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# British American Tobacco Bangladesh Company Limited

Ahmed, Rabbi

Independent University, Bangladesh

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An Internship Report On

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British American Tobacco Bangladesh Company Limited



**WORKING REPORT**  
**ON**  
**BRITISH AMERICAN TOBACCO BANGLADESH**

By

**Rabbi Ahmed**  
ID-0420168

An Internship Report Presented in Partial Fulfillment  
Of the Requirements for the Degree  
Bachelor of Business Administration

INDEPENDENT UNIVERSITY, BANGLADESH (IUB)



December 2008

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**ON**  
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Has been approved  
December, 2008

Mohammed Sohel Islam  
Lecturer  
School of Business  
INDEPENDENT UNIVERSITY, BANGLADESH (IUB)

## Table of Content

Letter of Transmittal

Acknowledgement

Chapter One

1.1	Introduction	3
1.2	Origin of the report	4
1.3	Background Of The Report	4
1.4	Objective of the Report	4
1.5	Scope of the report	5
1.6	Limitation	6
1.7	Methodology	7

Chapter Two

2.1	An Overview of BATB	8
	2.1.1 Organizational Chart	10
2.2	Company's VISION	11
2.3	Company's Strategy (Mission)	11
2.4	Strategy Piramid	11
2.5	Brands:	12
	2.5.1 Local Brands	12

2.5.2	International Brands	13
2.6	Supply Chain	14
2.7	Departments	15
2.7.1	Primary Manufacturing Department (PMD)	15
2.7.2	Secondary Manufacturing Department (SMD)	15
2.8.2.1	HR Profile for SMD	16
2.7.3	Filter Rod Department (FRD)	17
2.7.4	Rear and Renewal Spares (R&RS)	17
2.7.5	Environment, Health and Safety (EHS)	17
2.7.6	Human Resource (HR)	17
2.7.7	Finance	18
2.7.8	Marketing	18
2.7.9	Supply Chain Management (SCM)	18
2.8	Indicating the Movement of raw Materials in to the Final Product	19

## Chapter Three

3.0	Introduction	20
3.1	Working Experience at BATB	20
3.2	R&RS	20
3.3	R&RS Material Issue Process	21
3.4	Works That I Have Done	22
3.4.1	Analysis the Bearings	22
3.4.2	Comparison of the price between CME and MOLLINS	22

3.4.3 Alternative sourcing	23
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## Chapter Four

4.0. Introduction	24
4.1. General problems of BATB	24
4.2. Recommendation	24

## Chapter Five

5.0 Conclusion	25
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## Chapter Six

6.0 References	26
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## **Letter of Transmittal**

December 01, 2008

To,

Mr. Mohammed Sohel Islam

Lecturer, School of Business

Independent University, Bangladesh

Subject: Submission of Internship Report

Dear Sir,

It is a great pleasure for me to submit the working report on "British American Tobacco Bangladesh Company Limited." I am submitting this report as the part of my internship (BBA-499A) in British American Tobacco Bangladesh Company Limited. I have put in my best efforts to make this report a success.

I hope you will assess my report considering the limitations of the study. Your kind advice will encourage me to do further study in future.

Sincerely Yours,

Rabbi Ahmed

ID-0420168

BBA Student of

Independent University, Bangladesh.



## **Acknowledgement**

The success of this report depends in the contribution of a number of people, especially those who took the time to their thoughtful guidance and suggestions to improve the report. I am most grateful to the British American Tobacco Bangladesh Company Limited management to give me the opportunity to complete my internship in their respected organization.

First of all I am grateful to All Mighty Allah for finishing this report on time.

I would like to disburse my gratitude to my academic supervisor Mohammed Sohel Islam, Lecturer, School of Business, Independent University, Bangladesh for his guidance, constant and constructive suggestions. His insightful discussions enabled me to resolve a number of issues related to my project and helped me to work without staggering. Without his help this report could not have been a comprehensive one.

I also like to express my appreciation to my BATB supervisor Mr. Maruf Sobhan, manager, R&RS (Rear and Renewal Spares) who introduce me with his interesting aspect of BATB to look upon and has given his valuable time, guidance, efficient supervision and spontaneous support in every step of my internship program.

I like to express my sincere thanks to the Mr. Saad Jashim, manager HR for his careful suggestion and direction for successful accomplishment of my project. .



Last but not the least I also acknowledge my family and friends for their incredible support and cooperation. In the entire course of this project, from the beginning to the end, they helped me consistently and constructively.



# Chapter One

## 1.8 Introduction

Internship program (BBA-499) of Independent University Bangladesh (IUB) is necessary for the graduation for the BBA students. For this a student of school of Business at IUB after completion of one hundred and eighteen (118) credit hours of theoretical courses has to go for further twelve (12) credit hours practical courses that are related to their relevant field. This internship report of IUB reveals one of IUB's goals that is to produce graduates of international standards within the local environment.

The basic purpose of this experience is to expose the student to the real business situation and accustom his or her with the practice of modern business world. This exposure is very rewarding for one self to see how things move and to find the gap and as well as the similarities between theoretical knowledge and practical operations.

This report is a practical requirement of the internship program, which was prepared based on the internship program that was conducted in the operations department of British American Tobacco Bangladesh (BATB). This report mainly focuses on the working experience that has been gained at BATB.



## **1.9 Origin of the report**

This report is presented as a requirement for graduating BBA program of Independent University Bangladesh (IUB). The whole work will end up with finishing three months of full time work, submitting final report and having the presentation, where an interview board judges the student's impulsiveness in responding to significant questions. This report was assigned to me by the internship supervisor Mohammed Sohel Islam and submitted to him on 01 December, 2008.

## **1.10 Background Of The Report**

Since Internship has been premeditated to apply classroom acquaintance in the workplaces, it is recommended to conduct internship after carrying out at 124 credits of course work. I have been assigned in British American Tobacco Bangladesh Company Limited for my internship program which is a graduation requirement for the BBA students. This report has been prepared on my practical experiences from September'08 to December'08 in British American Tobacco Bangladesh Company Limited. BATB produce different types of tobacco product for their customers and consumers. I have decided to give some idea about the whole BATB inside this report.

## **1.11 Objective of the Report**

This report has several objectives, these are:

- The primary objective of internship is to experience real world of application of knowledge and to know the corporate culture.



- Helping to express loyalty, inventiveness, resource comprehensiveness and professionalism in the tasks are assigned.
- This internship project helps to familiarize with the experience of being employed in the field and effectively learning and applying the knowledge required to carry out the activities in the future.
- To give an idea on the activities and functions of a multinational company.
- It helps to identify the quality of product, quality of services, efficiency of employees and customer response towards BATB.

This internship fulfills the requirement for graduating BBA program of Independent University Bangladesh.

### **1.12 Scope of the report**

Internship project is a scope to apply the knowledge practically. I served in a company to understand the application and gather valuable work experience. I have been assigned in the R&RS (Rear and Renewal Spares) department of British American Tobacco Bangladesh Company Limited (BATBCL). Internship helps me to make acquainted about how a multinational company works. I have gathered a lot of experience by working in the R&RS (Rear and Renewal Spares) Department at British American Tobacco Bangladesh Company Limited. The area of focus of this report is to give a robust idea about the brands and the departments of BAT Bangladesh.



### **1.13 Limitation**

There are several restriction involved while preparing this report.

- Time factor was one of the major limitations in the preparation of this report. Naturally a lot of time is required for a depth analysis of a multinational company.
- There is some information which is restricted to declare, those were so confidential, that no one agreed to state. This may not be up to snuff to represent the factual scenario of BATB.
- Due to limited knowledge in this field all aspect of this company could not be covered.
- The managers of different department of the company could not give us adequate time for their work pressure.
- While collecting the interview only the employees they did not give proper information for the sake of maintaining confidentiality of the BATB.
- And finally, lack of secondary information about the BATB that was another major problem during preparing this report. Only the annual report was not sufficient to represent the BATBCL to build up the image to the reader.



## **1.14 Methodology**

The report has been prepared on the basis of personal experience gathered by working at the R&RS (Rear and Renewal Spares) Department of the company. The primary data was collected through interviewing different employees dealing with Primary Manufacturing Department (PMD), Secondary Manufacturing Department (SMD), HR, R&RS ((Rear and Renewal Spares)) of BATB and secondary data was collected from the annual report.

## Chapter Two

### 2.1 An Overview of BATB

BAT produces high quality tobacco products to meet the diverse preferences of millions of consumers, and work in all areas of business. In the shortest sentence, their business can be described as “From Seed to Smoke”. The companies are committed to providing consumers with pleasure through excellent products, and to demonstrating that they are meeting its goals in ways that are consistent with reasonable societal expectations of a reasonable tobacco group in the 21st century.

British American Tobacco Company (BATC.) is one of the pioneers in Tobacco manufacturers of the world. The journey of this company started long back. BATB was established back in 1910 as imperial Tobacco Company Ltd. in the beginning, it was known as Imperial Tobacco Company Limited in the undivided India in 1910. Having its head office in Calcutta, in the year 1926 a branch office was made in the Sales Depot of Moulvi Bazar After independence, Bangladesh Tobacco Company (Pvt.) Limited was formed in 1972 under the Companies Act 1913, with the assets and liabilities of PTC. In 1973 BTC (Pvt.) was converted into a public limited company.

British American Tobacco played a pivotal role in BTC's creation in 1972 and since then has been involved in BTC's development every step of the way. BTC has proved to be the perfect representative of BAT by manufacturing and marketing quality brands, which met BAT standards. The company was formed with an objective to establish a worldwide business. British American Tobacco Bangladesh (previously known as Bangladesh Tobacco company), has changed its name on

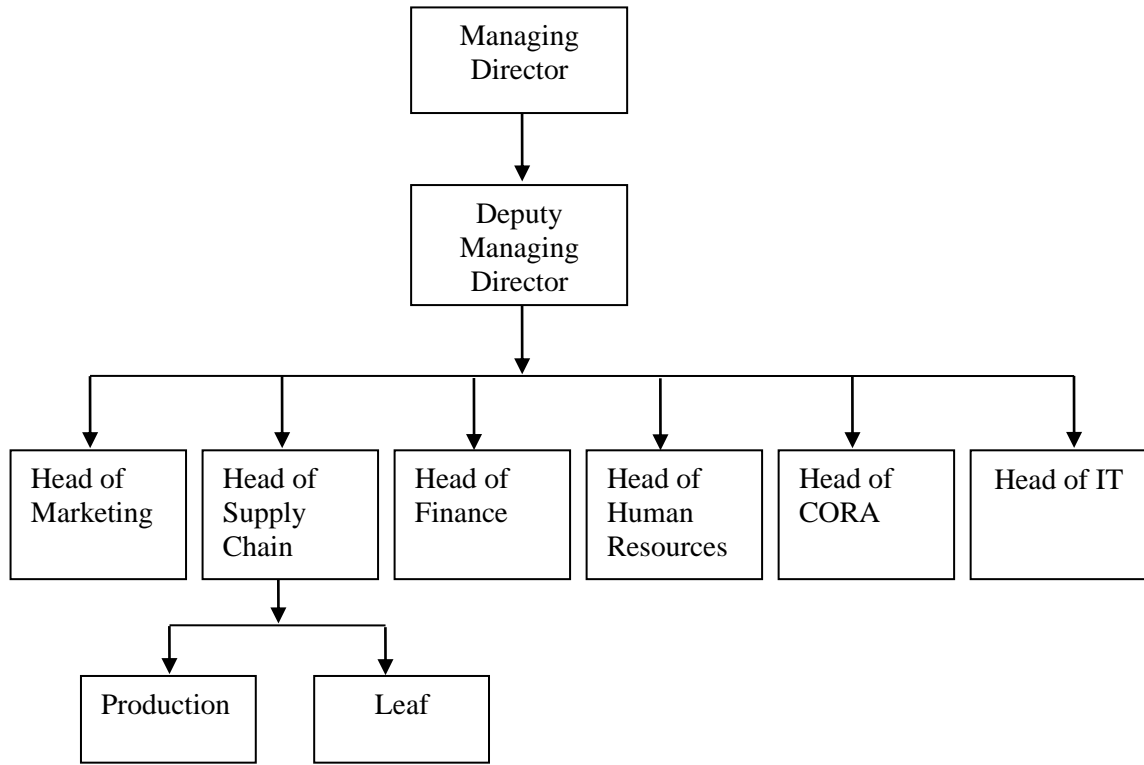


March 22, 1998 was incorporated under the company Act 1913 on 2nd February 1972, as a subsidiary of British American Tobacco Bangladesh (BATCo.).

Operating in the country since pre-independence, the company headquarters and cigarette factory are based in Dhaka, with a tobacco threshing plant in Kushtia. The company currently employees more than 200 managers and has a work force of 1,300 workers and 14,000 registered farmers in its Kushtia threshing plant producing the world finest tobacco and exporting to other countries and other tobacco companies locally for their living standards.

British American Tobacco Bangladesh (BATB) is listed in the Dhaka Stock Exchange (DSE) with an authorized share capital of Tk. 600,000,000 comprised of 60,000,000 ordinary shares of Tk. 10 each. With a market share of 48%, 65.91% of the company's shares are held by Raleigh Investment Co. Ltd, UK; 26.99% by Investment Corporation of Bangladesh; 2.86% by Shadharan Bima Corporation; 0.84% by Bangladesh Silpa Rin Sangstha; 0.65% by the Government of Bangladesh; 0.52% by Sena Kalyan Sangstha and 2.23% by others.

### 2.1.1 Organizational Chart



## 2.2 Company's VISION

"TO EXTEND OUR LEADERSHIP

THROUGH WORLD CLASS PERFORMANCE"

## 2.3 Company's Strategy (Mission)

In the early 1990s, BATB decided to grow its business by focusing solely on tobacco - a decision which regularized and transformed the Group. In 1995, BATB set it selves the credible, if challenging, vision of regaining leadership of the global tobacco industry and established a strategy to get there.

Over the last decade or so, its market share has increased by nearly 50 per cent. BATB is now the second largest international tobacco Group, accounting for some 17 per cent of the global market.

## 2.4 Strategy Piramid



## 2.5 Brands:

British American Tobacco (BAT) is now making different brands of cigarettes. It is going to be discussed below.

### 2.7.1 Local Brands (Bangladesh)

They present brands are Benson & Hedges (Regular), Benson & Hedges (Lights And Menthol), John Player's Gold Leaf (Regular), Pall Mall (Regular, Lights And Menthol), Capstan, Star Filter, Scissor Filter. They are going to launch the new one very soon which will be called as John Player's Gold Leaf Smooth. There are also some other brands which are the internationally produced as well as locally.

**BENSON &  
HEDGES**

**Benson & Hedges** cigarettes were created for the Prince of Wales in 1873. British American Tobacco acquired the rights to the brand in a large number of overseas markets in 1956. Today, this companies sell Benson & Hedges in more than 60 countries outside the European Union, including Australia, New Zealand, Bangladesh and Malaysia.



**John Player Gold Leaf** is sold in 15 countries and is particularly popular in Pakistan, Bangladesh, Sri Lanka and Saudi Arabia. The brand dates back to the 1890s. BAT do not own the brand in the UK, Europe or the United States.

## PALL MALL

**Pall Mall** was introduced in 1899 and is now sold in more than 60 countries. It is the leading global value-for-money brand of BAT. Pall Mall volumes grew 10 per cent in 2007, compared with the previous year, to 51 billion cigarettes. Key markets include Germany, Italy, Russia and Uzbekistan. While the Global Drive Brands remain central to BAT's strategy.

### 2.5.2 International Brands

As a major international Fast Moving Consumer Goods (FMCG) company, BAT is proud of its reputation for producing high-quality brands that are chosen by one in eight of the world's adult smokers.

BAT's four Global Drive Brands - Dunhill, Kent, Lucky Strike and Pall Mall - account for more than 24 per cent of its global volumes from subsidiary companies. Since 2002 these brands have together grown by 62 per cent. All the international and local brands are:

- Kent
- Dunhill
- Lucky strike
- Pall mall
- Vogue
- Viceroy
- Rothmans
- Kool



- Benson & Hedges
- Peter Stuyvesant
- John Player Gold Leaf

## 2.6 Supply Chain

Manufacturing is at the heart of the business, so BAT invests substantially in new technology to ensure that their factories are highly flexible and responsive to the needs of the customers and consumers alike.

Working in manufacturing means constantly having to balance the demands of availability, quality and cost. People in BATB operate in a high speed environment and under tremendous pressure, so they need the strength of mind to make quick decisions, often basing them on limited information. They also need to be open to innovative solutions that can improve our processes and balance supply and demand while minimising working capital.

And world-class manufacturing is about far more than technology. Seemingly small issues can have an enormous impact – not only on processes and targets, but also on the morale of the factory teams. That’s why people need to be effective leaders, demonstrating the ability to build effective teams while committing to the highest levels of production, quality and safety.

Manufacturing within British American Tobacco Bangladesh includes:

- Product knowledge
- Process



- Quality
- Supply chain management
- Regulatory and control
- Knowledge of technologies framework
- Employee relations
- Excise
- Environmental, health & safety
- Project management
- Commercial awareness

## **2.7 Departments**

### **2.7.1 Primary Manufacturing Department (PMD)**

Raw tobaccos come in this department first, for the general process. Tobaccos are cut in the CTS (Cutting Tobacco Sector) department. There are 75 employees working in two shifts over here.

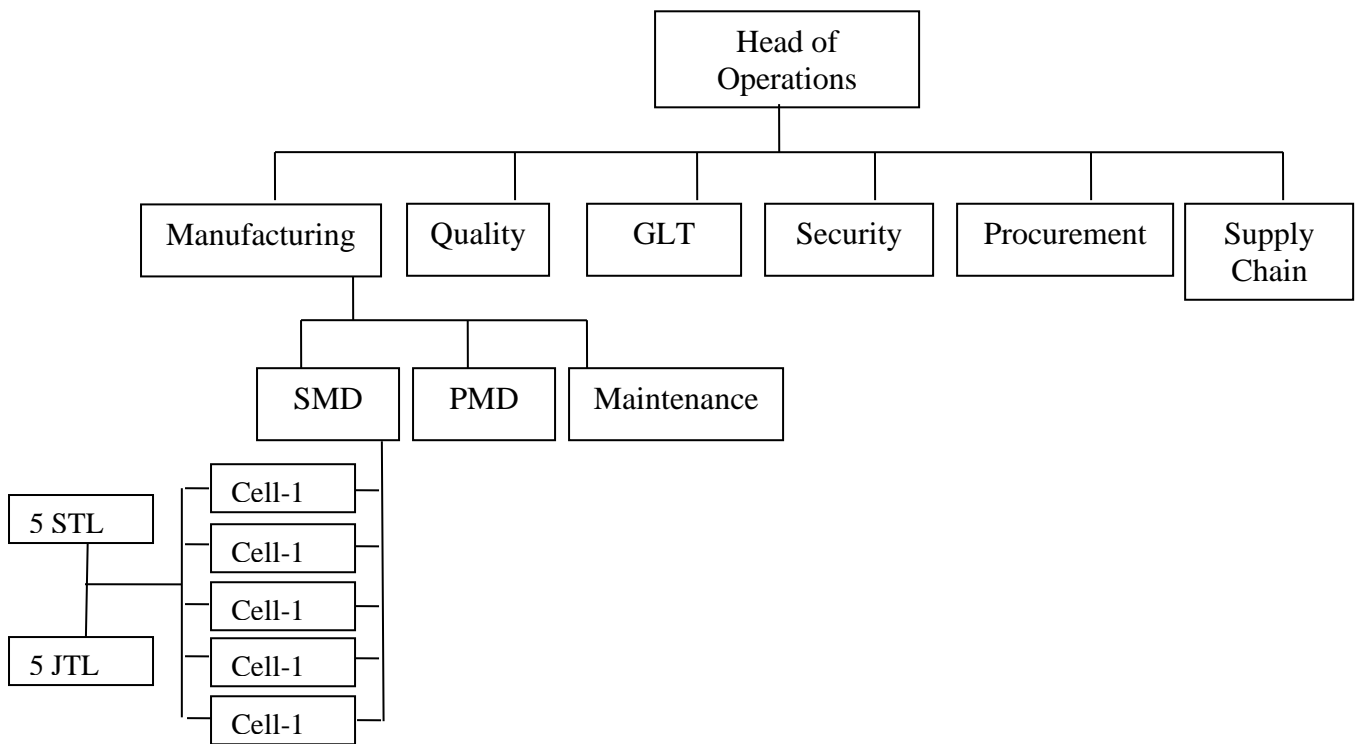
### **2.7.2 Secondary Manufacturing Department (SMD)**

SMD's work is to make the different brands of cigarettes in different module. There are 19 modules in the SMD floor. One module has two parts. One is called "Maker" and another one is called "Packer". SMD is called also the production floor. Among the 19 modules 15 are running now at this moment. The name of the fastest machine in



SMD is PROTOS (maker) and FOCKE (packer). The amount of cigarette that it can produce is 10,000 tobacco stick per minute.

### 2.7.2.1 HR Profile for SMD





### **2.7.3 Filter Rod Department (FRD)**

The most important part of the cigarettes is filter and filter rod department makes the filter for the different brands of cigarettes. KDF-1, KDF-2, KDF-3, KDF-4 are the four machines those are producing filter everyday.

### **2.7.4 Rear and Renewal Spares (R&RS)**

I am working with this department. As I discussed that there are 19 (Nineteen) modules in SMD floor each module has two machines, so for the 38 SMD machines and 4 FRD machines, huge amount of parts are required. These parts are imported from abroad. Many companies are there to supply the parts of the machines.

### **2.7.5 Environment, Health and Safety (EHS)**

This department always takes care of the employees whether they are following the safety rules or not, whether the environment and health of the employees are okay or not.

### **2.7.6 Human Resource (HR)**

HR department is always conscious about the employees' demand, satisfaction, incentives, salary ratings, bonus and many other things. Their focus is always on those things that can make the employees satisfied. Suppose BATB arranges different types of games for their employees. Employee's satisfaction means company's success.



### **2.7.7 Finance**

Finance department's work is to maintain all the financial deal. This department deals with payments of the mechanical parts, employees' salary, making miscellaneous bills of the whole BATB and many more.

### **2.7.8 Marketing**

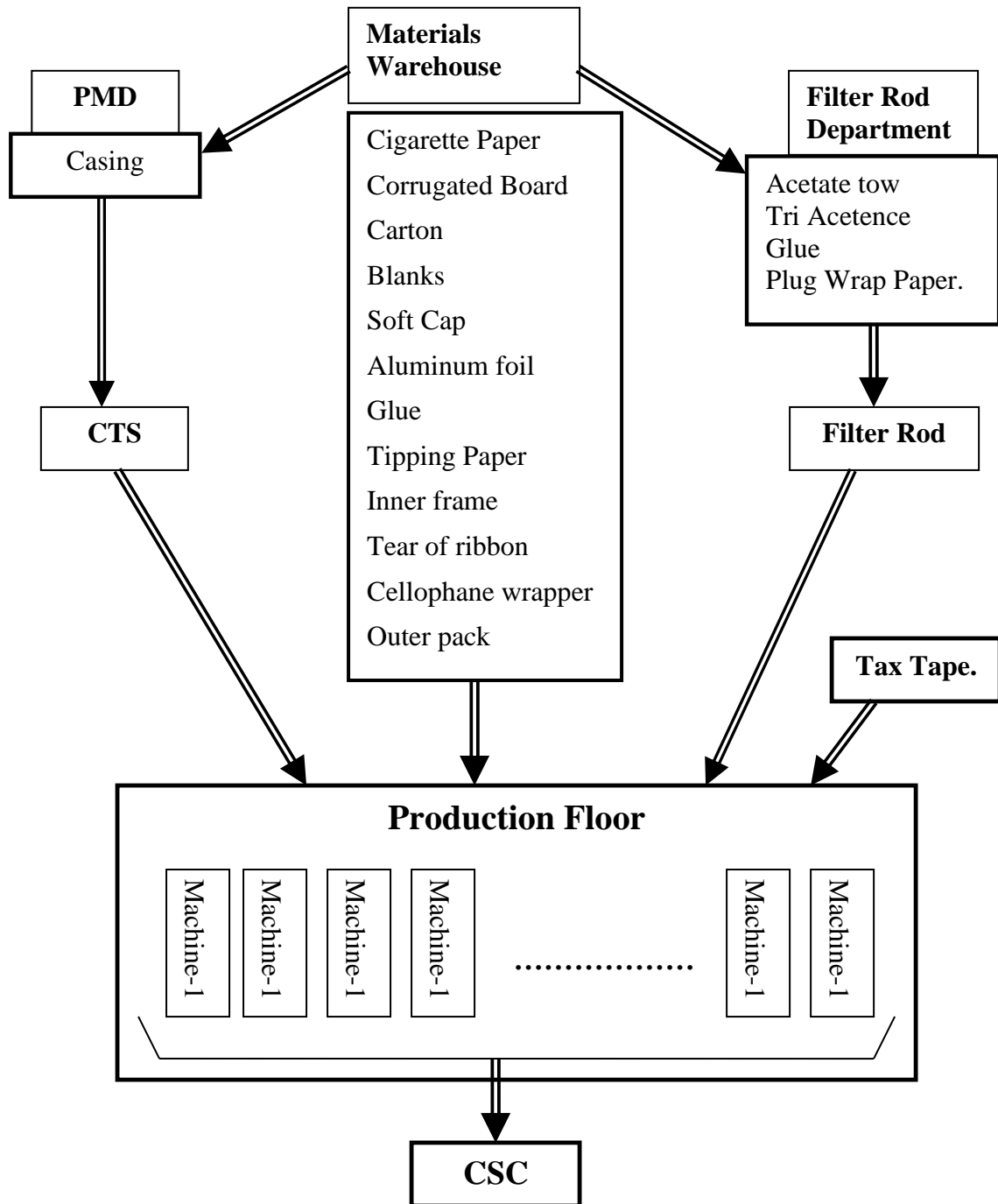
This department is may be the heart of an organization. BATB is always attentive about the marketing plan. There are lots of Territory Officers working in every district of Bangladesh. Only because of their brilliant marketing strategy their premium brand *B&H* is successfully running.

### **2.7.9 Supply Chain Management (SCM)**

This department is maintaining two departments. SCM's first one is LEAF and second one is Production.



### 2.9 Indicating the Movement of raw Materials in to the Final Product.





## **Chapter Three**

### **3.0 Introduction**

Basically, I was appointed to the R&RS department. I am going to give some idea about R&RS and about my working experience at BATB as well.

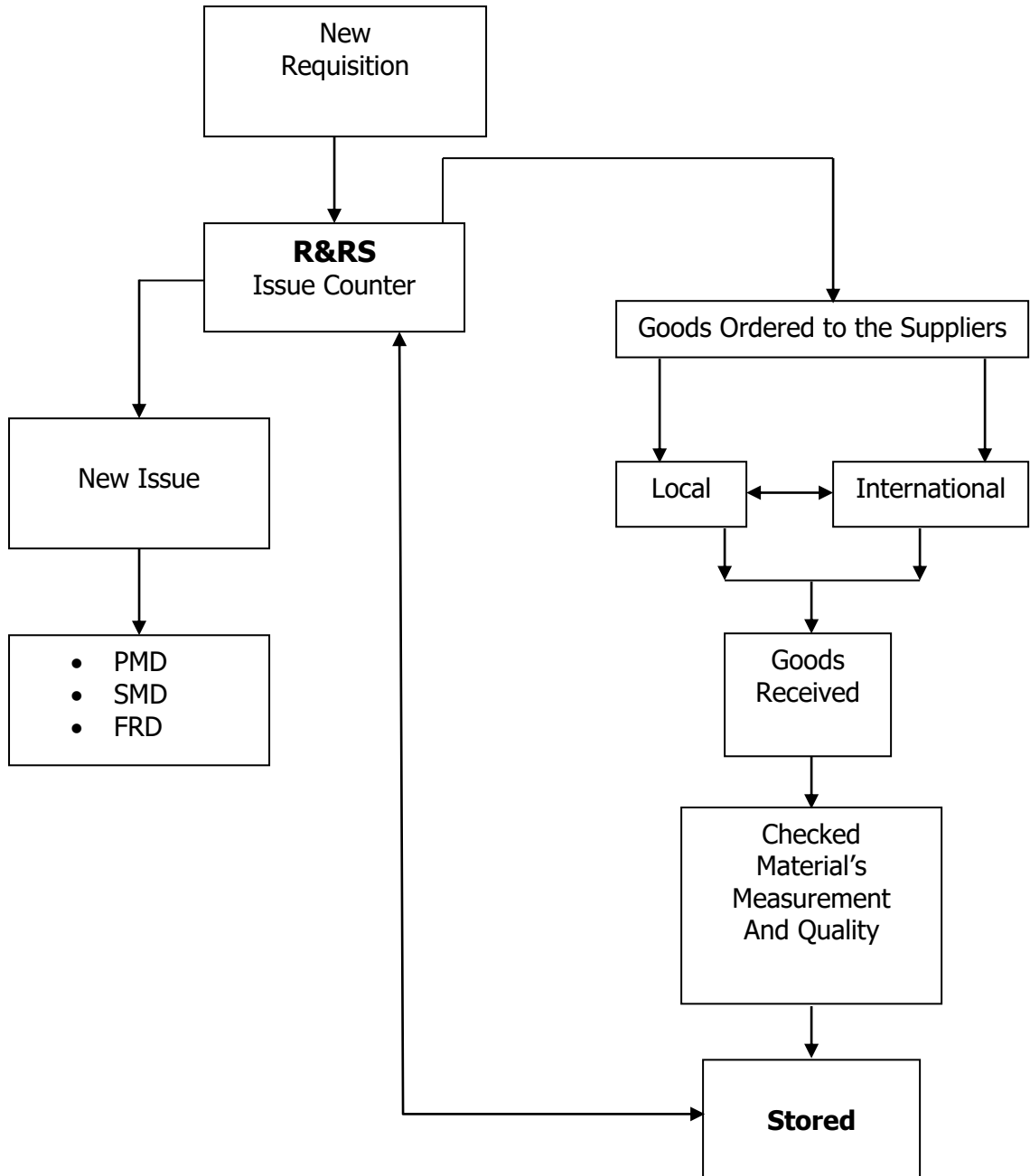
#### **3.1 Working Experience at BATB**

I am going to discuss about the working experience of mine at BATB.

#### **3.2 R&RS**

R&RS (Rear & Renewals Spares) is defined here as all items used to replace machine parts which no longer function satisfactorily through wear or breakage. Also covered are all items used for routine cleaning and maintenance of equipment used directly or indirectly for manufacturing. This covers mechanical, electrical and electronic components for manufacturing and support equipment and buildings throughout the company. Excluded are items kept specifically for construction or installation of new equipment.

### 3.3 R&RS Material Issue Process





## **3.4 Works That I Have Done**

### **3.4.1 Analysis the Bearings**

I was ordered to find out the bearing listed in side the R&R Store. I was doing this to find out two company's bearing number one is INA and number two is FAG. This two companies supply most of the rare bearing to BATB. My work was to find out whether the bearing is from INA or FAG. I had to go bin to bin and it took a couple of days to inspect all 33 bins (one bin contains 100 parts).

After getting the entire bearing list I prepared a MS-Excel report and submitted to my supervisor.

### **3.4.2 Comparison of the price between CME and MOLLINS**

CME and MOLLINS are the two companies those prepare and supply the spare parts for BATB. Sometime they manufacture the same parts. My job was to find out the comparison of the price between these two companies. I had to go through some price list and had to find out the comparison. Then the Manager of R&R store took the decision which company's price is the best and who will offer BATB better after sells service.



### **3.4.3 Alternative Sourcing**

According to the R&RS policy Alternative Sourcing means to get the best price of the spare parts of the machines from the best company. There are lots of companies (e.g. INA, FAG, GD-ITALY, CME, MOLLINS, SKF, STK, DECOUFLE etc.) who provide the spares for BATB but in between them there are some middle man work and for that reason the price of the spares goes high. Now my work was to find the spares which are brought through the middle man. After getting entire list we will try to eliminate those middle men to save our cost up to 20% (approximately). And still I am working on it.



## **Chapter Four**

### **4.0. Introduction**

There is no organization around the world which does not have any problem. But the thing is I was not able to find out a huge amount of problem of BATB. Getting an idea about the problems of BATB is very tough because, BATB keeps itself very confidential. But through my eyes I have found some problems.

### **4.1. General problems of BATB**

- R&RS department have to use a lot of middle man for the spares. For that reason the price of the spares and the costs of BATB both of them go high.
- Air pollution is one of the big factors for BATB. People who live inside Mohakhali DoHS have to tolerate the stink of the tobacco.
- No Advertisement or public relational Activities.

### **4.2. Recommendation**

- R&RS department have to be more careful about the spare parts. They should have to avoid the middle man through alternative sourcing to reduce the costs of the spares.
- EHS department should take care about the air pollution. They should remember that the industry stands inside a residential area.
- Though it is restricted that a tobacco company cannot go for the open promotional activities but BATB should think about the promotional campaign in different way.



## Chapter Five

### 5.0 Conclusion

British American Tobacco Bangladesh (BATB) was previously known as Bangladesh tobacco company (BTC). On March 22, 1998 the company changed its identification and established commitment to the highest international standards. The company's main business is tobacco, which involves growing, processing, manufacturing and marketing of tobacco leaf, cigarette and pipe tobacco. The company also exports processed tobacco leaf in the international market, mainly in the European Countries with its effort to create an international market of its products.

BATB is one of the largest companies in our country with a long establishment reputation for consistently providing its consumers with high quality brands. BATB is listed in Dhaka and Chittagong Stock Exchanges. The company markets major international cigarette brands like Benson & Hedges, State Express 555 and John Player Gold Leaf, which are complimented, by local brand such as Star, Capstan and Scissors.

British American Tobacco Bangladesh (BATB) is one of the best multinational companies in our country as well as in the world. While working with this company I understand the mystery of their reputation. All of the employees are dedicated towards their works. In fact, they motivate their employees in such manner thus they become dedicated towards the company. Another thing- they always work as a



group. Teamwork is their strength. Last of all I would like to say – Say Company or organization can be the best if it is well organized and well operated.

## Chapter Six

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