

BHANGUI ENT ERPRISE

ACE TISSUES



SUMMER INTERNSHIP REPORT – 2022

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MBA PART -1

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DECLARATION

I, Nidhi Korgaonkar, student of MBA part 1 at Goa Business School hereby declare that the presented report of the summer internship at **Bhangui Enterprise** is prepared by me after the completion of 8 weeks at this manufacturing unit. It was prepared as a part of my MBA part 1 under the guidance of my mentor Dr. Suraj Velip sir.

I also declare that the report is prepared only for academic purpose and not for any other purpose.

DATE: 13th July 2022

PLACE: Goa University

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Acknowledgement

I would like to express my sincere gratitude towards Mr. Gaurang Bhangui the proprietor of Bhangui Enterprise for giving me this opportunity to intern in his manufacturing unit for these 2 months.

I am grateful to Mr Sanjay, the head operator at the unit for his support and sharing all the necessary information throughout my internship.

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I extend my grateful thanks to the program director Dr. Nilesh Borde for all his supervision, suggestions and encouragement.

I would also like to thank my mentor Dr. Suraj Velip sir, Asst professor for helping me and guiding me throughout this internship

Special thanks to all the faculty members for giving me this opportunity to understand better how the classroom study is applied in real work life.

-Nidhi Korgaonkar

4 Certificate from the industry



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1) Executive summary

This report is a detailed overview of my internship journey at Bhangui Enterprise located at Mapusa- Datta wadi for my First Year MBA program at Goa Business School. This internship was held for a period of 8 weeks from 16th may till 8th July.

The aim of this internship was to study how the business works and how the different functions in different departments are carried out. It helped me understand better all the various aspects learned in the classroom and apply it practically.

This report consists of all the basic details of the company I have worked in, right from the address of the company, company profile, pestle analysis, porters 5 forces, SWOT analysis, VRIN analysis, how various departments function, like the duties under the production-operation department, finance-administration department, marketing department and finally ends with the learnings derived from this journey.

This journey more over helped me gain practical knowledge of every small aspect learnt in classroom. It also made me work in all the different departments helping them in their work. As it is just a 3-year-old company, it made me learn how important time, patience and hard work is. It was fun helping at work, right from learning to load the paper to helping them pack the packets and orders, also keeping a check on orders to be delivered and bills to be paid.

2) Company profile

Bhangui Enterprise was started in the year 2019 September at Mapusa Dattawadi. It was started by Gaurang Bhangui who was a BCom graduate and did not find happiness while working at Maruti Suzuki for a 9-5 job. Bhangui enterprises initially started with sourcing of Aggravates and supplying them. Later they started manufacturing and supplying tissue items and created a brand-named **Ace Tissues**. They manufacture toilet rolls, tissue napkins, Kitchen Towels. They also do branding on tissue napkins for various catering companies. As they started in 2019 and soon 2020 hit covid. They faced a lot of challenges. They supply their items through distributors and also few super markets. They also supply to schools and hotels. They use to supply their items at Cochin and Bangalore, but after covid they have not begun with it due to a lot of restrictions. The items made at Ace tissues are made using virgin pulp paper which is known to be more hygienic and pure. The absorption level of these tissues is higher than the normal tissue. These items are made from huge jumbo paper rolls. As they are new in the market, they plan on growing and learning a lot new thing. So, they plan on manufacturing aluminium rolls soon in the future and also manufacture and supply more variety of tissue products not only in Goa but also nearby states like Maharashtra and Karnataka.



Address: Shed No 40. Mapusa Industrial estate Dattawadi.

OBJECTIVE

- To provide the best quality and never compromise on the quality to be offered.
- Learning and exploring new market segments.
- Make sure that the items are available to customers on time.

VISION- our vision is to be the best in our business and to strive continuously to keep our customers, vendors and associated people satisfied.

MISSION- To provide nothing but the best quality of products and service through a perfect symbiosis of customer requirement, work practices and technology.

2.1) Tissue Items manufactured by BHANGUI ENTERPRISE- Ace Tissues







TISSUE NAPKINS



TOILET ROLLS

KITCHEN TOWELS



TISSUES WITH BRANDING

2.2) MACHINERIES USED BY BHANGUI ENTERPRISE



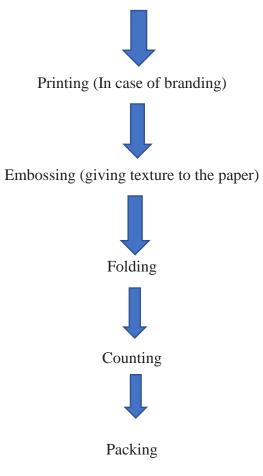
These machines are used for making of toilet rolls and tissue



This machine is used for cutting the toilet rolls into its desired sizes.

2.3) Process of Manufacturing of tissue items-

Loading the jumbo tissue roll



✤ 3) INDUSTRY ANALYSIS

4 3.1) Porters 5 forces



> Competitive rivalry

The first of the five forces refer to the number of competitors and their ability to offer goods and services at prices lower than competitors.

The paper industry experiences a high level of competition. One major reason for competition is the difference in the price and variety of products manufactured. In this industry the rivalry is high as there are many players in the market. If the competitive rivalry is low, then the company has greater power to charge higher prices.

Bargaining Power of suppliers

The suppliers have a strong bond with the company owners. The industry is affected by the number of suppliers available in the market. The bargaining power of supplier is less here as there are many suppliers available around the globe and they also provide fix prices. There are multiple suppliers in this industry but Bhangui Enterprise gets all the raw material supplied from Hyderabad as they provide the items at a lower price and better quality which gives a good profit margin for the company. Goan suppliers charge more which reduces the profit margin. The stock is supplied every 2-3 months to the company. Change in the prices takes place mainly due to inflation. So the cost of raw material keeps changes as and when the demand for tissue item changes. Bhangui enterprise gets the packaging along with its printing done from GOA - Old Goa itself as it saves a lot of money on transportation cost. In case of packaging material there are not much suppliers available in Goa which makes its availability limited.

Bargaining power of the buyer

It is affected by the number of buyers available in the market. Buyers increase competition within an industry by forcing down prices, bargaining for improved quality and better services and making competitors compete against one another. Even though there are many buyers, the buyers have medium bargaining power as there are higher number of competitors around, manufacturing similar items. As the buyers have more power, they usually negotiate with the prices. Bhangui Enterprise provides high quality products at the best price and satisfaction due to which customers tend to choose Ace Tissues. Also, Bhangui enterprise does provide the distributors with the best deals and delivers the orders on time.

Threat of Substitute

In case of paper industry, cloth acts as a substitute for paper products. Cloth being reusable, customers who are price sensitive can switch to handkerchief over tissue products. Some products of tissues can be replaced but some such as toilet rolls cannot always be replaced. But in case of tissue napkins and also kitchen towels, cloth can substitute the paper industry. Kitchen towels made of paper can be substituted with reusable kitchen towels. People being particular and sensitive about health and hygiene may not always shift towards the substitute products. Threat of substitutes impacts an industry through price competition.so if the price of the tissue products are not feasible to the customers then they will choose substitute products over tissues, which is cloth.

> Threat of new entrants

As the entry n exit is easy, there are number of new entrants joining this industry posing a threat to the existing companies. Companies coming into the market with new and innovative products and technology tend to stand up amongst all the existing, setting a level for the rest. The profit margin being high, the number of new entrants increases.

4 3.2) PESTLE ANALYSIS> POLITICAL

It refers to the government policies which are very much influenced by the economic situation in a country. Political factors comprise of the current taxation policies, future taxation policies, current and future support, fundings and also the change in relations with other countries. Ace Tissues got affected by COVID-19 even though essential items had demand but hotels and schools were closed which affected the industry. The analysts forecasted that the Global Tissue paper market will grow at a CAGR (compound annual growth rate) of 5.79% from 2018-2022.

> Economic

In includes the demand and supply for paper industry which in turn tells us the economic growth.

During covid the demand for this industry had lowered down as the hotels and supermarkets were shut. The demand for tissues often increases during the tourist season and during the period of festivals. Hotels demand for more supply during nov-jan. Macroeconomic factor such as inflation affects the prices of raw material which increases the prices and the cost.

> SOCIAL

Social factors include population growth, lifestyle, gender, culture. It also looks at what the customers wants and needs. In case of tissue-paper industry the people around are moving towards the western culture wherein a large number of people use tissue rolls n kitchen towels as a daily part of their life. This shows how the change in trend has influenced the usage of tissues. This gives a boost in the profit for the company as well.

People around the world have also become more hygiene concern wherein more use of tissue come into picture. Instead of using handkerchief people have now started using tissue napkins, pocket tissues, wet tissues etc. Specially during the covid times use of tissues increased in large number to maintain hygiene and to sanitise around in order to avoid any infections, and as mentioned Ace tissues use virgin pulp tissues paper which is known for better hygiene and safe for kids.

> TECHNOLOGY

Technology is changing very fast day by day becoming more competitive each day. Companies around the globe are also adapting to various new technologies to beat competitors. Different technologies allows one to be more innovative and different from the rest in lot many ways to satisfy customer needs.

Using new technologies and new advanced machinery can help in providing more quantity with less manpower. Ace tissues tries to stand out in the market by adapting technological changes. They make use of Hi tech semi-automatic machines to create their products in bulk and deliver them in no time without any delays.

Environmental

As the world is becoming more concerned towards health and rising pollution. The company looks on to reducing waste and disposing the waste in d right manner. Bhangui enterprise makes sure that the waste is sent back all to the mill which is then recycled and reused. They also use machineries that provide less harm to the environment. These machineries generate some amount heat but the company tries to limit it by putting of the machines when not needed.

Legal

Paper industry requires permissions and licence. It requires shopsandestablishment registration, fire licence, weights and measure registration. It is very important to mention the true details on the packaging such as the size of the tissue. In case of any complaints regarding sizing or quality by any client or customer, the licence will be seized and cancelled.

✤ 4) COMPANY ANALYSIS

4.1) SWOT ANALYSIS

> STRENGTHS

- Quality products- Ace tissue uses virgin grade jumbo paper roll which is said to be more hygienic and safer for use. The absorption level of this paper is also very high. Therefore, the tissue products provided by ACE tissues are super soft with high level absorption.
- 2) True to sizes- Ace tissues mention the sizes correctly on all the items and also provides products of same size. For e.g. the tissue napkins provided by them are 20cmx22cm and it is mentioned the same on the packaging as well. Competitors mention higher sizing and manufacture and sell it with small sizes. This is where ace tissue gains customer trust and is also very loyal to the customers.
- 3) Delivering on time- Even though Ace tissues has less manpower at the moment it always delivers its orders on time. They also take urgent orders and make sure to deliver it on time. They face frequent power shutdown still they prepare themselves to deliver every single order on time.
- 4) Location- The reason for Ace tissues to be located at Mapusa Dattawadi is because it is very near to the market, which is super convenient to supply products to the wholesalers in the market, saving on any additional transport cost. Also, it is convenient for the distributors as 5 out of 20 exist in Mapusa itself. It also has colleges around their unit which enables the company to gain more orders from these colleges.
- 5) Branding- Bhangui Enterprise does branding for various different caterings where in the names of the catering companies are printed on the tissue. Manufacturing of tissues napkins and branding is available under the same roof.

> Weakness

- 1) Less labour- Finding labours is one tough task and also making them sustain is very difficult. Labours keep leaving the job very frequently which causes a big pause in the ongoing work and finding new ones is very difficult. Due to this issue the level of production decreases. Finding new labours and getting them trained with their work takes quite a long time. This lowers down all the work. It also increases the wastage as new labours tend to do a lot of mistakes initially as they are not well increases in training new-workers.
- 2) Frequent power shutdown There is frequent power shutdown every week and a lot more during monsoons. Due to which the machines stop working and create issues which again levels the production. The amount of items manufactured per day lowers down due to which most of the days they do have to work more to cover up for the decreased production level.

> **Opportunities**

- Expansion: Bhangui Enterprise supplied their tissue products to Cochin and Bangalore before covid. Due to covid the supply had to stop and couldn't not begin again due to various covid restrictions. Bhangui enterprise plans on resuming their supply and also expanding to more states like Maharashtra and Karnataka.
- Variety in products- Currently Bhangui Enterprise manufacture toilet rolls, tissue napkins (hard and soft), kitchen towels. As they have spent quiet some time in the market, they are now in a position to manufacture more tissue products. Further they have plans on increasing their product line to manufacturing of pocket tissues, car tissues, toilet dispenser tissues, which will help in gaining much more profit and also it will be beneficial for the customers to find all tissue products under on brand. Bhangui Enterprise began with a small product line with less products compared to the companies already existing in the market. Due to this limited product line, they cannot make much profit and also cannot achieve more clients.

> Threats

- Competitors- Competitors such as Abanias have a huge product line and have set a high mark in the market. Ace tissues being 3 years old is still learning a lot of things to sustain and grow in this industry. There are various new players joining the market with more innovative and creative products.
- 2) Price of Raw Material- As the demand for the items changes the prices of the raw material by the suppliers also changes causing a threat to the companies.

4.2) VRIN ANALYSIS

Resources or	Valuable	Rare	Inimitable	Non
capabilities				substitutable
location	Yes	No	No	Yes
Quality	Yes	Yes	No	Yes
Reputation	Yes	Yes	Yes	Yes
Relation with supplier	Yes	No	No	Yes
Time management	Yes	Yes	No	Yes

• Value

Ace tissues does offer resources that adds value to the customer. The location being very convenient for delivering products to institutions which are in Mapusa. Also, it is near to the Mapusa market making it easy for vendors to reach out to Ace tissues anytime in case of more supply. It also uses high quality virgin pulp paper which is very known to be hygienic and soft and has high level of absorption. It is very safe for kids also to use. They have a great reputation in the market as they do pay bills on time, deliveries of orders are done before time serving the best quality to the customers. This makes them build a healthy relation with the customers. Even though Ace tissues face frequent power shut down, none of their orders are ever delayed. Bhangui enterprise manufacturing products known as Ace Tissues provides value to all its above factors such as Location, Quality, Reputation, Relation with supplier, Time Management.

• Rare

The resources offered should be rare in order to put your company in a competitive advantage position. All the resource are not rare but some are and do make a lot of difference. The location where the company Bhangui Enterprise is located is not rare because it does not have anything very different in the location. It is located at an industrial estate which does not make it rare. The quality offered by Ace Tissues is very high as they use virgin pulp paper

which is super soft with high level absorption and very good hygiene. As it is of high quality and pure hygienic it is also safe for kids to use them. This is a rare which adds competitive advantage to the company. They provide separate recycled tissue napkins as well which all the other companies use to make all of their products. In case of the reputation built by them, it is rare, as keeping up to good brand image without any complains or payment delays or dues is very rare. In comparison to the competitors, Bhangui enterprise does have a rare reputation and brand image which will be carried on the same way in the future.

• Inimitable

The items provided by Ace tissues already exist in the market and many companies manufacture and supply the same. The investment to start this business is also not very high so many players already exist in the market. The quality of the products can be copied. It will increase the cost which lowers the profit margin. It is difficult to copy but not impossible. This will give the company a temporary competitive advantage. Reputation cannot be copied which means that it is inimitable. Time management can be learnt from the ones who know to use it best. It can be imitable by others as well.

• Non substitutable

It means that the resources cannot be substitute by the company. None of the above resources can be substituted as each of the resources plays a different and a very important role in itself. Location cannot be substitute as that location is very prime and convenient for a lot of purpose. It also adds value so it cannot be substituted. Quality can never be compromised when the product is used by all age groups. Better quality leads to higher customer satisfaction. Which means that quality cannot be compromised and cannot be substituted. None of the above acan be substituted.

> 5) DEPARTMENT ANALYSIS

• Purchase department

In this department all the purchases are taken care of right from the time the goods come at the unit till the items are delivered. They check up on the material that comes to the unit and the once with defect are informed to the supplier and is sent back. The orders to be delivered are also checked before delivering. It is made sure that the material that comes and goes are in proper condition.

Production-Operation department

This is one of the most important departments having the maximum amount of work load. It consists of 4 workers. 1-head operator, one helper who handles the main machines and 2 for packaging.

The head operator does the work of loading the paper in two machines each, which is one of the trickiest job.

- 2 machines are started together which is toilet roll machine and the tissue napkin machine and later depending on the number of orders, the 3rd machine is loaded for kitchen towels. This department converts jumbo rolls of tissue paper into toilet rolls, tissue napkins etc out of high-quality paper rolls.
- The list of orders along with delivery date, quantity and delivery time is mentioned on stick-on and is stuck to the wall right in front of the machines. The head operator acts as the in-charge of getting the orders done on time. Once the paper is loaded in the 2 machines, the machine is set according to the number of counts it requires which is number of tissue paper in one packet and the number of rolling times for toilet roll. once the rolls are done, It is then shifted to the cutting machine to cut them into desired sizes. On the other hand, on Machine 2, after loading the tissue paper, it gives texture to the paper and comes to the end point in separate sections with the desired quantity.
- Later both the rolls and napkins are given to the packaging department consisting of 2 ladies to seal these packages. Once the packages are ready. The packaging department does the work of putting the products into huge bags according to the orders. The owner then checks on the order himself and which is then sealed and is ready for delivery.

• Finance-Administration department

This department is handled by the owner himself. This department consists of the loans to be paid to the bank on time. Rent to be paid to the rent owner. Bills of the clients to be paid on time. Also looks after the salary of the employees and the leave taken by them. Wherein the salary is cut for the day they were not at work. It looks at all the cost spent for the month and the amount of profit made in the month. He also looks on the profit made each month and keeps a check on the turnover made in order to find ways to grow in the market.

Turnover for 2021 was Rs 25lakhs and yields a profit of 8% - 9%.

The head operator is paid 12000

The other 3 workers are paid 8000

 5 months back the owner did appoint 1 boy for handling the finance and 1 for handling the sales. Both left after a month.

Currently the owner himself handles everything.

• Marketing department

This department deals with promoting the brand and making people be aware of the brand name. Getting more and more vendors and clients to supply these products.

In case of this department, the company being really small the owner himself looks after this. They have a Facebook, Instagram page which is handled by Mr. Gaurang Bhangui. They do post add once in a while on newspapers but incase of this industry social media and newspapers don't help much. He does visit wholesaler's door to door giving samples to them and setting up deals with them. Door to door marketing helps a lot. Putting banners in supermarkets also helps in gaining customers attention.

As it is a small company and is just 3 years old, it does not have in separate people appointed as in charge for departments. There is no HR department that works in this company. However the owner does take care of any employee issue. In case of any problem between workers he tries sorting them out.

➢ 6) LEARNINGS

- Bhangui Enterprise gave me an opportunity to see how the process works in real. I got hands on experience of every step of making every single tissue item. As it is small, every working individual was very polite and the owner as well was very kind and helped me understand every little thing.
- It made me realise how important time and patience is in the initial years of building business.
- I was involved in looking after the orders to be done on time and to check on every single item before getting packet. This taught me how a single mistake can create wastage and how important perfection is.
- Bhangui Enterprise being in their initial period of growing is not able to make much profit. Their idea of growing and getting new items and product for future made me learn how an individual needs to think gradually towards growth.
- It gave a better understanding of all that was studied in classroom when applied practically at this unit for the tenure that I got to work.
- It also made me realise how the classroom concepts need to be understood better before getting into any business.
- I got to know about the government licence procedure to start this company. Also about certain schemes given by the govt to start this business.

> 7) PROBLEMS NOTICED

- The packaging of tissue rolls has one roll of small size in some packages due to lack of checking the deliveries properly.
- Frequent electricity shutdown issues lowers level of work that all the staff would do.
- The area of the unit is small which can create problem for future expansion. To get any new machinery there will be limitation of space.
- There is a major problem of workers leaving the job very often. Finding new labours is not an easy task.

> 7.1) CONTRIBUTION

- I initially helped the workers in packaging the packets, and packing it according to the orders and keeping them ready for delivery.
- For a week I was appointed to look after the unit and get the orders ready in the absence of Mr Gaurang Bhangui.
- While I was interning, I got Bhangui Enterprise 1- distributor in porvorim which is a supermarket. It is a new supermarket which use to keep Abanias initially but due to less demand the supermarket stopped selling tissue rolls. Now that people have started demanding tissues, I took the opportunity to introduce them to Ace Tissues and Mr. Bhangui also offered a good deal.
- As Bhangui Enterprise also does branding for various caterings, my friend who has recently started a catering business was looking for someone to do it for him. That's when I contacted Mr Bhangui and got the deal done between Anusaya caterers and Bhangui enterprise with regards to branding of tissues for Anusaya Caterers.

> 8) CONCLUSION

- My experience was amazing at Bhangui Enterprise. It made me learn a lot of new things. It made me understand better the functions of all the departments even though they don't have separate departments. They made sure I get knowledge of how every department function and what all are the duties that need to be taken care of.
- Ace tissues have made a great mark in the market by providing the best quality to the customers.
- The staff working work with a very enjoyable attitude. This proves how much they enjoy working there.
- Bhangui enterprise has realised to make more profit they need to increase their product line and also get some more innovative products and start manufacturing other products to sustain in the market. This is the reason they plan on starting the manufacturing of aluminium rolls so that the clients find different products under one roof.