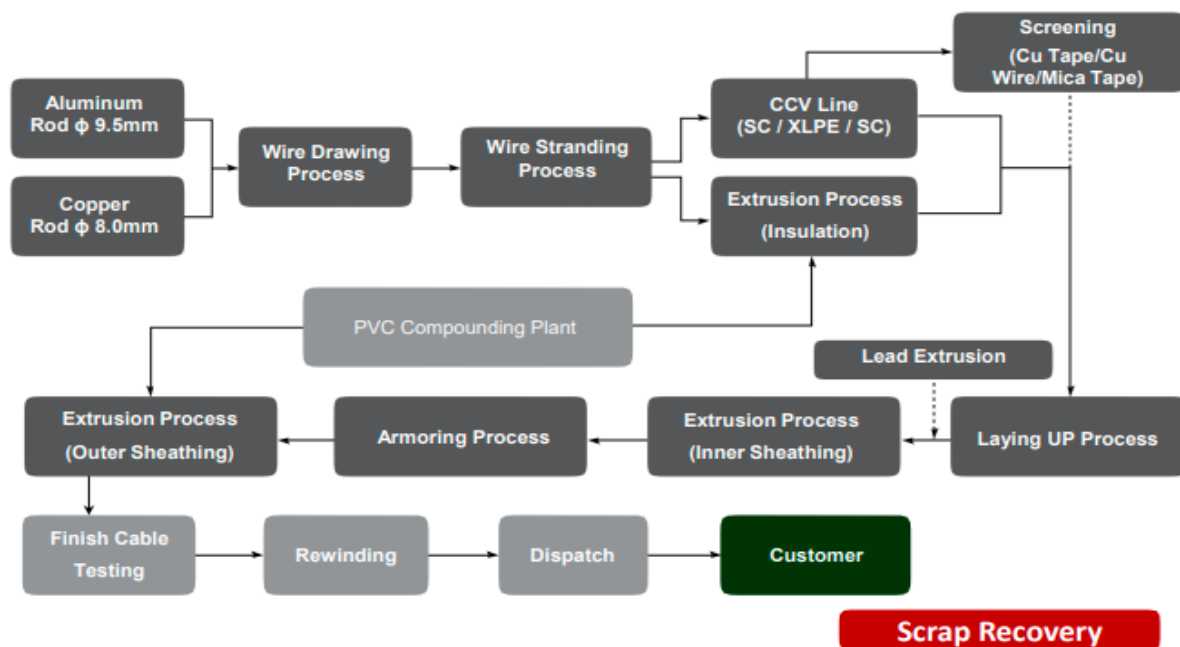
- High quality products at affordable prices.
- IMS Policy including quality, environment, health & safety objectives.
- Management philosophy is to always have internal specifications more stringent than international specifications.

Organization:

- GC is certified for ISO: 9001, ISO: 14001 & ISO: 45001 from TUV Nord Germany. Additionally, they have ISO: 9001 from BASEC UK. Recently they have obtained certification from LPCB (Loss Preventive Certification Board) UK for special fire-resistant cables.
- GC focuses towards continual improvement having defined objectives and targets for sustainable development.

5. DEPARTMENT ANALYSIS:

5.1 MANUFACTURING DEPARTMENT: PROCESS



Copper Rod and Aluminium Rod are imported from France, United Kingdom, Russia, Japan & Finland. These Coil barrels are then transported to the manufacturing factory in Kuwait. The first process for producing these cables is as follows:

A. Wire Drawing Process in this process Copper and Aluminium rods are drawn separately to meet the desired wire diameter through a series of drawing wires.

B. Wire Stranding Process here multiple wires are grouped to get the desired cross-section of different numbers of strands for different conductors. To obtain the shape of the conductor either compact, non-compact, or sector, wires are passed through a compact dye or sector shape rollers. Stranding uni-lay, reverse

concentric or perspire conductors are formed to obtain more flexibility in the conductor. The reason for stranding conductors is for mechanical flexibility and it decreases the resistance of the cable.

C. i. Continuous Catenary Vulcanizing (CCV Line) The conductor is extruded with a layer of the inner semiconducting screen which is simultaneously followed by XLPE insulation and, an outer semi-conducting screen. This crosshead is specially designed to feed three compounds at one point using three extruders altogether. Material is stored in a dust-proof compact room and pneumatically conveyed to a hopper through the dehumidified dryer.

C. ii. Extrusion Process (Insulation) in this process the compound is pushed in between the barrel and extruded at a predetermined temperature followed by a nozzle and dies to produce a desired cross-section shape of the cables.

D. Screening (Mica Tapping Process) is a dry non-adhesive flexible tape, infused with a high-performance heat-resistant silicon resin and reinforced with the support of polyethylene film. The advantages of Mica: Non-propagation of flames: Mica is a non-combustible material and does not propagate flames.

E. Laying UP Process is when the cables are assembled and twisted for cabling the multi-core pf PVC, PE, or XLPE cables. The main function is to give mechanical protection for insulation in the case of armored cables only.

F. Extrusion Process (Inner Sheathing) this lead extruder machine is used for sheathing lead on cable and wrapping rubber pipe with lead and vulcanizing the same continuously. It is facilitated with a unique design of cross head which overwhelms the earlier used so-called technique- Lead press extrusion. An automatic feeding device, high output, and its unique centering method enable us to produce huge production quantities meeting all process parameters.

G. Armouring Process is the process whereby cable is protected against the Mechanical Damage by using Steel tapes, a Galvanized steel wire, or Aluminium wires.

H. Extrusion Process (Sheath Process) is the outer jacket of the cable, its main function is mechanical protection.

5.2 MAINTENANCE DEPARTMENT:

The Department is categorised into four sub-departments. Which are Mechanical, Workshop and Design, Electrical and Project respectively.

5.2.1 Mechanical – The technicians carry out planned maintenance and repair activities on a wide range of machines that are used for the production of the cables. Their main job is to ensure that the equipments used are in perfect condition for production. A software named (GCERP) which is a segment of SAP is used to keep track of all the equipment which are damaged, fixed, and restored. In certain circumstances, if the equipment is not repairable that item is later brought from the existing buyer.

5.2.2 Workshop and Design – Technicians get all the worn-out equipment and are later restored through various tools available to them at their disposal. Some of the tools can be Lathe Machine, Milling Machine, Shaper Machine, Drilling Machine, Power Saw, Welding Machine, and Grinding Machine. These are the commonly used tools for the technicians to get the best out of their existing equipment.

5.2.3 Electrical – The Electrical maintenance engineer's job involves doing a routine check-up on the electrical systems for the factory machines. Their work is classified into two types. (Preventive maintenance and Breakdown maintenance). In the Preventive Maintenance workload, the engineer and electrician do a routine check of the machine to ensure that the equipment is in a pristine state to run successfully in the long run. A schedule is provided to them by the Planning department. When a Breakdown occurs during production, the whole process is brought to a halt. During which a Breakdown and Maintenance book (Memo booklet) is used to record the issue and later sent to the Department head for approval to be renewed and fixed by the electricians. An ACB circuit breaker (Power Substation) is used for the protection of the machines.

5.2.4 Project – The Project Manager and Project Engineer are responsible for planning, organizing, and directing the completion of a certain project given to them. They deal with the request for newly constructed machinery, plants, the expansion of factories, etc. They also deal with contracts with other clients concerning constructing new machines, buildings, etc.

5.3 QUALITY DEPARTMENT:

In this department, highly qualified engineers are made aware of all the raw materials coming to the company. Their main role and job are to ensure the quality coming into the company as well as production and finished products are frequently checked to ensure that the company dispatches their cable at a high standard. A QAP (Quality Assurance Plan) which is created by the projects team is maintained to meet all the criteria for making the best possible cables. An in-house quality assurance office is responsible for the in-process inspection stationed in every manufacturing process from start to finish to regularly check the smooth flow of the cables. These cables are also sent to the laboratories (KEMA) for the final product testing. This testing consists of (Routine Testing, Sample/Acceptance Testing, and Type Testing) and these tests are essential for which a certificate will be provided to the company for later sale purposes.

5.4 STORES DEPARTMENT:

The Stores Department comprises four sub-categories. Raw Material, Spare Parts, Dispatch, and Finished Goods. All these departments combined work to maintain/preserve, document inflows, and outflows, and produce cables and are responsible for the in-house storage of these cables, where they will be placed after production and stored before the time arrives for dispatch. Along with the Quality Control engineers they also inspect the raw materials coming into the company. The department also uses GC-ERP software to maintain a systematic flow of all materials coming and going from the company. To avoid uncertainty, the stores are noted when a certain material is not meeting the minimum/maximum criteria of the software and restock them. Too many things easier each part/material is labelled for better knowledge/understanding to the factory employee.

5.5 PURCHASE DEPARTMENT:

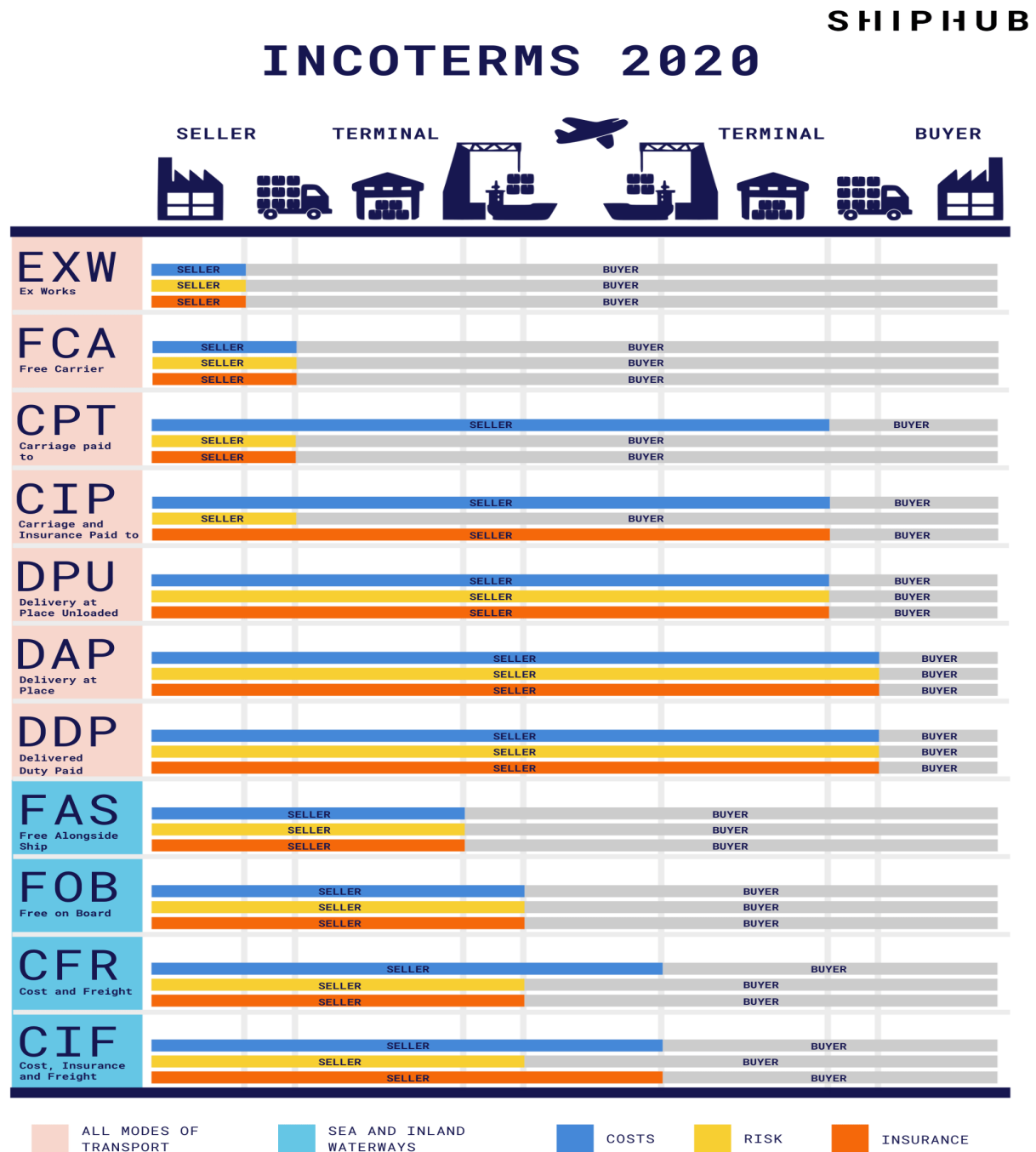
The purchasing department is categorised into three sub-departments. Raw Materials Purchases, Spare Parts Purchases, and Local Purchases respectively. The department works together to purchase available resources for the organisation be it machine parts, raw material for cables, office equipments, etc. The main job of the purchasing department is to do a comparative study and negotiate with the sellers to get a decent price for the company. Various other works consist of tracking orders, maintaining records of purchases, etc. The department highly relies on the rules and follows the regulation of the Intercom (International Commercial Terms) which was published by the International Chamber of Commerce relating to International Commercial Law which defines the responsibilities of sellers and buyers for the sale of goods in international transactions. The rule clarifies the costs and risks to be borne by buyers and sellers in these transactions.

5.5.1 Raw Material Purchases – The raw materials department is responsible for purchasing all the materials used as inputs to produce the cables, and PVC resin materials, checking the availability of the raw material in the stores. The Raw Material Store notifies the Department whenever a shortage of material occurs through the GC-ERP software and files a purchase requisition. During this requisition process, the concerned individual in charge tries to find out the best possible material and does a comparative study of the material. The comparison is based on Quotation/Price, Delivery time, Payment method, etc. Once the comparison is done the paperwork goes to the Purchase Manager and CEO for approval upon which the purchase will be done.

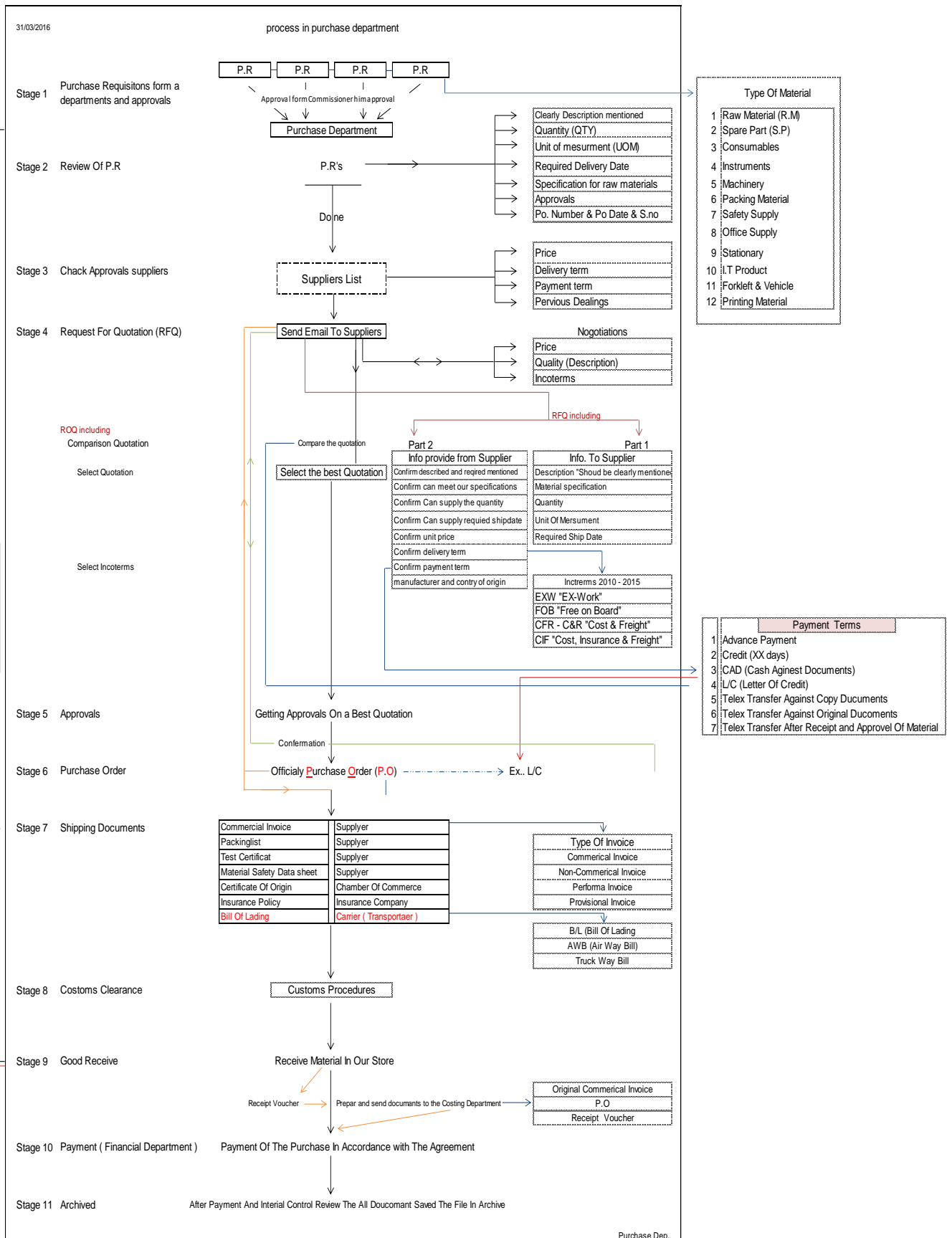
5.5.2 Spare Parts Purchases – The department ensures that the part of the machine is available at the disposal of the factory employees to ensure a smoother flow of maintenance work. They are made aware when a part isn't available and goes ahead with purchasing a new part and follows the same guidelines as other departments to make the part available.

5.5.3 Local Purchases – The department focuses on only two things. Stocks and Raw Materials. The Local Purchase department deals with only companies in Kuwait. This initiation was started by the King of Kuwait to help local companies for the betterment and benefits of all the local companies. The payment terms are of only two types. Credit payment and Cash payment. These orders are normally bulk orders but less amount. A list of all raw materials available in the country is presented to them for their reference. This department also follow the same

process of purchasing raw materials as compared to Raw Material Purchases and Spare Part Purchases.



Note: Above is the Incoterm table.



Note: Above is the flow chart of the Purchase Department. And how the process works.

5.6 INTERNAL CONTROL DEPARTMENT:

Gulf Cable adopted a set of internal monitoring and controls system that covers all of its activities by following the administrative policies approved within the Company and adhering to the limits and regulatory guidelines, the legitimacy of transactions, good documentation and establishing an appropriate framework for approvals, permissions, verification and settlement. The Internal Control Department is responsible for monitoring the company activities - in particular accounting, and financial reporting, minimizing risks and protecting assets, ensuring the accuracy of records, promoting operational efficiency, and encouraging adherence to policies, rules, regulations, and laws. Its main criteria is to avoid risks by performing analytical procedures of all the department in the organization. The main job is to safeguard the organization and further its objectives. The department prepares a three-year plan which they follow accordingly which is later executed to perfection and made sure everything works out to plan. The Company has used services of an independent agency to prepare a report on valuation and revision of the Internal Control Systems (ICR) in accordance with the requirement of CMA.

5.7 SALES & MARKETING:

The Department is categorised into four sub-departments. Which are Local Sales, Export Sales, Government Relation, and Individual Customer respectively.

5.7.1 Local Sales – This department's workload is divided into three sections. Which are **A. Inquiry**, **B. Order Processing**, and **C. Dispatch**. The Local Sales department deals with the orders from the Local market and caters to their needs.

Inquiry – The Inquiry team receives an email from a potential client trying to gain information on available cables or coils available at Gulf Cable. Detailed information about cables is given by the buyers according to their needs and requirements, inquiring about the pricing. After this, the Inquiry Team prepares a Sales Inquiry report stating the cables required by the buyer and will be later sent to the Technical team whose job is to see if the cables can be produced and later seeks approval from the Planning Department as well. The Planning Department will give out an exact date when the cables will be finished and be available for dispatch. The last process involves the Sales Inquiry report being sent to the Costing Department where there will prepare a Schedule of Price (SOP). This Quotation offer will then be sent for approval from the Sales &

Marketing Manager and lastly the CEO. This Quotation Offer will then be sent to the buyer.

Order Processing – When the buyer gets back and agrees with the Pricing Quotation. A Local Purchase Order is placed stating the cables requirements, Units required, Price of the cables agreed, and delivery time. This purchase order is double-checked to cater to the needs of the customer. During this process, an email confirmation is sent to the Planning Department with all detail and a description of the cables. The Planning Department will be made aware of this and evaluate the resources available to produce the cables. Once approved by the department a Work Order Number is issued and the Production process begins.

Dispatch – The payment terms are either Cash or Credit for Coil/ Cables. A Dispatch Invoice will be issued and given to the Accounts Department where the customer has to do the payment and will be given a gate pass.

5.7.2 Tender – Government tenders are normally announced through official government gazette, and EPC tenders are directed to GC by foreign companies. The Tenders section is responsible for examining tender documents, the scope of work, financial criteria, etc. and ensure that the cables are sold at a reasonable price, and manage the client's bidding requirements.

5.7.3 Government Relations – The department is responsible for maintaining excellent business relations with the Government of Kuwait. The Government is the biggest customer of cables for the electrical requirements of the country. This department caters to the needs of the Government and Oil Companies, and related private projects. They regularly update the government about new products available at Gulf Cable.

5.7.4 Export Sales - This department's workload is divided into three sections. Which are **A. Inquiry**, **B. Order Processing**, and **C. Dispatch**. The Export Sales department deals with the orders from International market and caters to their needs.

A. Inquiry – The Inquiry team receives an email from a potential client trying to gain information on available cables or coils available at Gulf Cable. Detailed information about cables is given by the buyers according to their needs and requirements, inquiring about the pricing. After this, the Inquiry Team prepares a Sales Inquiry report stating the cables required by the buyer and will be later sent to the Technical team whose job is to see if the cables can be produced and later seeks approval from the Planning Department as well. The Planning Department will give out an exact date when the cables will be finished and be available for

dispatch. The last process involves the Sales Inquiry report being sent to the Costing Department where there will prepare a Schedule of Price (SOP). This Quotation offer will then be sent for approval from the Sales & Marketing Manager and lastly the CEO. This Quotation Offer will then be sent to the buyer.

B. Order Processing – When the buyer gets back and agrees with the Pricing Quotation. An Export Purchase Order is placed stating the cables requirements, Units required, Price of the cables agreed, and delivery time. This purchase order is double-checked to cater to the needs of the customer. During this process, an email confirmation is sent to the Planning Department with all detail and a description of the cables. The Planning Department will be made aware of this and evaluate the resources available to produce the cables. Once approved by the department a Work Order Number is issued and the Production process begins. The Export Sales Team ensures that the buyer agrees to the CPT Incoterms agreement. A Gulf Cable only works on those terms. A guarantee is given for 12 months on the cables produced.

C. Dispatch – The payment terms are either Advance payment (30%) and (70%) at the time of receiving the cables or LC (Letter of Credit) for Coil/ Cables. A Dispatch Invoice will be issued and given to the Accounts Department where the customer has to do the payment and will be given a gate pass.

5.8 ADMINISTRATION DEPARTMENT:

The Department is categorised into three sub-departments. Which are Human Resource, Personnel & Development, and Environment & Safety respectively.

5.8.1 Human Resource – The main job is to handle the manpower of the company. Recruitment is solely based on them. They follow three important structure that has helped them tremendously in their department. Recruit – Maintain – Execute. Gulf Cable make sure to recruit highly qualified engineers, factory labourers, accountants and many more in the production department and for other departments so that their expertise will be used to engineer/produce the best cables in the country. In certain circumstances, recruiters are sent to different countries in search of these candidates be it India, Jordan, the Philippines, etc. The salary is given based on the benchmark given by the Government. Head Hunter – This term is commonly used in the department to find the most suitable candidate in a position that has a possible vacancy.

5.8.2 Personnel / Development – The department aims to recruit and retain the quality workforce necessary for Gulf Cable to meet its goals. Training at Gulf Cable is one of the important activities in the human resource department. In the training process, the company tries to motivate and train the employees in a manner so that they can work more effectively in the future of the organization. This department is responsible to look after their well-being as well as providing the best possible work environment. Once recruited the employee is insured by the company and is given a Visa which states that the individual is under Gulf Cable and is an eligible candidate in the country with a work permit by the company and the Ministry. Alongside this, the employer's family is also insured by the company and their insurance is given yearly based on their salary. Gulf Cable provides two types of Insurance. Personal insurance and Medical Insurance. When employed the candidate has to go through two months of training in their respective departments and also is educated and shown around the production department.

5.8.3 Environment & Safety – As a manufacturing organization Gulf Cable is prone to many risks be it a risk to the environment, human life, or the organization. The EPA – Environment Public Authority is a governing body in Kuwait that does a regular check-up at Gulf Cable to ensure that the company follows the rules and regulations to provide a safer guideline to the environment as well as its employers. Violations of any of these guidelines will lead to a heavy punishment by the government. Gulf Cable follows the British Level Standards in terms of safety. The factory workers are regularly being medically checked to ensure that they are fit for their role in the factory production center and to avoid any occupational health diseases in the future. After every two months, safety training is been conducted for all the employers of the company by conducting mock drills. A FAT (First Aid Team) & ERT (Emergency Response Team) is available 24 hours at Gulf Cable in case of any dangerous situations. Regular risk assessment meetings are held within the organization where risk factors and avoidable situations are discussed by identifying, evaluating, and examining the possible threatening factors in the company. A Hierarchy Control has been implemented at Gulf Cable to dissolve such situations in the near future. These meetings are held every 3 months.

5.9 INFORMATION TECHNOLOGY DEPARTMENT:

This department in Gulf Cable is responsible for supporting network databases and systems, updating the system hardware and software, and assisting the departments in supporting all data security and optimization. The Department is categorised into two sub-departments. **Which are A. Software Development & Infrastructure, B. E-Documentation respectively.**

A. Software Development & Infrastructure - It is an integrated part of Gulf Cable. The department works under two phases – **A. Oriel Development** and **B. GCERP** interconnectivity. The purpose of **A. Oriel Development** is used to analyse the company's overall workflow. Be it customer quotation, the quotation received, purchase order, update on finished goods, dispatch ready, accountant feedback, etc. **B. GC-ERP** is a software developed to engage all the departments together. It is a type of software that Gulf Cables use to manage day-to-day business activities such as accounting, project management, risk management, and supply chain operations. It is used to bring together all the departments for a smoother and fast flow of workload.

B. E-Documentation – In this sub-department digital documents are maintained from all departments and are stored in the electronic warehouse/file server located in this department. This was implemented to reduce the use of physical documents and to avoid procrastinating valuable time. The Jordan department is also interconnected through VPN.

5.10 PLANNING DEPARTMENT:

Planning is the most important when it comes to production. Their main job is overseeing planning development plans, preparing budgets and overseeing the financial administration of projects, and obtaining planning consent for proposals. The process starts from the inquiry which then goes to the planning department. The role and responsibility of is to do a thorough examination of the availability of the raw material, machines, and man power. This is later categorised between two sections –

A. Machine Planning – Four types of documents are maintained.

- **Daily Production plan** – Day to day production plans for each cable/coil process, be it finished goods or semi-finished goods are regularly maintained. This Production plan states the pending jobs that needs to be completed, frequent roundups of the cables etc.

- **Monthly Plan** – At the end of each month, production target goals of the production department and planning department should be met.
- **Order Status** – List of cables been approved for production by the production and planning department is maintained and issued.
- **Production Goal** – At the end of every month/year a production goal of total number of cables/coils should be met by the planning department.

B. Material Planning – Before buying raw materials, product identification information is reviewed, and quality tests are done at the QC department. PVC requirement sheet is produced to maintain information about the production plan of the PVC material. In certain circumstances when raw material is not available, a raw material order is issued which will later go to the purchasing department for purchasing for this raw materials. Certain factors can affect material planning be it micro or macro factors. This could be price trends, plant capacity utilization, business cycle, working capital, etc.

5.11 FINANCE DEPARTMENT:

Gulf Cables' finance department serves a very fundamental role in making financial decisions for internal and external affairs. Its responsibilities involve obtaining and handling any cash transactions on behalf of the organization. The department controls the income and expenditure in addition to ensuring that Gulf Cable performs effectively and avoids any financial disruption in the future. The use of GCERP software is frequently used. This department is divided into four categories – **A. Accounts Receivables, B. Accounts Payable, C. Fixed Assets, and D. Payrolls respectively.**

A. Accounts Receivables – The amount of cash transaction that is owed to Gulf Cable for its cables/coils is rendered to the customer on credit. As a status to Gulf Cable, this is an asset to the company. Results in as cash inflow to the company. Once the purchase order is issued and production of the cables/coils is completed and is ready for dispatch this documentation is called Sales documents. A credit invoice is issued to the buyer and the payment term is as follows –

- **Letter of Credit** – It involves a third person/Bank in the transaction. In this case National Bank of Kuwait (NBK). When the sales order is issued an LC is attached with terms and conditions which is opened by the buyer that needs to be addressed. It is another form of business transaction. It is used to minimize risks in international trade and ensures safety. This credit

payment transaction is reported monthly/yearly. This document consists of cable product code, size, amount, and delivery term/incoterms.

- **Letter of Guarantee** – This type of contract is issued by the National Bank of Kuwait on behalf of Gulf Cable which has entered into a contract with a customer who has agreed to purchase cables/coils from the company. The LG contract ensures Gulf Cable that they will be paid by the customer during the allotted period time with certain terms and conditions applied. The LG is divided into three performances guarantee, payment guarantees and bid bonds.
- **Cash & Cheques.**

B. Accounts Payable – The responsibility is to manage the entire process of accounts payable. It also involves the team to help improve the payment process and ensure payments are made only in legitimate and accurate bills and invoices. This role is critical to the accounting branch of the company and it involves approval, payment, and reconciliation of vendor invoices. It is centralized import purchases for both the Jordan and Kuwait Gulf Cable and issues both debit and credit notes. After price quotation and negotiation by the purchasing department for a certain expense be it raw material, transportation, licensing, products & equipment, etc. this fixed approved price is then sent to the finance department for payment purposes. The payment terms are as follows –

- **Telex Transfer in advance (TT)** – This type of payment is normally done by Gulf Cable when performing an international transaction and is mostly desired by Gulf Cable. It is an electronic cash transfer sent between two parties. And is mostly done before shipping. The payment is first done and then the shipment of the product is sent along with the original documents that consist of insurance, commercial invoice, bill of heading, certificate of origin, and delivery term/incoterms. Telex transfer is normally executed with buyers that have been supplying products to gulf cable for a long time.
- **Telex Transfer against copy of shipping documents** – This is another type of Telex transfer that is been incorporated by Gulf Cable. In this scenario, the seller sends a copy of the shipping documents which consists of insurance, commercial invoice, bill of heading, certificate of origin, and delivery term/incoterms which is sent via email to Gulf Cable after the shipment has been delivered.
- **Letter of Credit** – Gulf Cable opens an LC. It involves a third person/Bank in the transaction. When the purchase order is issued an LC is attached with terms and conditions which are opened by the buyer that needs to be addressed. It is another form of business transaction. It is used to minimize risks in international trade and ensures safety.
- **Cash & Cheques.**

C. Fixed Assets – Assets that have been accumulated over the year at Gulf Cable are later depreciated. This depreciated asset is categorised based on the asset, amount, purchase date, the company bought from, etc. An inbuilt system in the GCERP software does the accurate calculations of all these assets and gives a depreciated value. These assets consist of Plant & Machinery, buildings, vehicles, equipment etc. These assets are entered into the system and calculated. Each asset is given a fixed ratio that will calculate the depreciated value accordingly. It is calculated based on **Amount – (Period depreciation + Accumulated depreciation) = Current Account Depreciation.**

D. Payrolls – Another Section in this department deals with the salaries of all the employees at Gulf Cable. Each individual that has joined gulf cable is given a fixed salary. The role and responsibility are to ensure that every single employer at gulf cable is paid on time. Every employer is given a 30-day paid leave and is paid accordingly. According to the Kuwait Labour Law, Indemnity pay is given to every individual and is strictly followed at Gulf Cable. An inbuilt Indemnity calculator is used on the GCERP system. Every employee is given 15 days indemnity for the first five years and is given half of the indemnity. And if they complete more than 10 years the employee gets a full indemnity according to Article 51 of the Kuwait Labour Law.

5.11.1 Financial Performances:

Gulf Cable generated total revenue of KWD 81.3 million for 2021 with a growth of 2.6% compared to KWD 79.3 million in 2020. The total revenue of the group consists of three elements: cable sales of KWD 65.5 million, investments of KWD 12.8 million and rendering services of KWD 3 million.

- For cable sales, Parent Company recognised sales of KWD 50.3 million and the subsidiary company Gulf Cable Jordan recognised sales of 15.2 million.
- Investment revenues in the year 2021 increased to KWD 12.8 million compared to KWD 3.1 million in 2020.
- The rendering services revenue of KWD 3 million resulted from acquisition of a new subsidiary company “Al Reaya Company for Buildings and Cities Cleaning Contracting”.

Gross profit margin increased to 19.8% in 2021 from 11.5% in 2020. The increase was mainly because of the reduced price of cable sales and government tenders awarded with relatively high profit margins due to preferential advantage for national products. Gulf Cable has achieved an increase of 172% in its profit before taxations and board of director’s remuneration and amounted to KED 17.5 million compared to KWD 6.4 million in 2020. Total equity attributed to the owners of

the Parent Company amounted to KWD 227 million in 2021 compared to 185.9 million in 2020.

5.11.2 Acquisition:

- Seeking diversified acquisition.
- Right choice at right time.
- Focused on high quality management teams.

A. Al Reaya Company for buildings and Cities Cleaning Contracting-WLL

During the year 2021, Gulf Cable acquired 100% equity stake of Al Reaya Company for an amount of 4.6 million.

B. Heavy Engineering Industries and Shipbuilding Co. KSCP (HEISCO)

Gulf Cable acquired 28.3% of HEISCO shares, with a carrying value of Group's ownership interest of KWD 29.9 million.

C. National Investments Co. KSCP (NIC).

The company was acquired for 25.4% of NIC shares, with a carrying value of Group's ownership interest of KWD 55 million.

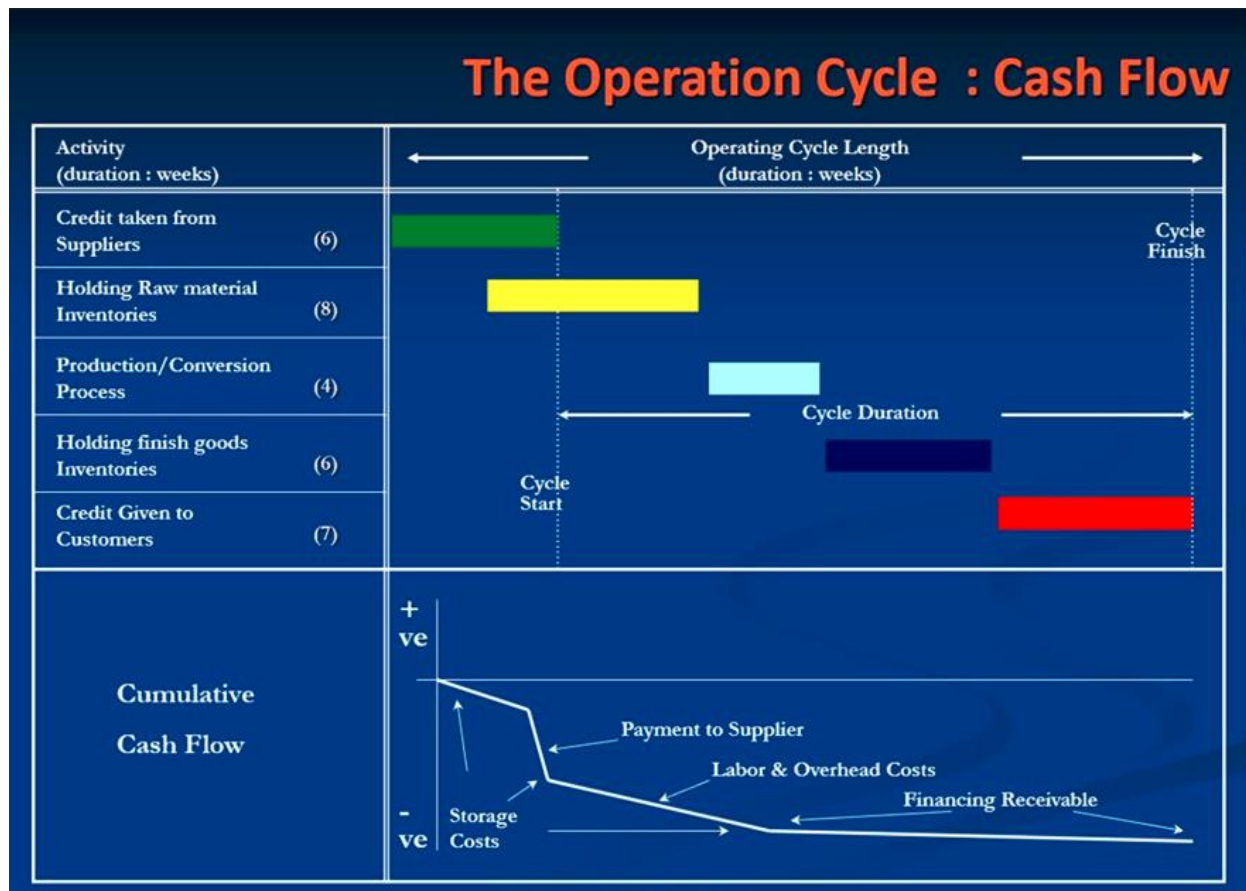
D. Sofer Real Estate Co. SPC.

In 2021 Gulf Cable acquired 100% ownership of Sofer Real Estate for the general purpose of sale and purchases of land and properties.

Hawraa Regional General Trading & Contracting Co. WLL

Hawraa Trading & Contracting Co. was acquired for 97.3%.

5.11.3 Cash Flow Operational Cycle:



In the above image is the cash flow cycle. When buying Raw Materials from suppliers, Gulf Cable always ensures to purchase them on a credit basis. When the material arrives at the factory this is when the operation cycle begins. Based on the contract agreed and Incoterms in regards to the delivery 6 weeks are given for payment. Later these materials are held in the inventory for 8 weeks, during this time Quality control department will do the necessary testing of these materials to ensure that it's ready for production. The production/Conversion process is when the materials get converted into finished goods and will take 4 weeks. After that these finished goods are held back in the inventories section for product testing to ensure sustainability and functionality for 6 weeks. And lastly, these finished goods are then sold to the customer on credit bases.

If in certain circumstances the raw materials arrive earlier than 6 weeks this will then shorten the operation cycle. Which will allow the production process to begin earlier and will give Gulf Cable more credit time to pay the supplier. In this way, profitability is assured. And normally works in favour of Gulf Cable.

5.12 COSTING DEPARTMENT

The Costing Department in Gulf Cable is an internal management team to identify all variable and fixed costs associated with the production process. These costs are first measured and then recorded individually, then the input costs are evaluated and compared with the output results to aid in measuring financial performances and obtaining profitability for the organisation. The process starts when the sales inquiry report is prepared. This report is then sent to the cost department accountants to perform a thorough understanding of the materials used to produce the cable and present a price quotation for the customer. Meeting the price expectation and fitting in the budget of the customer is the uttermost importance to the company. Gulf Cable has its modified way of cost sheet. Two cost sheet documents are maintained for better understanding. The first cost sheet gives a detailed understanding and description of how the cost prices are given and the second cost sheet is a summary for a better understanding. This cost sheet comprises the following -

A. Raw Material Cost – All the materials used to produce the cable from unfinished to finished cable is calculated accordingly. This consists of Copper/Aluminium, PVC, Sheathing, etc.

B. Scrap Material Cost – Recycled materials left over from cable manufacturing such as aluminium and copper, etc.

C. Packing Material Cost – Used to protect the cables after production to protect from natural calamities, and protection during transportation.

D. Factory Overheads – Certain costs incurred during the manufacturing process of the cables/coils such as Copper rod breakdown, rewinding machine, armouring, etc.

Along with **Interest charges, Net price, Profit margin, and Transportation charges depending on the Incoterm contract.**

5.11.1 Elements of costing:

There are three elements of cost. These are as follows –

- Materials – Direct materials and Indirect materials.
- Labour.
- Other expenses – Direct and Indirect.

Indirect Expenses are Overhead Expenses. This includes Production overhead, Administration Overhead, and Selling & Distribution overhead. Closing Stock and Opening stock is not considered here. Gulf Cable follows the concept of JIT Inventory Management.

5.11.2 JIT Inventory Management – This is an inventory system that requires working closely with suppliers so that raw materials arrive as the production schedule begins. It ensures that stock arrives on time for production or to meet consumer demands. The goal is to eliminate waste and increase the efficiency of the company's cable operation.

5.11.3 Division of costing:

- **Prime Cost** = (Raw Material Cost - Scrap Material Cost) + Packing Material Cost
- **Work / Factory Cost** = Prime Cost + Factory Overhead
- **Cost of Production** = Factory Cost + Administration Overhead
- **Cost of Sale** = Cost of Production + Selling Overhead + Distribution Overhead.

5.12.4 i. Hedging Concept:

Hedging is a strategy that tries to limit risks in financial assets. It is an investment that is made to reduce the risk of adverse price movements.

5.12.4 ii. London Metal Exchange (LME):

The London Metal Exchange is the world's largest metal stock market where copper, aluminium, zinc, etc. materials are brought for cable production purposes.

Prices of Copper and Aluminium keep fluctuating regularly. And it is the responsibility of the cost accounts to keep themselves updated with the frequent rise and decline of these prices. When a sales order is underway the cost accountants have to purchase these materials from the LME website and have to find the best possible price. In certain circumstances, if these prices are high they are authorized to call their brokers who are within the LME Company. These brokers get the prices of Copper and Aluminium at the price GC desires and are willing to pay for them. The amount sent to buy these materials is maintained in the materials ledger book.

LEARNINGS DERIVED:

The lectures held at Goa Business School have given me a better understanding of how an organisation works with modules such as Production Operation Management, Management Process & Organisational Behaviour, Information Technology, Research Management, Management Accounting, Finance Management, and Marketing Management, and Human Resource Management. These subjects have given me an overall theoretical knowledge that has benefited me in numerous ways. To understand how a business works, maintain financial records, develop strategies, analyse cost sheets, production control & planning, etc. which I have been able to implement into my practical work life.

In terms of the market structure, Gulf Cable is the only cable manufacturing company in the country making it a Monopoly market. GC has also been able to establish itself across international waters with buyers from the United Kingdom, France, Germany, China, etc. making it an Oligopoly market against other competitors.

The strategies to implement new technology, machines, expansion plans, etc. have resulted in tremendous success. The Vision & Mission statement of the organisation is to deliver high-quality cables/coils to its customers to tackle competition from international companies. GC is able to strengthen its name and claim its place with the ever-changing development of software and technology, the manufacturing company is able to advance in a successful manner. Which has resulted in recent success for the organisation. Because of its product differentiation and strategies, GC has been able to stand out from its competitors as one of the leading manufacturing companies in the Middle East and Asia.