

Analysis of Garments Merchandising At Progress Apparels Bangladesh LTD

Md Omar Faruque¹, Md Ismail Hosen², Hammed Esa³

^{1,2,3}MBA, International American University

Abstract

This executive summary highlights the key findings of the report titled "Analysis of Garment Merchandising at Progress Apparels Bangladesh Ltd." The report delves into the company's merchandising practices, challenges faced, and potential areas for improvement.

The analysis reveals that Progress Apparels Bangladesh Ltd has implemented effective merchandising strategies to meet the demands of the garment industry. The company demonstrates a strong focus on quality control, timely delivery, and customer satisfaction. However, certain challenges, such as fluctuating raw material prices and labor issues, pose obstacles to their operations.

To address these challenges and enhance their merchandising practices, several recommendations are proposed. These include exploring cost-effective sourcing options for raw materials, adopting advanced technologies for production monitoring and quality control, and diversifying their product range to cater to changing customer preferences.

Overall, this report provides insights into the garment merchandising practices at Progress Apparels Bangladesh Ltd. The findings and recommendations aim to support the company in improving their operations, overcoming challenges, and maximizing their competitive advantage in the market.

Executive Summary

This executive summary highlights the key findings of the report titled "Analysis of Garment Merchandising at Progress Apparels Bangladesh Ltd." The report delves into the company's merchandising practices, challenges faced, and potential areas for improvement.

The analysis reveals that Progress Apparels Bangladesh Ltd has implemented effective merchandising strategies to meet the demands of the garment industry. The company demonstrates a strong focus on quality control, timely delivery, and customer satisfaction. However, certain challenges, such as fluctuating raw material prices and labor issues, pose obstacles to their operations.

To address these challenges and enhance their merchandising practices, several recommendations are proposed. These include exploring cost-effective sourcing options for raw materials, adopting advanced technologies for production monitoring and quality control, and diversifying their product range to cater to changing customer preferences.

Overall, this report provides insights into the garment merchandising practices at Progress Apparels Bangladesh Ltd. The findings and recommendations aim to support the company in improving their operations, overcoming challenges, and maximizing their competitive advantage in the market.

1. Overview

1.1 Industry Overview:

Bangladesh Garments Industry is the Driving Force for Sustainable Economic Growth. Bangladesh is widely recognized as a leading manufacturing destination, home to some of the world's largest apparel manufacturers. Renowned for its skilled workforce and extensive experience in serving renowned brands, the industry has become a significant contributor to the country's economy. This report provides an overview of the industry, highlighting its noteworthy contributions to GDP, employment generation, export revenue, market reach, factory certification, and industry recognition. Daewoo of South Korea, an early pioneer in Bangladesh's garment industry, established a joint venture with Desh Garments Ltd. on December 27, 1977, marking the inception of the country's export-oriented ready-made garment industry.

1. Contribution to GDP:

The garments industry plays a pivotal role in Bangladesh's economy, accounting for approximately 11% of the country's GDP. This underscores its position as one of the largest industries in terms of value addition, driving the transformation of Bangladesh into a leading manufacturing destination.

2. Employment Generation:

As the largest employment provider in Bangladesh, the garments industry employs over 4 million individuals. It empowers women, with approximately 60% of the workforce being females aged between 18 and 30. This significant employment generation has had a positive impact on socio-economic development, promoting inclusivity, and uplifting lives.

3. Export Revenue:

Bangladesh's garments industry has a strong focus on exports, supplying international markets with high-quality products. This remarkable contribution highlights its significance in foreign exchange earnings and the overall trade balance.

4. Market Reach:

Bangladeshi garments enjoy global recognition and are exported to approximately 167 countries worldwide. The industry has successfully established a strong presence in international markets, making it a preferred sourcing destination for many renowned brands. This extensive market reach underscores Bangladesh's competitiveness and its ability to meet diverse customer demands.

5. Factory Certification and Sustainability Initiatives:

Bangladesh has made significant progress in promoting sustainable and environmentally friendly practices within the garments industry, following tragic incidents such as the Rana Plaza collapse, Spectrum garments factory collapse, and the Tazreem Fire Tragedy. The country leads globally with the highest number of LEED® Certified green garment factories, with 160 factories certified by the U.S. Green Building Council (USGBC). Furthermore, an additional 500 factories are currently undergoing the process of obtaining LEED certification. This commitment to sustainability demonstrates Bangladesh's dedication to responsible manufacturing.

6. Industry Recognition:

The efforts of Bangladesh's garments industry in promoting sustainability have earned international acclaim. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) received the esteemed "USGBC Leadership Award" for its outstanding contribution to green factory initiatives. Additionally, the industry has pledged its commitment to the Green Button, a global seal of excellence in sustainability initiated by the Government of Germany. These recognitions reaffirm Bangladesh's position as a responsible player in the global fashion industry.

Conclusion:

The garments industry in Bangladesh has witnessed remarkable growth, becoming a driving force for the country's economy. Its significant contributions to GDP, employment generation, and export revenue underscore its importance. Bangladesh's commitment to sustainability, as evident through its LEED-certified green factories and industry recognitions, sets a benchmark for ethical and responsible manufacturing practices. With a skilled labor force, competitive production capabilities, and a favorable business environment, Bangladesh continues to attract global brands and buyers. The future looks promising as the industry sustains its upward trajectory, fostering sustainable economic growth and setting new standards for the global fashion industry.

1.2 Company Overview:

“Progress Apparels Bangladesh Ltd,” are emerging as the preferred partner for leading global brands. The company is located in the Adamjee Export Processing Zone, Narayanganj, which is conveniently accessible with just an hour's drive from Dhaka Airport. As a part of the PDS Group, we take great pride in our association.

The company mission is to create a world-class manufacturing facility that delivers exceptional quality. With,

Visionary Aim To Build A World-Class Manufacturing Business For Our Customer & Partners, Through Collaboration & Partnership With, Initiatives That Are Green & Sustainable

Since the establishment in 2017 with four production lines, Progress Apparels has experienced remarkable growth. Today, we have transformed into a green factory spanning an impressive area of 270,000 square feet. With 50 production lines and over 2,700 machines, we have the capacity to handle large-scale operations. Our strategic location on 7 no road, Adamjee EPZ, Narayanganj, Dhaka provides us with easy access to transportation networks.

At Progress Apparels Bangladesh Ltd, our primary goal is to establish ourselves as a world-class manufacturing facility. We have a clear vision of achieving global excellence and prioritize collaboration, partnership, and sustainable practices. Holding the prestigious LEED Gold certification, we are committed to upholding environmental responsibility and are proud of this recognition.

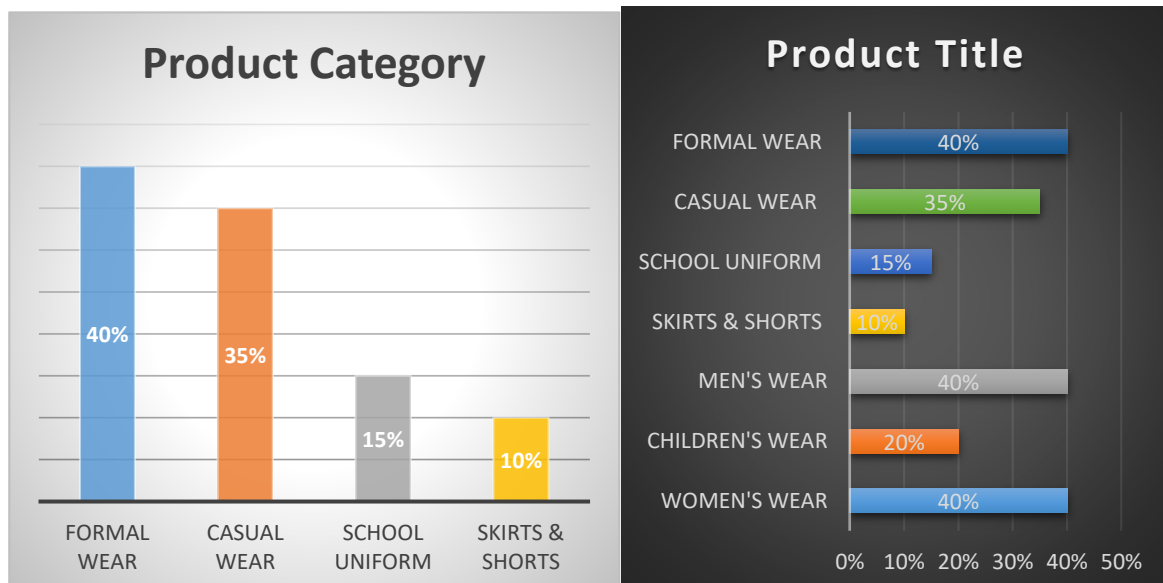


Figure 01: Product Mixing

We offer a wide range of apparel categories to cater to diverse market segments. Our product portfolio includes women's wear (40%), children's wear (20%), men's wear (40%), skirts & shorts (10%), school uniforms (15%), casual wear (35%), and formal wear (40%). By consistently delivering high-quality products and services, we have earned the trust of renowned brands worldwide

As a company, we are dedicated to continuously improving and meeting the evolving needs of our customers and partners. Our focus on sustainability and environmental consciousness sets us apart, and we aim to be the preferred choice for brands seeking a reliable and responsible manufacturing partner.

Progress Apparels caters to diverse customer needs. Renowned brands such as Sainsbury's, Next, Tommy Hilfiger, Matalan, Reitmans, Calvin Klein, Primark, Nautica, C&A, Topman, Centric, and Costco are among its esteemed customers etc.

Financially, Progress Apparels Bangladesh Ltd has achieved an annual turnover of USD 60 million, with a production capacity of 10 million pieces per year. With specialization in woven garments, the company operates 50 production lines across three different floors.

One of the company's core values is empowering women, as evidenced by its workforce composition of 4,000 employees, with 95% being women. Progress Apparels emphasizes gender equality and provides opportunities for female empowerment within the industry.

Through its dedication to manufacturing excellence, sustainability, and a diverse product range, Progress Apparels Bangladesh Ltd has firmly established itself as a prominent player in the garment manufacturing sector. The company's commitment to delivering high-quality products, fostering partnerships, and empowering its workforce has contributed to its success and growth in the industry.

The journey of progress for Progress Apparels has been marked by key milestones like:

- **In 2017:** After beginning the journey with 4 production lines.
- **In 2018:** They received accreditations for SMETA, CTPAT, Accord, and WRAP, highlighting their commitment to industry standards and compliance.
- **The year 2018** also witnessed digitalization efforts with the implementation of systems such as SAP, GSD, and FR.
- **in 2020:** Despite the challenges posed by the pandemic, Progress Apparels successfully overcame them.

Overall, Progress Apparels Bangladesh Limited has demonstrated its dedication to innovation, sustainability, and excellence in the garment industry, positioning itself as a leader in the market.

1.3 Company Business Partners Overview:

- The company has formed partnerships with renowned buyers and customers such as:

These collaborations have enabled the company to benefit from worldwide shipping, offer the best quality products, provide attractive offers, and ensure secure payment options. These partnerships have also played a crucial role in the company's production, with each partner contributing a specific percentage to the overall production volume.

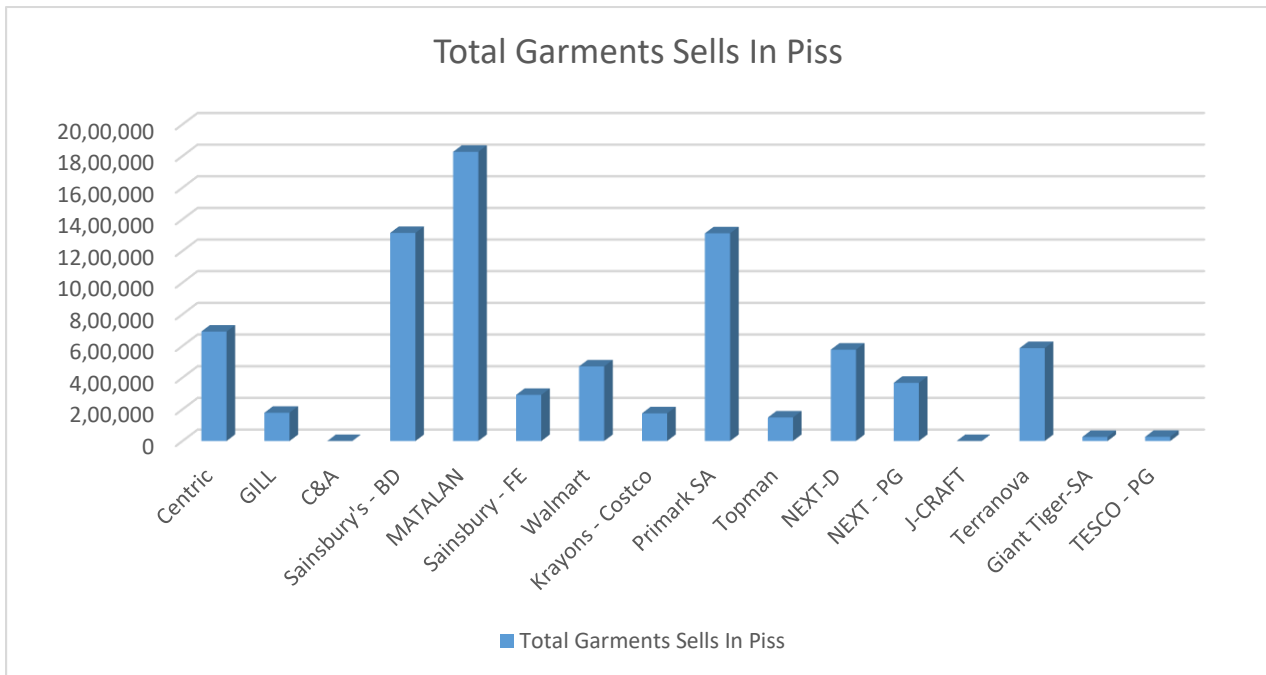


Figure 04: Selling Quantity of Buyers

The Percentage Of Selling Activities:

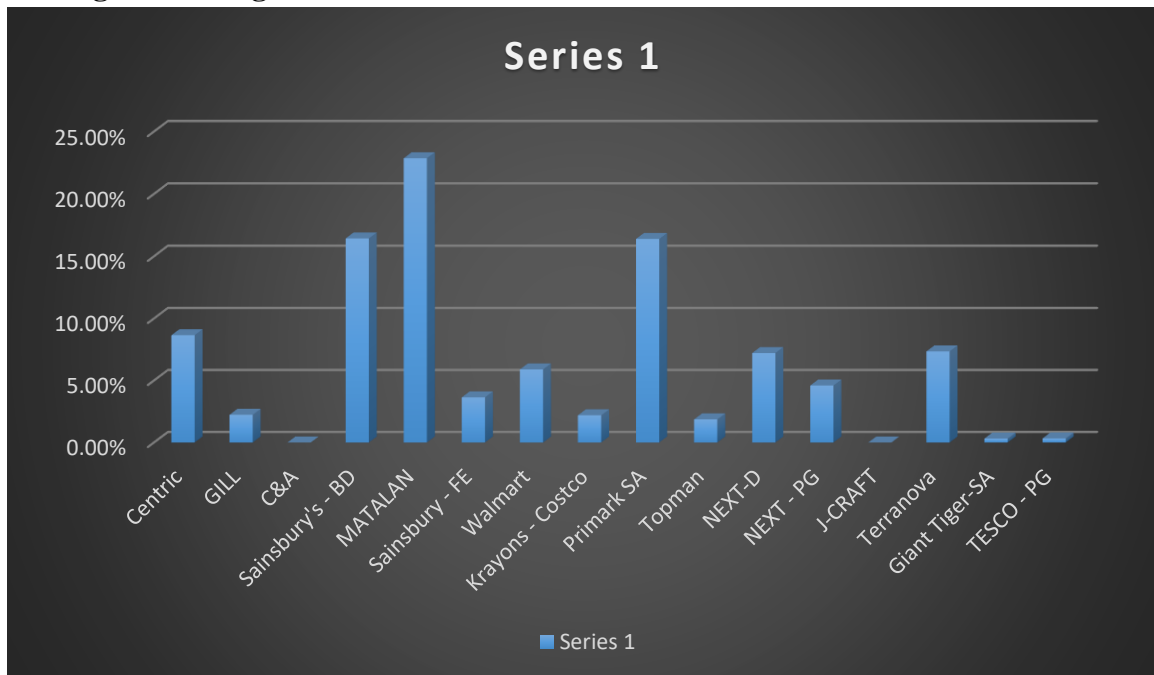


Figure 05: Selling Quantity in Percentage

1.4 Company Working Sections Overview:

The step-by-step processes for the various sections in garment production:

1. Merchandising:

- Receive orders and specifications from buyers.
- Develop production schedules and plans based on customer requirements.
- Collaborate with the design and development team to finalize product designs.

- Communicate with buyers to clarify any doubts and obtain approval on designs and samples.

2. Trims and Accessories Store:

- Inspect and receive trims and accessories such as buttons, zippers, labels, etc.
- Organize and store trims and accessories based on type, color, and style.
- Issue required trims and accessories to the production floor as per the production plan.

3. Fabrics Store:

- Inspect and receive fabric rolls from suppliers.
- Organize and store fabrics based on type, color, and design.
- Issue fabrics to the cutting section according to the cutting plan.

4. Fabrics Testing:

- Select fabric samples randomly for quality testing.
- Conduct tests for colorfastness, shrinkage, strength, etc.
- Document and evaluate test results for quality assurance.
- Share test reports with the production team and quality control department.

5. Sample Making:

- Receive design specifications and patterns from the design team.
- Cut fabric samples based on approved patterns.
- Assemble and sew fabric samples to create prototype garments.
- Conduct fittings and make necessary adjustments to the samples.
- Present finished samples for approval from merchandising and design teams.

6. Cutting:

- Receive approved patterns and marker plans.
- Lay out fabric layers based on the marker plans.
- Cut fabric pieces using cutting machines or manual methods.
- Inspect and sort the cut fabric pieces for further processing.

7. Sewing:

- Receive cut fabric pieces from the cutting section.
- Assemble and sew fabric pieces to create garments according to the given specifications.
- Perform quality checks during each sewing operation to ensure proper stitching and alignment.
- Attach trims, labels, and accessories as required.
- Conduct inline inspections to maintain quality standards throughout the sewing process.

8. Washing:

- Receive finished garments from the finishing section.
- Sort garments based on color, fabric type, and washing requirements.
- Pre-treat garments for stain removal, if necessary.
- Load garments into washing machines and set appropriate wash cycles.
- Add detergents, softeners, and other required chemicals.
- Monitor and control the washing process for effective cleaning.
- Inspect garments for damages or color bleeding after washing.
- Dry garments using drying machines or suitable methods.
- Perform final quality checks and make repairs if needed.
- Fold or hang washed garments for packaging and shipping.

9. Finishing:

- Receive sewn garments from the sewing section.
- Remove loose threads and excess fabric from the garments.
- Press garments to remove wrinkles and creases.
- Perform final quality checks on stitching, alignment, and overall appearance.
- Prepare garments for washing or subsequent processes.

10. Administration & Accounts:

- Maintain financial records and transactions related to garment production.
- Track and manage expenses, payments, and receipts.
- Generate reports for management and auditing purposes.
- Coordinate with the finance department for financial analysis and budgeting.

These steps outline the sequential processes involved in garment production, and each section contributes to the overall quality and timely delivery of garments.

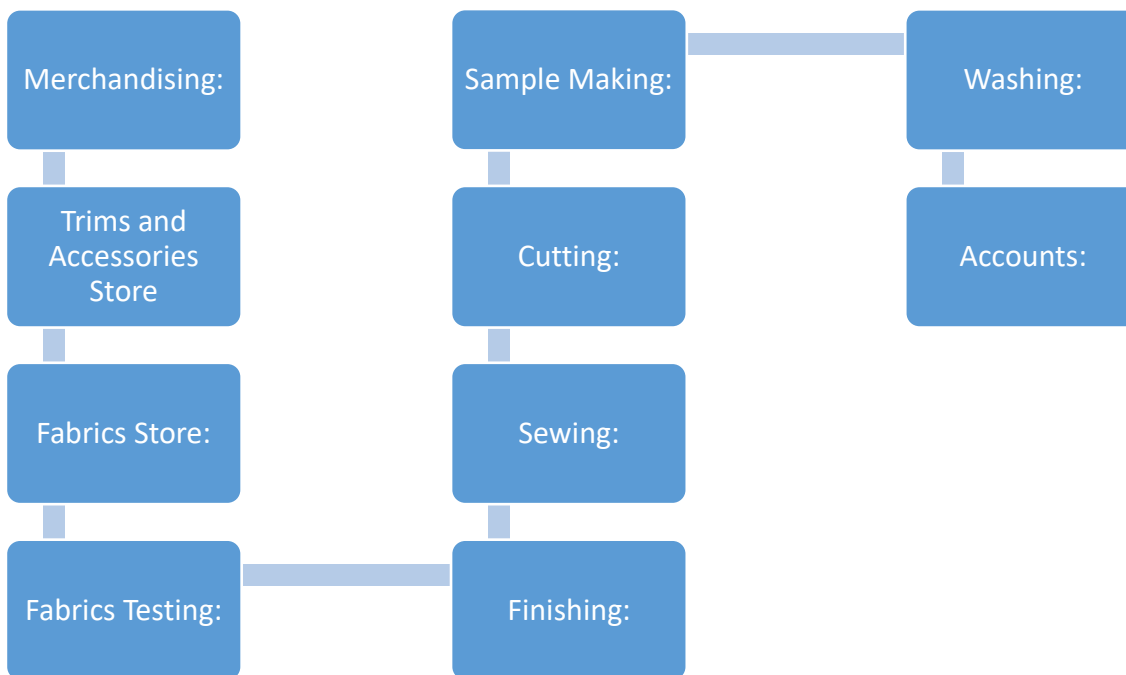


Figure 06: Various sections in garment production

2. Roles and Responsibilities

As an intern at Progress Apparels Bangladesh Ltd, your main responsibilities will include:

- 1. Task Completion:** Complete assigned tasks and assist with day-to-day operations, actively contributing to the smooth functioning of the team.
- 2. Learning and Observation:** Observe and learn from experienced staff members, gaining valuable insights into the merchandising and marketing policies, protocols, and processes of the company.
- 3. Knowledge Acquisition:** Familiarize yourself with the company's merchandising and marketing policies, protocols, and processes, enhancing your understanding of the industry.
- 4. Compliance:** Follow all company regulations, as well as health and safety codes, ensuring a safe and compliant working environment.

5. **Document Management:** Prepare various documents and update records, maintaining accurate and organized documentation.
6. **Sample Review:** Collaborate with your supervisor to review sample checklists and ensure the necessary requirements are met before sending samples to buyers.
7. **Production and Quality Control:** Create production files and quality control files for pre-production (PP) meetings and the production department after order confirmation, facilitating smooth production processes.

Throughout your internship, demonstrate professionalism, learn actively, and adhere to company guidelines. By completing your assigned tasks, learning from experienced team members, and following established protocols, you will contribute to the success of Progress Apparels Bangladesh Ltd.

3. Origin of the report

This report, titled " Analysis of Garment Merchandising at Progress Apparels Bangladesh Ltd,"

By documenting my internship experiences and analyzing the apparel merchandising strategy implemented by Progress Apparels Bangladesh Ltd, this report aims to provide a comprehensive overview and understanding of the subject matter. It serves as a testament to the hands-on learning and academic growth achieved throughout the internship program.

I am deeply grateful for the support and guidance provided by Alicia Panioty Mam and MD. Shahrukh Khan Sir also the entire team at Progress Apparels Bangladesh Ltd, as their mentorship played a pivotal role in the successful completion of this report.

4. Objectives & Methodology

4.1. Objectives:

4.1.1. Broad Objective:

The main goal of this report is to delve into the merchandising strategy employed by Progress Apparels Bangladesh Ltd.

4.1.2. Specific Objectives:

- To evaluate the effectiveness of current merchandising strategies in expanding into new markets and promoting product diversification.
- To identify the merchandising channels and tools utilized to promote diversified products in the RMG industry in Bangladesh.
- To assess the role of branding and product differentiation in the merchandising of diversified products in the RMG industry in Bangladesh.

4.2. Scope:

This report primarily focuses on gaining insights into the strategies implemented by Progress Apparels Bangladesh Ltd to achieve a competitive edge, foster business growth, and identify potential areas for enhancement.

4.3. Methodology:

This report draws upon information from both primary and secondary sources. Extensive primary research was conducted, including multiple meetings with key personnel such as the General Manager of the Merchandising Department, General Manager of the Commercial Department, and interviews with the other management staff.

The primary research methods employed include:

- In-depth interviews
- Observation

Moreover, comprehensive secondary research was conducted by exploring various web portals, websites, and LinkedIn profiles to gather relevant information about Progress Apparels Bangladesh Ltd's merchandising strategy. Additionally, reading relevant daily newspapers and articles was undertaken to gain a deeper understanding of the subject matter.

The secondary sources of information utilized include:

- The company's website
- LinkedIn page
- Web portals

4.4. Limitations of the Study:

While preparing this report, certain limitations were encountered due to time constraints and resource availability within the given 8-week period. The limitations include:

- **Insufficient sources:** Due to limited access to certain information sources, there may be limitations in verifying the accuracy and reliability of the gathered information.
- **Confidentiality:** Some aspects of the report may be considered confidential by the organization, which could restrict the inclusion of certain details or data.
- **Potential errors:** Despite putting in extensive effort to ensure accuracy, there is a possibility of errors or omissions in the report, especially considering the limited experience in preparing such studies.

It's important to acknowledge these limitations as they may have influenced the comprehensiveness and depth of the report. Nonetheless, every effort was made to minimize any potential drawbacks and present the findings and analysis in the most reliable manner possible.

5. Introduction Of Merchandising

A merchandiser plays a crucial role in connecting buyers and sellers and ensuring smooth order execution. They work as a liaison between buying houses or agents and sellers, fostering strong relationships. A successful merchandiser is known for qualities like hard work, loyalty, teamwork, and negotiation skills, which contribute to customer satisfaction and retention.

In the realm of apparel, a garment merchandiser operates similarly but focuses on the garment industry, often working in buying houses. Their responsibilities encompass sourcing materials, overseeing production, quality control, supplier coordination, and timely delivery to buyers.

5.1. Specification of garments merchandising:

Basically, there are two simplified part of merchandising as 1.) Sample development & 2.) Bulk procedure. The merchandising product development process involves several stages to bring a product from concept to creation. Here is an overview of the process:

Stage1: Product Development:**1. Gathering Inspiration:**

- Collect inspiration for each season, such as color Pantone references and design concepts.
- Develop a product range based on the buyer's requirements.
- Determine the color range for the season(AW/SS).

2. Tech Pack/Design Pack and Measurement Spec:

- Receive the Tech Pack/Design Pack from the buyer, which contains detailed product specifications.
- Obtain measurement specifications for the products.

3. Fabric and Trim Sourcing:

- Source fabrics and trims based on the buyer's requirements and preferences.
- Evaluate fabric options and obtain fabric samples for approval.
- Source trims for sewing and accessories.

4. Sample Requisition:

- Create a sample requisition based on the Tech Pack/Design Pack and measurement specifications.
- Develop samples according to the buyer's requirements.

5. Fabric Development:

- Collaborate with fabric suppliers to develop fabric options.
- Obtain fabric artwork or 3D representations for buyer approval.
- Create a strike-off (physical fabric sample) for buyer approval.

6. Pattern Making and Sample Development:

- Create patterns based on approved designs.
- Develop samples in various sizes, ensuring accuracy and fit.
- Obtain buyer approval for the samples.

7. Trim Development:

- Source trim samples from suppliers.
- Create lab dips for color matching and approval.
- Seek buyer approval for the selected trims.

8. Sample Yardage Requisition:

- Request sample yardage for production before the actual production starts.
- Ensure sufficient fabric availability for bulk production.

9. Tech Pack Preparation:

- Create a detailed Tech Pack that includes all necessary information and instructions for production.
- Prepare trim packets, specifying the trims and accessories required for each product. ●

10. Sampling:

- Produce samples based on the approved patterns, fabrics, and trims.
- Focus on size and pattern accuracy during sample development.

11. Sample Approval:

- Submit the samples to the buyer for approval.
- Incorporate any feedback or changes requested by the buyer.

12. Fabric Composition and Construction:

- Specify the fabric composition and construction details in the Tech Pack.
- Ensure the actual samples align with the specified composition and construction standards.

13. Trim and Packaging Confirmation:

- Finalize the selection of trims and accessories.
- Confirm the packaging details, such as hangtags, labels, and packaging materials.

Throughout the product development process, effective communication and collaboration with the buyer, fabric suppliers, trim suppliers, and production team are essential. Timely approvals, quality control, and adherence to specifications contribute to the successful development of merchandise.

After the product development merchandiser should get prepare for bulk execution. Here is the bulk development process:

Stage2: Merchandising Bulk Process

1. PO Download:

- Review and download the Purchase Order (PO) document from the buyer.

2. Booking of Sewing and Finishing Items:

- Book sewing items with an additional allowance of 2-3%.
- Book finishing items with an additional allowance of 1.5-2%.

Booking of Poly and Cartoon Samples: To ensure efficient packaging, we schedule the booking of poly and cartoon samples. Poly samples, used for packaging materials, are booked after the cutting stage, typically 10-15 days in advance. Cartoon samples, which are essential for carton packaging, are booked 5 days prior to cutting. This strategic timing minimizes storage issues and ensures the availability of suitable packaging materials.

3. Booking Instructions:

- Communicate clear instructions regarding the booking process, including the production schedule, shipment date, production cutting deadline (PCS), and the importance of having trims in-house before planning.

4. Layout and Price Negotiation:

- Create a layout of the production plan, considering workflow efficiency and resource allocation.
- Negotiate prices with suppliers to secure favorable terms.

5. Proforma Invoice (PI) Confirmation and Payment:

- Confirm the Proforma Invoice (PI) with the buyer, ensuring accurate order goods.
- Agree upon payment terms, such as LC (Letter of Credit) or TT (Telegraphic Transfer).

6. Goods Follow-up and Approval:

- Obtain necessary export permissions, input permissions, and utility permissions in adherence to government regulations.
- Seek approvals to maintain compliance and avoid delays.

7. Goods Check and Store Entry:

- Conduct a thorough quality check upon receiving the goods.
- Manage gate entry and maintain accurate inventory.
- Inspect trims for quality and accuracy.

8. Cutting and Size Set:

- Initiate the cutting process and ensure accurate size setting according to specifications.

9. Risk Factors and Approvals:

- Prioritize buyer approvals for trims, layout designs, fabric selections, and other potential risk factors.

10. Goods Production Stages:

- Proceed with cutting, sewing, finishing, and packing according to the production plan.
- Implement a dedicated quality control team to monitor each stage.

11. Inspection and Shipment:

- Conduct inspections to ensure adherence to buyer schedules and product specifications.
- Prepare for shipment after passing quality control checks.

12. Documentation and Recordkeeping:

We maintain comprehensive records of all communication, documentation, and transactions throughout the bulk development process. This includes preserving copies of relevant emails, order confirmations, invoices, and any other important documents. Our commitment to meticulous recordkeeping ensures transparency, traceability, and efficient resolution of any queries or concerns.

By following this well-defined bulk development process, we aim to deliver high-quality products on time and exceed our customers' expectations.

It's important to note that the provided information may require further clarification and customization based on specific industry practices and company guidelines.

5.2 Merchandising Process In Progress Apparels Bangladesh LTD:

The role of a garment merchandiser at Progress Apparels is crucial in facilitating effective communication and coordination between buyers and sellers, ensuring smooth order execution and meeting the expectations of both parties involved. Below is a comprehensive overview of the working procedure:

Figure 07: Merchandising Department

- 1. Sourcing of Buyers:** The merchandiser actively seeks potential buyers for Progress Apparels' products or responds to inquiries from interested buyers.
- 2. Order Receipt and Details:** Once an order is received from a buyer, the merchandiser carefully reviews all the specifications, requirements, and quantities specified in the order.
- 3. Collaboration with the Planning Department:** The merchandiser collaborates closely with the planning department of Progress Apparels to assess the availability of production resources and capacity to fulfill the order.
- 4. Discussion with Production Responsible Person:** The merchandiser engages in discussions with the production responsible person, such as the Director or General Manager, to evaluate the feasibility of handling the order and estimate productivity levels.
- 5. Analysis of Product Package and Space Sheet:** The merchandiser thoroughly analyzes the product package and space sheet, taking into account factors such as materials, labor, and overhead costs, to accurately calculate the production cost.
- 6. Fabric Consumption Analysis:** Based on the order requirements and specifications, the merchandiser calculates the fabric consumption by considering factors such as fabric width, garment measurements, and any necessary allowances.
- 7. Fabric Costing Analysis:** The merchandiser carefully analyzes the fabric content, knitting pattern, GSM (Grams per Square Meter), and other relevant factors to determine the fabric costing.
- 8. Accessories Analysis:** All required accessories, including buttons, zippers, labels, and trims, are identified and analyzed by the merchandiser to determine their consumption and costing.

- 21. Master Letter of Credit (L/C) Receipt:** Upon receipt of the master L/C from the buyer, the merchandiser verifies the terms and conditions and ensures compliance.
- 22. Final Cost Approval Sheet Preparation:** The merchandiser prepares the final cost approval sheet, facilitating the opening of all back-to-back L/Cs (if applicable) for various aspects such as yarn, accessories, printing, and embroidery.
- 23. Back-to-Back L/C Opening:** As necessary, the merchandiser arranges the opening of back-to-back L/Cs for procuring yarn, accessories, and other components required for the order.
- 24. Fabric and Accessories Arrangement:** The merchandiser ensures the sourcing and availability of all required fabric and accessories, liaising with approved suppliers and maintaining a seamless supply chain.
- 25. Pre-production Arrangements:** The merchandiser takes charge of arranging pre-production meetings involving the production team, quality control personnel, and other relevant stakeholders. During these meetings, order specifications, technical details, and inspection requirements are discussed in detail.
- 26. Production Monitoring:** The merchandiser diligently monitors the daily production progress, collecting regular production reports, and conducting comprehensive quality checks to ensure compliance with specifications, timelines, and quality standards.
- 27. Final Inspection and Shipment Arrangements:** The merchandiser coordinates the final inspection of the completed order, ensuring strict adherence to quality requirements. Additionally, they take responsibility for arranging transportation and logistics to ensure on-time shipment.
- 28. Documentation and Payment:** The merchandiser collaborates with the commercial department to prepare and submit all required shipping documents, invoices, and certificates to the buyer. They facilitate the smooth realization of payment as per the agreed terms, ensuring proper financial closure for the shipped quantity and price.

It's important to note that this working procedure is tailored specifically to Progress Apparels and its processes. Each organization may have its own unique processes, systems, and order requirements that may lead to variations in the actual working procedure.

6.1 Findings

6.2 SOWT Analysis Of Progress Apparels Bangladesh Ltd:

5.1.1.1. SWOT Analysis Of Progress Apparels Bangladesh Ltd:

Strength	Weakness	Opportunities	Threats
Manufacturing Excellence	Dependence on External Suppliers	Market Expansion and Innovation	Fluctuating Raw Material Costs
Sustainability Leadership.	Competitive Market	Product Development	Changing Regulatory Environmen
Advanced Technological Capabilities, Innovation, and Digitalization	Reliance on Traditional Manufacturing Processes	E-commerce Growth Sustainable Fashion Strategic Partnerships and Collaborations Customization and Personalization Supply Chain Optimization	Economic Instability

<p>Skilled Workforce and Continuous Development</p> <p>Global Presence and Flexibility</p> <p>Customer-Centric Approach</p>			
---	--	--	--

Strength:

Progress Apparels Bangladesh Ltd. possesses several key strengths that set them apart in the apparel manufacturing industry. These strengths contribute to their reputation as a global leader in the field and make them a preferred partner for leading brands. Let's explore these strengths in detail:

1. Manufacturing Excellence: Progress Apparels Bangladesh Ltd. has established itself as a symbol of manufacturing excellence. With a state-of-the-art production facility spanning 270,000 square feet, equipped with cutting-edge machinery and 50 production lines, they have the capacity to meet high demand efficiently. Their production capacity of 1 million pieces per month reflects their commitment to delivering quality products on time. So it's gradually expanding.

Figure 09: Manufacturing Capability Plan

2. Sustainability Leadership: The company places great emphasis on sustainability and has earned recognition for its leadership in this area. They have obtained various certifications, including LEED® GOLD, 100% RCS (ACCORD), BSCI, SMETA, WRAP, and OEKOTEX 100, which demonstrate their commitment to ethical and sustainable practices. Progress Apparels boasts the highest number of LEED® Certified green garment factories globally, highlighting their dedication to environmentally friendly operations. They have implemented innovative initiatives such as a waste boiler system and the use of solar panels, reducing their environmental impact significantly.

3. Advanced Technological Capabilities, Innovation, and Digitalization: Progress Apparels stays ahead of the curve by leveraging advanced technologies and fostering innovation throughout their operations. By incorporating tools like Tukatech Virtual Model, Browzwear for 3D design, CAD, and 3D fittings, they have transformed into a comprehensive design-to-delivery apparel solution provider. The company has also adopted digital systems such as Fast React Plan, GSD, and SAP to streamline processes, enhance productivity, and ensure efficient customer service.

4. Skilled Workforce and Continuous Development: Progress Apparels takes pride in its highly skilled workforce of 3,600 individuals. They place a strong emphasis on continuous development and invest significant resources into training and upskilling their employees. Through programs focused on LEAN, TQM, Neuro-Linguistic Programming, Critical Thinking Skills, and Safety, they empower their workforce to excel both professionally and personally.

5. Global Presence and Flexibility: With operations in the United Kingdom, Hong Kong, India, and Turkey, Progress Apparels has established a global presence. This international reach enables them to cater to the diverse needs of customers worldwide. Their capacity and flexibility to adapt to changing

market demands, along with their design-to-delivery capabilities, exemplify their ability to effectively meet customer requirements.

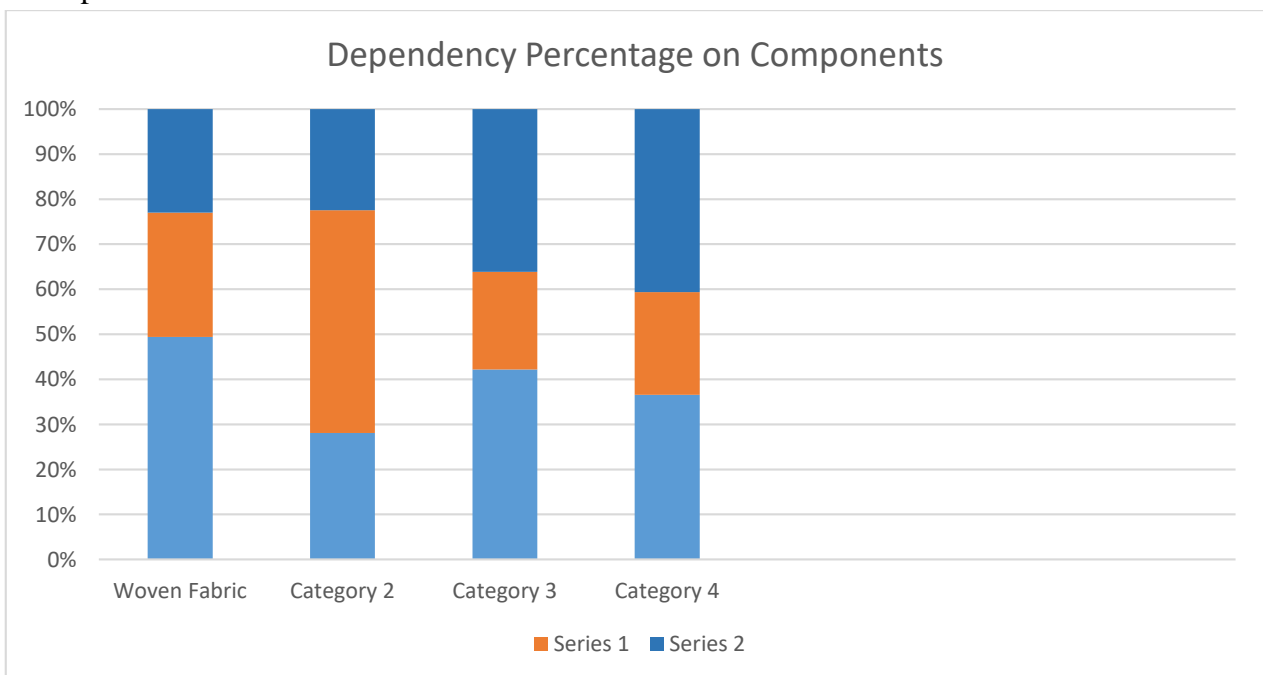
6. Customer-Centric Approach: At Progress Apparels, customer satisfaction is paramount. They are committed to delivering the highest quality service and value by closely understanding and addressing customer needs. The company collaborates closely with clients, focuses on cost optimization, and utilizes trends and forecasting tools like WGSN to provide a customer-centric experience. By serving as a comprehensive apparel solution partner, they go beyond manufacturing to foster strong relationships with their customers.

In conclusion, Progress Apparels Bangladesh Ltd. stands out in the apparel manufacturing industry due to its strengths in manufacturing excellence, sustainability leadership, advanced technological capabilities, a skilled workforce, global presence, and customer-centric approach. Their commitment to sustainability, adoption of innovative technologies, and continuous development of their workforce position them as a trusted and preferred partner for leading global brands.

Weaknesses:

Dependence on External Suppliers: Progress Apparels Bangladesh Ltd has a potential weakness in its dependence on external suppliers for raw materials and components.

This reliance on external sources introduces the risk of supply chain disruptions. Any issues or delays with these suppliers can lead to production bottlenecks, increased costs, and potential delays in delivering products to customers. To address this weakness, Progress Apparels should consider diversifying its supplier base, establishing strong relationships with reliable suppliers, and implementing effective supply chain management strategies. By reducing dependence on a single source and ensuring a robust supply chain, the company can mitigate the risks associated with external supplier dependency and maintain smooth operations.



Competitive Market: The apparel manufacturing industry is highly competitive, and Progress Apparels needs to continually differentiate itself and stay updated with market trends to maintain its competitive edge.

Reliance on Traditional Manufacturing Processes: The company's reliance on traditional manufacturing processes may limit their ability to fully leverage emerging technologies and industry advancements.

Opportunities:

1. Market Expansion: Progress Apparels has the potential to expand its reach and explore new markets. By targeting emerging economies or venturing into different segments within the apparel industry, the company can tap into new customer bases and increase its market share. This expansion can open up exciting opportunities for growth and revenue generation.

2. Innovation and Product Development: Investing in research and development can be a game-changer for Progress Apparels. By focusing on innovation and staying ahead of fashion trends, the company can introduce fresh designs and enhance its product offerings. This will not only attract more customers but also position Progress Apparels as a trendsetter in the industry.

3. E-commerce Growth: The rise of online shopping presents a significant opportunity for Progress Apparels. By embracing e-commerce platforms, the company can reach a larger audience, expand its customer base, and boost its market presence. Establishing a strong online presence can help Progress Apparels capitalize on the growing trend of online apparel shopping.

4. Sustainable Fashion: There is a growing demand for sustainable and eco-friendly apparel. Progress Apparels can seize this opportunity by adopting environmentally friendly manufacturing practices, using organic or recycled materials, and promoting their sustainability initiatives. By catering to the increasing consumer preference for sustainable fashion, the company can attract conscious customers and differentiate itself in the market.

5. Strategic Partnerships and Collaborations: Collaborating with other companies in the fashion industry can unlock new possibilities for Progress Apparels. By forming strategic partnerships with textile suppliers, designers, or retailers, the company can tap into their expertise, access new markets, and leverage shared resources. These collaborations can result in exciting synergies and mutual growth.

6. Customization and Personalization: Offering customizable and personalized apparel options can be a great way for Progress Apparels to stand out from the competition. By allowing customers to design their own garments or personalize existing designs, the company can cater to individual preferences and create unique products. This customization can enhance customer satisfaction and foster a loyal customer base.

7. Supply Chain Optimization: Optimizing the supply chain can lead to improved operational efficiency and customer satisfaction. Progress Apparels can leverage technology and data analytics to streamline their supply chain processes, improve inventory management, and ensure timely delivery of products. By optimizing their supply chain, the company can reduce costs, enhance productivity, and maintain a competitive edge.

By seizing these opportunities, Progress Apparels can drive growth, expand its market presence, and reinforce its position as a leading player in the apparel manufacturing industry.

Threats:

Fluctuating Raw Material Costs: Progress Apparels may face challenges due to fluctuating prices of raw materials, which can impact their profitability and overall operational costs.

Changing Regulatory Environment: Changes in trade policies, labor regulations, or environmental standards can pose compliance challenges and impact the company's operations.

Economic Instability: Global economic fluctuations and uncertainties can affect consumer spending patterns, which may impact the demand for apparel products.

By leveraging their strengths, addressing weaknesses, capitalizing on opportunities, and mitigating threats, Progress Apparels can position itself as a resilient and competitive player in the apparel manufacturing industry.

6.3 Product Diversification:

Product diversification has emerged as a pivotal strategy for Progress Apparels Bangladesh Ltd. (PABL) in the Ready-Made Garment (RMG) industry of Bangladesh. PABL, traditionally focused on manufacturing basic clothing items like T-shirts, trousers, and shirts for export to Western countries, has recognized the need to expand its product range to capture new market segments and boost revenue.

In recent years, PABL has embarked on a journey of product diversification, introducing new designs, fabrics, and product categories such as sportswear, denim, and outerwear. This strategic move aims to enhance PABL's market share, reduce dependence on a single product or market, and improve profitability by offering a broader range of products at various price points.

The driving forces behind PABL's product diversification efforts include evolving consumer preferences, rising labor costs, and increasing competition from other low-cost manufacturing countries. To support this diversification, both the Bangladeshi government and industry associations have taken proactive measures. They provide incentives for product innovation and design, as well as offer technical and financial support to manufacturers like PABL.

These initiatives are essential for positioning PABL as a competitive player in the RMG industry. By embracing product diversification, PABL aims to contribute not only to its own growth and success but also to the overall economic development of Bangladesh.

The competitive landscape of the RMG industry has pushed PABL to rethink its merchandising strategies. While low prices were previously the main selling point, they have proven ineffective in the current market scenario. To differentiate itself, PABL has adopted a new merchandising strategy focused on offering a wide range of products at competitive prices.

The RMG market has become increasingly competitive in recent years. In 2009, the only viable merchandising strategy was to offer buyers low prices, but this approach is no longer effective. Since 2019. To expand its market reach, PABL has identified new opportunities in non-traditional markets such as Australia and New Zealand. The unique advantage of these markets lies in their contrasting weather patterns compared to the traditional markets. By entering these markets, PABL can capitalize on the difference in seasons, ensuring continuous production throughout the year and minimizing losses resulting from idle equipment during off-seasons (June - September).

To overcome challenges, Progress Apparels Bangladesh Ltd (PBM) can implemented a strategy of product diversification and market expansion. As they can successfully entered new markets, including Australia and New Zealand, which has brought several advantages to the company.

We can see that, our maximum customer is from UK based. So one significant advantage is the difference in weather patterns between Europe and Australia. While Europe experiences summer from June to August, Australia has winter during the same period. This seasonal contrast has allowed PBM to cater to

the demand for seasonal clothing throughout the year, ensuring continuous production and avoiding idle equipment during off-seasons.

The following table illustrates the seasonal variations between Europe and Australia:

Month	Europe	Australia
December to February	Winter	Summer
March to May	Spring	Autumn
June to August	Summer	Winter
September to November	Autumn	Spring

Seasonal variation

Currently, Progress Apparels Bangladesh Ltd faces challenges as their primary buyers were located in the European Union and the United States. During the off-season, their production lines remained idle due to a lack of orders, resulting in significant losses. However, they can discovered a promising solution by entering the Australian and New Zealand markets. Since the seasons in these regions are opposite to Europe, they experience peak seasons when the EU and US markets are slow. By expanding into these markets, Progress Apparels Bangladesh Ltd can ensure continuous operation of their production lines throughout the year, avoiding losses caused by idle equipment.

further encourage the exploration of new markets, the Bangladesh government has raised cash incentives for apparel exporters to non-traditional markets to 4%. This incentive not only motivates companies to discover new destinations for their products but also enables them to competitively price their offerings in the global market. This serves as a second advantage of exporting to non-traditional markets such as Australia and New Zealand.

Moreover, expansion into non-traditional markets brings the benefit of lower overhead costs. For instance, adding five production lines to a floor that already has 15 lines does not significantly increase the operating expenses but enhances productivity.

Considering these factors, I believe Progress Apparels Bangladesh Ltd possesses a clear advantage over its competitors. Their ability to target diverse market segments, minimize overhead costs, and capitalize on government incentives reflects a strategic decision by the management, ensuring the company's survival in an increasingly competitive market. The accompanying graphical representation depicts the observed progression in the past few years.

Analysing Growth Rate:

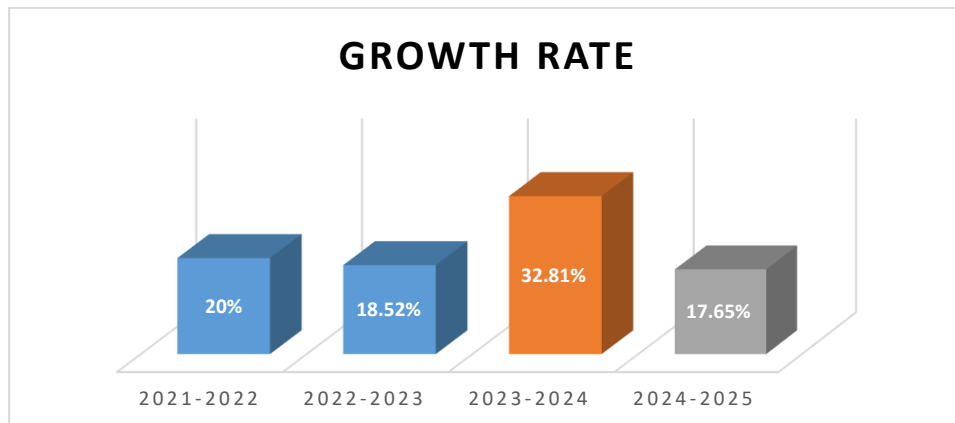


Figure 17: Yearly Growth Rate

Turnover Evaluation Of PABL:

By analyzing the provided chart and applying the growth rate formula, we can calculate the growth rates for Progress Apparels Bangladesh Ltd from 2021 to 2025:

For the year 2021 to 2022:

$$\begin{aligned}\text{Annual Growth Rate} &= ((54 \text{ million USD} - 45 \text{ million USD}) / 45 \text{ million USD}) * 100 \\ &= (9 \text{ million USD} / 45 \text{ million USD}) * 100 \\ &= 20\%\end{aligned}$$

For the year 2022 to 2023:

$$\begin{aligned}\text{Annual Growth Rate} &= ((64 \text{ million USD} - 54 \text{ million USD}) / 54 \text{ million USD}) * 100 \\ &= (10 \text{ million USD} / 54 \text{ million USD}) * 100 \\ &\approx 18.52\%\end{aligned}$$

For the year 2023 to 2024:

$$\begin{aligned}\text{Annual Growth Rate} &= ((85 \text{ million USD} - 64 \text{ million USD}) / 64 \text{ million USD}) * 100 \\ &= (21 \text{ million USD} / 64 \text{ million USD}) * 100 \\ &\approx 32.81\%\end{aligned}$$

For the year 2024 to 2025:

$$\begin{aligned}\text{Annual Growth Rate} &= ((100 \text{ million USD} - 85 \text{ million USD}) / 85 \text{ million USD}) * 100 \\ &= (15 \text{ million USD} / 85 \text{ million USD}) * 100 \\ &\approx 17.65\%\end{aligned}$$

The analysis reveals that Progress Apparels Bangladesh Ltd experienced a growth rate of 20% from 2021 to 2022, indicating a significant increase in turnover during that period.

From 2022 to 2023, the growth rate is approximately 18.52%. Although slightly lower than the previous year, it still demonstrates a positive growth trend.

The projected growth rate for the period from 2023 to 2024 is estimated to be around 32.81%, which signifies a substantial increase compared to the previous years. This suggests a strong growth trajectory for the company.

Looking ahead to 2024 to 2025, the growth rate is estimated to be approximately 17.65%. This indicates continued growth and expansion for Progress Apparels.

Overall, the growth rates demonstrate a positive trend for Progress Apparels, with consistent increases in turnover over the years. The company has consistently achieved double-digit growth rates, reflecting successful business performance and the ability to meet or surpass targets. This indicates that Progress Apparels has effectively capitalized on market opportunities, maintained customer satisfaction, and driven revenue growth. Implementing a strategy of product diversification can further enhance the company's growth prospects.

Basically,

When buyers consider placing an order with Progress Apparels Bangladesh Ltd, they evaluate three key factors in selecting the factory:

1. **Certifications:** Buyers look for factories that possess all the necessary certifications, ensuring compliance with industry standards and regulations. Progress Apparels Bangladesh Ltd has obtained the required certifications, signifying its commitment to quality and compliance.
2. **Capacity:** The factory's ability to manufacture the specific product category is crucial. Buyers want assurance that the factory has the capacity to meet their production requirements. Progress Apparels

Bangladesh Ltd has expanded its production unit and equipped it with diverse capabilities to cater to a wide range of product categories.

3. Responsiveness: Buyers assess whether the factory is responsive to their product inquiries, including factors like price range and quality. Progress Apparels Bangladesh Ltd understands the importance of responsiveness and maintains effective communication channels to address customer inquiries promptly. On the factory's side, two factors determine whether an order is accepted: price and volume. Progress Apparels Bangladesh Ltd aims to achieve profitability by prioritizing either higher prices or larger volumes. The company strives for a balance where both price and volume are optimal for maximizing profitability.

Progress Apparels Bangladesh Ltd has successfully expanded into new markets and diversified its product range. It has shifted its focus from basic items like school shirts to more complex ladies' and children's dresses made of viscose and polyester fabric. The company utilizes various merchandising channels such as online platforms, exhibitions, and international fairs to promote its diversified products.

To meet buyers' preferences for factories capable of producing a variety of products, Progress Apparels Bangladesh Ltd has strategically expanded its production unit and equipped it with diverse capabilities. This move has strengthened its merchandising strategy, allowing the company to approach a wide range of buyers globally. The company has also leveraged its diverse product range and eco-friendly green factory in the EPZ to build a strong brand image. Progress Apparels Bangladesh Ltd recognizes the value of brand differentiation and effectively utilizes its brand image in its merchandising efforts.

Product diversification in the RMG industry of Bangladesh faces certain obstacles, including funding limitations, a shortage of skilled manpower, and a lack of advanced technology. However, Progress Apparels Bangladesh Ltd has demonstrated visionary thinking and has overcome these challenges through effective management strategies.

The impact of product diversification on the revenue and profitability of Progress Apparels Bangladesh Ltd is evident in recent statistics. The company has experienced substantial growth, with export figures projected to increase from USD 45 million in 2021 to USD 100 million by 2025. This impressive growth can be attributed to the company's commitment to product diversification. Even during global crises like the COVID-19 pandemic and the Russia-Ukraine conflict, Progress Apparels Bangladesh Ltd's diversified product range has helped mitigate adverse effects.

Both the government and industry associations play pivotal roles in promoting product diversification in the RMG industry of Bangladesh. The government has introduced incentives, such as cash incentives for apparel exporters to non-traditional markets, encouraging industry players like Progress Apparels Bangladesh Ltd to explore new markets and diversify their offerings. Associations like BGMEA and BKMEA also take proactive steps to diversify the industry, with support from the Bangladesh government and Bangladesh Bank.

Progress Apparels Bangladesh Ltd's merchandising strategy should prioritize the creation of new value offerings and efficient delivery to customers. The company's management should have a proactive approach in seeking out new opportunities and, when required, establishing strategic business units (SBUs) in key cities such as London, Moscow, Melbourne, and Montevideo. These SBUs can conduct marketing opportunity analyses (MOAs) to assess market potential, identify customer preferences, and develop effective strategies to maintain a competitive position in the market. By continuously exploring new opportunities and adapting to market trends, Progress Apparels can enhance its market presence, expand its customer base, and achieve sustained growth in the industry.

6. 7.0 Recommendation

As Progress Apparels Bangladesh Ltd continues to thrive, there are opportunities to further enhance their merchandising strategy and drive future success. Here are a few suggestions:

Explore new markets: While Progress Apparels has already made significant strides in expanding into diverse markets, there is still untapped potential waiting to be explored. Consider venturing into emerging markets with lower competition, such as the Middle East. Recent statistics from the Export Promotion Bureau indicate a gradual growth trend in the Middle East market, making it an attractive opportunity worth considering. By strategically targeting and establishing a presence in these markets, Progress Apparels can expand its customer base and increase its market share.

Focus on Vertical Integration: To reduce reliance on external suppliers and enhance cost efficiency, Progress Apparels could consider investing in the production of raw materials for their ready-made garments (RMG). By vertically integrating their supply chain, the company can have greater control over the sourcing and manufacturing processes, thereby reducing costs and saving foreign currency. While developing expertise in raw material production may take time, exploring joint ventures or attracting foreign direct investment (FDI) could accelerate progress in this direction.

Manufacture complex products: In order to remain competitive in the future, it is crucial to move beyond relying on a limited range of basic products. We can't survive in the future by only manufacturing T-shirts, trousers and woven items. However, for the industry to remain competitive in the future. Focus on diversifying into outerwear, active wear, and other sophisticated fashion items. Neglecting this shift may hinder progress, as the Bangladeshi RMG industry is currently not prepared to produce high-end fashion items.

- Last but not in the list, During the last few years the reason of the global climate changes Bangladesh suffering by high temperature curses. For this reason the general employee suffering most for the drinkable cold water during Summer and Spring season. So if the PABL can establish a plant of **filtering cooling water** I believe the "quality of manufacturing" and "employee satisfaction" will increase by a large number.

By implementing these recommendations, Progress Apparels Bangladesh Ltd can further strengthen its position in the market, expand into new territories, improve cost efficiency, and reinforce its commitment to sustainability. Continually assessing market dynamics, staying innovative, and adapting to changing customer preferences will be essential for sustained growth and success in the competitive global apparel industry."

8.0 Conclusion

In conclusion, this comprehensive analysis sheds light on the merchandising strategies employed by Progress Apparels Bangladesh Ltd. The strategies have proven effective in reaching new markets and driving product diversification.

By exploring new markets with lower competition and tapping into the untapped potential of the Middle East, the company can expand its reach and capitalize on emerging opportunities. The study emphasizes the significant impact of product diversification on the revenue and profitability of the RMG industry in Bangladesh.

Furthermore, the report recognizes the vital role played by the government and industry associations in supporting and promoting product diversification. It acknowledges the limitations of the study and offers recommendations to further enhance product diversification efforts in the RMG industry, ensuring its sustained competitiveness in the global market. Moreover, reducing reliance on suppliers, particularly by producing raw materials for their garments, will not only lower manufacturing costs but also bolster the company's resilience in the face of supply chain disruptions. This strategic shift towards self-sufficiency can position Progress Apparels as a leader in the industry and contribute to long-term sustainability.

The imperative for product diversification cannot be overstated. By moving beyond the limited range of basic products and markets and venturing into manufacturing complex items such as outerwear and active wear, Progress Apparels can stay ahead of the competition and meet the evolving demands of the fashion industry.

Overall, this study underscores the crucial importance of implementing effective merchandising strategies and continuously striving for improvement within the RMG industry. By embracing these recommendations, Progress Apparels Bangladesh Ltd can solidify its position as a leader in the industry and pave the way for continued growth and success.

9.0 References

1. (www.bangladeshgarments.info, 2021)
2. (<https://www.progress-mfg.com>, 2022)
3. (<https://assignmentpoint.com/internship-report-on-marketing-activities-in-bextex-ltd/>, 2023)
4. https://rocketreach.co/progress-apparels-bangladesh-ltd-profile_b449f95dfcaad7e8
5. https://wikirate.org/Progress_Apparels_Bangladesh_Limited
6. <https://www.apollo.io/companies/Progress-Apparels--Bangladesh--Ltd/5a9f54d6a6da98d954deafa6?chart=count>
7. [https://www.commonobjective.co/progress-apparels-bangladesh-ltd-business Certification & Sustainability](https://www.commonobjective.co/progress-apparels-bangladesh-ltd-business-Certification-&Sustainability) - <https://www.usgbc.org/projects/progress-apparels-bangladesh-ltd-unit-2>
9. <http://www.assignmentpoint.com/science/internship-report-on-merchandising-activities-of-lyric-garments-ltd>
11. (<https://www.academia.edu/>, 2023)
12. <https://www.tbsnews.net/economy/corporates/pds-inaugurates-newly-established-washing-plant-565230>
13. (https://en.wikipedia.org/wiki/Textile_industry_in_Bangladesh#:~:text=Daewoo%20of%20South%20Korea%20was, 2023)