

**INTERSHIP REPORT ON  
“POWER POINT BAGS INDUSTRY”**

**Submitted By**

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**Submitted To**



**VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI**

**In partial fulfillment of the requirements for the award of the degree of**

**MASTER OF BUSINESS ADMINISTRATION**

**Under the guidance of**

**INTERNAL GUIDE**

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**PG DEPARTMENT OF BUSINESS ADMINISTRATION  
ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY  
SHOBHAVANA CAMPUS, MIJAR, MOODBIDRI.**

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**POWER POINT<sup>TM</sup> BAG INDUSTRIES**

23.11.2022

## CERTIFICATE

This is to certify that, Mr.S V Rahul, Reg No:4AL21BA065, MBA student of Alva's Institute of Engineering and Technology, Mijar, Moodbidre, has completed the Project work on the subject of "**Organisation Study**" at **Power Point Bags Industry, Karkala**, during the period from 20.10.2022 to 19.11.2022 as a part of his curriculum, During this period his conduct and performance are found good. We wish him all the best for his future endeavors.

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# ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

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DATE: 30/01/2023

## CERTIFICATE

This is to certify that **S V RAHUL** bearing USN **4AL21BA065** is a bonafide student of Master of Business Administration program of the Institute (2021-22) affiliated to Visvesvaraya Technological University, Belagavi.

The Internship report on "**POWERPOINT BAG INDUSTRIES, KARKALA**" is prepared by him under the guidance of **Mrs. Harshitha V Shetty**, Assistant Professor, PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

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## DECLARATION

I hereby declare that this Internship titled “**Power Point Bags industry**” submitted by me to the Department of Business Administration , Visvesvaraya Technological University in partial fulfillment of requirement of MBA Programme is a bonafide work carried by me under the guidance of **Mrs. Harshitha Shetty ,Assistant Professor, ALVAS INSTITUTE OF ENGINEERING AND TECHNOLOGY MIJAR** .This has not been submitted earlier to any other University or Institution for the award of any degree/diploma/certificate or published any time before.

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## ACKNOWLEDGEMENT

I would like to take this opportunity to express my sincere gratitude to all those who have helped me throughout this organizational study. It gives me immense pleasure to acknowledge all those who have encouraged and supported for the successful completion of this work.

I would like to express my sincere thanks to Principal **Dr. Peter Fernandes**, AIET, Moodbidri. And I express my deep sense of gratitude to my internal guide **Mrs. Harshitha Shetty, Assistant Professor of MBA department**, for constant support and encouragement to carry out my report successful without much difficulty.

I am privileged to thank our, HOD Of PG Department of Business Administration, **Mrs. Priya sequiera**, Alva's Institute of Engineering and Technology, Mijar. And it would be a failure in my part not to mention my parents, family and friends whose undying support and encouragement kept my going at times of need. Deepest thanks to you all. They are all indeed the reason for the successful completion of this internship.

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## **EXECUTIVE SUMMARY**

This is an Endeavour to know how the speculations can be applied to practical circumstance. As MBA understudy of Alva's foundation of designing and innovation it is a piece of study for everybody to go through entry level position at some great association. So this reason I got the chance of temporary position program in “Power Point Bags Industry”.

This report is partitioned into six sections. The principal section manages the presentation about the introduction to industry, industry profile. The subsequent section is about the association profile,

- Nature of business,
- Vision mission, quality strategy,
- Workflow model
- Product/administration profile,
- Ownership design,
- Achievements/grants assuming any,
- Future development and possibilities,

Third part is McKinsey's 7S casing work with unique reference to association under examination. The fourth section manages the SWOT investigation. The fifth part is Analysis of fiscal report 6th section is learning experience. It additionally comprises of Bibliography.

# **CHAPTER 1**

## **INTRODUCTION ABOUT ORGANISATION AND INDUSTRY**



## **1.1 INTRODUCTION:**

Supply Chain Management is the control of the movement of goods and services from the point of origin to the point of consumption. It also includes the transaction and storage of raw materials used in work in progress, inventories, and completely furnished commodities.

The primary goal of Supply Chain Management is to keep track of and connect the production, distribution and shipping of goods and services. Companies that have a good and tight grip over internal stocks, production, distribution, internal production, and sales can do this.

## **1.2 ORGANISATION:**

The Power Point Bag Industry started as a manufacturer and supplier of packs in Salmar, Karkala in 2011. In April 2018, the company relocated to jodukatte. In jodukatte, the 16000 square foot complex includes a manufacturing plant as well as a retail site. The company currently has branches in three different locations: karkala, Ujire and kalasa. According to Mr. Mahaveer Hegde and Mrs. Anvitha m. Hegde, it is an organisation firm.

The company manufactures and distributes a wide range of bags, including handbags, trolley bags, travel bags, women bags, laptop bags and so many all of which are high quality and come in attractive colors. Above 30 and below 50 varieties of bags are manufactured over there in the organisation. Belt, thread, Adjuster, Zip, Runner are the main raw materials used to make bags and they are sourced from various suppliers from Mumbai, Chennai, Delhi, Bangalore and they provide customized bags with one year warranty. If any damages like zip and stitches free of cost they fixed it again.

In power point industry there are 35 employees, 45 helpers and 15 staff. All of his men tailors are from Bihar and they are the piece of creation division. Because the tailors are from outsiders from the state, they given accommodation on the industry. They also provided with the canteen with refreshments, noon meals and a super at night all of these are provided free of cost. Even the employees get allowance and bonus yearly once. Not only the tailors this facility is available for all the workers and staffs. Mr. Mahaveer started this company as a sole proprietor in the beginning.

However, in 2014 Mr. Mahaveer Hegde and Mrs. Anvitha M Hegde became partners and the firm became a partnership firm.

### **1.3 INDUSTRY:**

According to ancient documents from countless years ago indicate all gender has used bags at some point. Since ancient Egypt, bags have been a common accessory. In ancient art, multiple males are shown wearing bags tied around their hips. Pouches are also mentioned in the Bible. Many individuals carried their money in silk bags throughout the 14th century out of fear of robbers and pickpockets.

Australian dilly bags are typically fashioned from plant fibers and are a traditional Australian Aboriginal bag. Dilly bags are most frequently found in the northern regions of Australia and were primarily created and used by women to collect and food on time.

The handbags from the fourteenth century were changes into wedding gifts from the groom to the bride. These ancient pouches were stitched, frequently with images from songs or love stories. These pouches were eventually developed. While men wore leather bags or pockets inside their clothes, women wore their pouches inside the wide range of petticoats they decided to wear. In order to cover up their lack of personal cleanliness, they started carrying wet bags filled with materials that had a sweet smell.

### **GLOBAL DEMAND**

Global demand for Flexible Intermediate bulk containers will register a CAGR of 6.3% by 2021, as per ReportsnReports.com. According to the flexible intermediate bulk container industry report, the increased production and trade of horticulture products and chemicals have boosted the need for bulk packing and hence, the demand for FIBCs. FIBCs are used in the chemical, fertilizers, and food sectors. Significant growth in sectors such as food and horticulture which are posting above-average CAGRs has led to a considerable increase in the demand for FIBCs. The growing need to reduce the overall weight of the bulk packaging and transporting materials is a major factor driving the demand for packaging sacks in the construction, chemical, and fertilizer sectors.

Commenting on the flexible intermediate bulk container market report, an analyst says the growing environmental concern about the usage of synthetic plastic which is mostly derived from petroleum feedstock has encouraged the industry to develop eco-friendly plastics for consumers. Companies such as Braskem and Dow Chemical Company have been investing heavily in developing technologies to produce bio-based polymers through biomass. We expect that bio-based polymer will be produced more than 2.5 times its volume in 2015. Its volume was around 6.6 million tons in 2015, which is expected to grow to more than 16.7 million tons by 2020. Globally, polypropylene and polyethylene for the production of FIBS. Further, the report states that fluctuations in the price of raw materials are another major challenge faced by vendors in the global FIBC market. Crude oil and natural gases are the major sources of naphtha and ethylene, which are the basic materials used to manufacture polypropylene. The polypropylene market and manufacturers have been facing challenges in areas such as fluctuation in demand and supply of raw materials and volatility in prices.

The flexible intermediate bulk container market study was conducted using an objective combination of primary and secondary information including inputs from key participants in the industry. The report contains the comprehensive market and vendor landscape in addition to a SWOT analysis of the key vendors.

# **CHAPTER 2:**

# **ORGANISATION PROFILE**

## **2.1 Background**

Organization in wealthy economics are shifting from domestically assembling clothing, accessories, and bags to importing similar items from emerging economics with reduced production costs. In recent year, industry profitability has been rather consistent. Benefits decreased from the previous year due to rising costs. Benefits were pressed when wages paid to assembly line workers in fabricating countries began to climb. Right present, work is continually expanding.

### **ORGANIZATION PROFILE**

ORGANISATION NAME	: POWER POINT BAGS INDUSTRY
BUSINESS	: BAGS MANUFACTURERS
CERTIFICATION	: ISO 9001: 2008
LOCATION TYPE	: RURAL
ADDITIONAL BUSINESS	: SHOWROOM
CEO	: MR. MAVEER JAIN
YEAR OF COMMENCEMENT	: 2004
PRODUCTION TYPE	: MANUAL AND MECHANICAL
EMPLOYEES	: 95
PRODUCTS	: POLYTHIN BAG

## **2.2 Nature of business:**

The PPBI essentially includes the processing of different types of bags, the use of raw materials, the conversion of semi-finished goods into finished goods that are ready for use in all types of bags, as well as the active optimization of a business's supply chain management to maximize customer value and gain a competitive advantage in the market.

## **2.3 VISION, MISSION AND QUALITY POLICY**

### **VISION:**

To be the largest manufacture in Bags manufacturing industry of India.

### **MISSION:**

We aim to provide solute on to satisfy our customers need by providing them Quality, flexible yet affordable product, delivered on time.

### **QUALITY POLICY:**

We stand for quality and understand that we have a promise to keep, with every product we sell. The product and raw materials pass through the quality check department after every stage of production by separate quality check department final product reach warehouse. From the stage of collecting raw materials to packing the final product, our team experts take greater care to ensure that only the best materials we used. We offer products of remarkable quality. We facilitate product test regularly those products meet the varied demands of customers. For us maintaining the utmost level of products quality is primary concern.

## **HEALTH AND SAFETY POLICY:**

- Provide safety healthy working environment to prevent accidents and injury health arising linking with occurring in course of work as a result of the operation and use of employee machines and facilities.
- Ensures following good training practices like regular training on first aid, as well as a workshop on the use of extinguishers besides periodical mock evacuation drills so that workers are well prepared for unforeseen circumstances. Investigate accidents/incidents establish their causes implement an action plan procedure for working practices and prevent the reoccurrence of similar accidents.

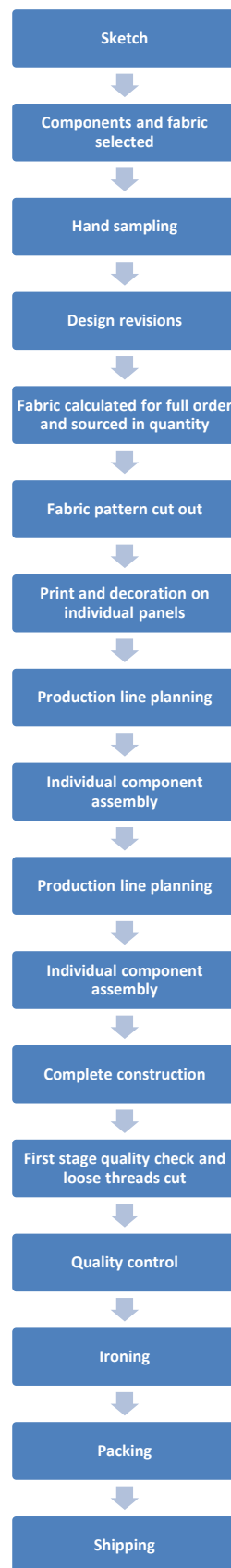
## **2.4 Workflow Model**

Workflow model is the sequential series of tasks and decisions that make up a business process. Designing a workflow model lets business users see how a process works and helps them streamline and optimize it for best results and high efficiency.

Workflow diagrams can help you understand how you contribute to a process. They also help you understand how your department interacts with other departments. Additionally, as a leader, they can help you see how students or employees complete a process.

A workflow model typically consists of several components, including:

1. Process flow diagram
2. Task or activities
3. Roles and responsibilities
4. Business rules
5. Inputs and outputs
6. Timelines





### **1. Sketch:**

Every bag project starts with a sketch or mood board that includes bag inspiration and preference.

### **2. Components and fabric selected:**

Working out what the bag will look like the size of it should be closed and the length straps then moves into types of fabrics will the bag be made from , what kind of strap will it have? Will there be one or two straps and are they long or short or both will be decided.

### **3. Hand sampling:**

Before launching into manufacturing thousand of bags, they make a physical sample of the bag. They will order and cut the fabric for two sample of your bag plus the other accessories required to make a pre-production sample of your bag.

### **4. Design revisions:**

Sometimes at this stage, small adjustments are made to get the final bag right. Pocket may be made bigger or smaller on a tote bag, the depth of a gusset on a shopper bag may be added to may be increased in size or internal compartments may be added to organize the contents better. In rare cases, we sample again if the bag isn't right first time.

### **5. Fabric calculated for full order and sourced in quantity:**

The sample is prepared using the paper mould as a blueprint. Fabric is accurately calculated, and other details are also refined. If the bag has a zip, then the zip is Pantone- matched, then it will be manufacturing at this zip Pantone- matched, then it will be manufactured at this stage. If the bag has embossed poppers, then they will start their own production process ready to be assembled in the final bag construction.

#### **6. Fabric pattern cut out:**

When they receive the fabric that has been ordered in bulk, the pattern template is created for the cutting machine and the fabric is cut out and monitored by a member of the member of the team. This guarantees accuracy and consistency across all bags .The bag may have many panels, so each panel will be cut out to size, each with a small margin to allow for sewing together.

#### **7. Print and decoration on individual panels:**

The relevant decorator accepts the artwork to be interpreted onto the panel .The panels are decorated in accordance with the specification and then sent back to be constructed.

#### **8. Production line planning:**

Alongside the decoration of the bag panels and sourcing of accessories for the bag, production line scheduling will be taking place. The number of units in the order, the steps involved in constructing the bags, how long print and drying will takes plus the deadline for delivering will considered. Working back from the desired delivery address, we will work out when the order will need to be packed, the quantity control audit, right back to the bag being sewn together.

#### **9. Individual component assembly:**

By now, all elements for accessories for the bag that have been ordered, have been ordered have arrived. Fabric is back from the dying mill, the printer has returned all printed panel, the embroidery is complete , and the hardware has arrived and been checked against the purchase order. All components are allocated to your bag project and stored in a holding are ready to be distributed to the relevant assembly stations on the factory floor.

#### **10. Complete construction:**

Getting all the elements of the bag together is team effort .From the cutting of the panels and decoration to swing it all together. It is done at assembly stations and by a team of experienced people who have done it all before.

**11. First stage quality check and loose threads cut:**

The quality control manager will be checking the first bags made off the production line for the initial check that the production process is working. Then assembly commences.

**12. Quality control:**

Now all of the bags are constructed, the final quality control check will commence. The bags are complete and should include all elements within the specification. The quality control manager and their team will inspect a proportion of the order against the check list.

**13. Ironing:**

Now the order is complete and has passed quality control, the bags will be ironed and folded for packing. Bags will be hung and steamed flat if it required or folded in accordance with the order specification.

**14. Packing:**

As the bags pass through ironing and preparation stage, they are packed in accordance with the order specification. They pack their order specification.

**15. Shipping:**

Bags order is shipped mainly through road ways.

## **2.5 Product Profile**

### **School bags :**

School bags are the kind of bags ha are used to carry various school supplies including stationary cases, exercise books, and textbooks on the back like a backpack. the company will create a variety of bag styles that will appeal to college and high school students. The company will develop high-quality materialized goods, which will aid in booting sales.

### **Laptop Bags:**

Laptop Bags make it simple to transport our personal computer. It will benefit us in a useful way. If we have a good carry bag, it also displays some level. This business might project a positive image by using stylish laptop bags.

### **Travel bags:**

Travel luggage or a case It is mostly used for transporting cloth and their stuff during vacations, etc. It is a rather flat, square pin bag with rounded square corners, durable plastics made of cloth, and carrying handles on one side.

### **Ladies' bags:**

Nowadays, every woman carries a purse that allows her to carry her essential personal items with her. Since they are the ones who need it most, it will benefit working women in more ways.

### **Laptop bags:**

Laptop bags will make it easier to transport our laptop. It will assist us in a useful way. Additionally, a quality carry bag indicates a certain degree of expertise. His business might project a positive image if I offer nice laptop bags.

**Trolley bags:**

When travelling, you can carry large objects with the help of trolley bags, which have wheels towards the end maintain and has two support wheels on the end.

**Cash bags :**

A Cash bags, sometimes known as a money bag, is a bag ha is typically use to store and transport coins and notes. It is frequently zippered; money bags are typically moved in an armored car when they are carried between banks and other institutions.

**2.6 OWNERSHIP PATTERN**

Mr. Mahaveer Hegde and Mrs. Anvitha M Hegde became partners and the firm became a partnership firm.

**2.7 ACHIEVEMENT AND AWARDS:**

Fastest business growing award.

**2.8 FUTURE GROWTH AND PROSPECTS:**

The PowerPoint bag industry is a rapidly growing business with promising future prospects, as seen below.

- In the near future, they plan to open a larger number of branches.
- Strive to improve items on a regular basis in order to generate demand for them.
- The company intends to expand its operations throughout the United States.
- Bag of PowerPoint Presentations Industry is attempting to be more socially responsible, as well as more focused on business.
- They want to make sure that worker safety procedures are strengthened in the future

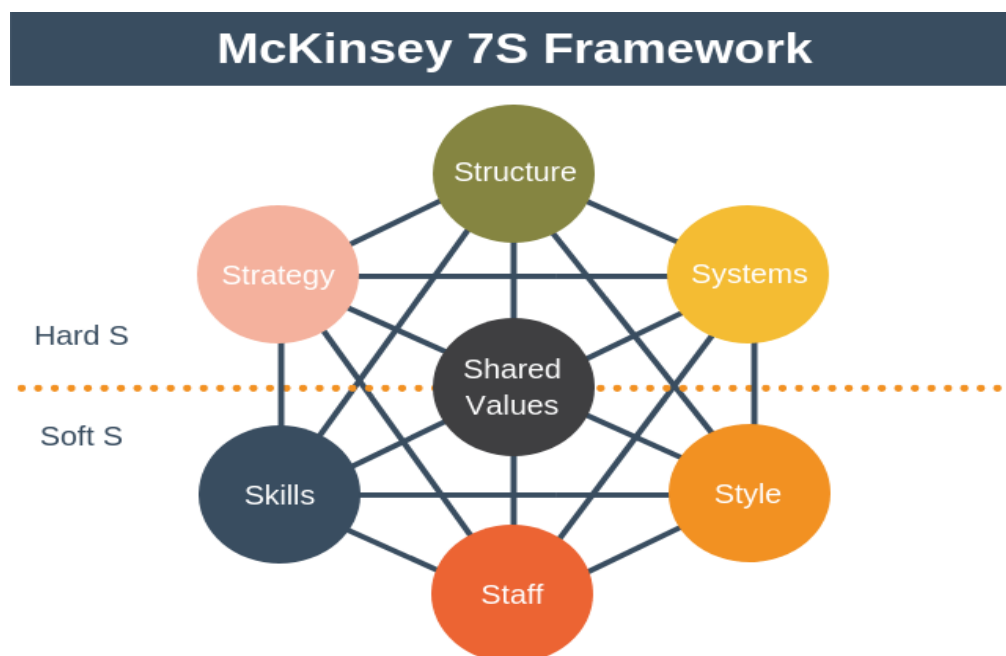
# **CHAPTER 3**

## **MCKINSEY's 7S FRAMEWORK MODEL AND PORTER's FIVE FORCE MODEL**

### 3.1: Mckinseys 7s framework

Model of organization effectiveness go in and out of fashion, but the Mckinsey's 7s framework has stood the test of time. The model was developed in the 1980s by TOM PETER and ROBERT WATERMAN, former consultant at Mckinsey & Company. They identified seven internal element of an organization that needs to align for it to be successful.

The framework can be used to examine the likely effects of future changes in the organization, or to align departments and processes during a merger or acquisition. You can also apply Mckinsey 7s model to elements of a team or a project.



## **The 7s model from Mckinsey contains the following components**

- Hard factors:
  - ❖ Structure
  - ❖ Strategy
  - ❖ System
  
- Soft factors:
  - ❖ Shared values
  - ❖ Style
  - ❖ System
  - ❖ Skills
  - ❖ Staff

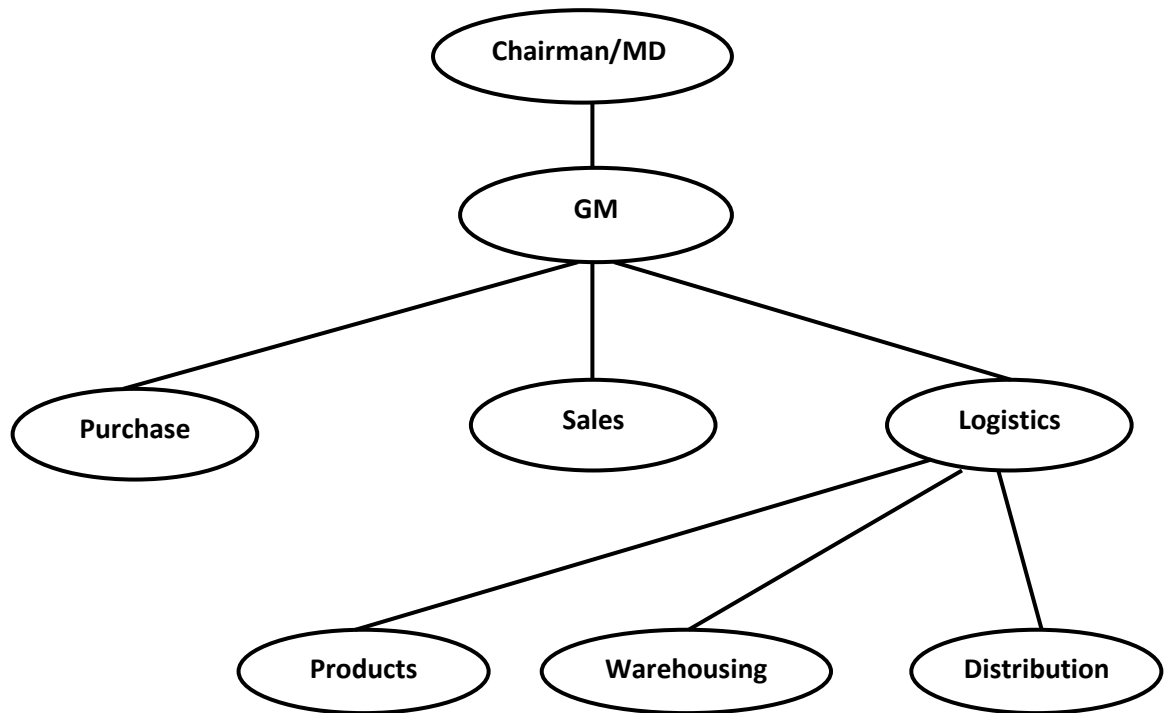
## **Implication in Power Point Bags:**

### **1. STRUCTURE:**

Structure represents formal relationships among various positions and activities performed in the organization . It is the organization chart of the firm . It is also one of the most visible and easy to change elements of framework. It involves the arrangement of reporting relationship ,line of communication ,rules and procedures which exists to guide the activities performed by various positions in organisational structure..Under this structure the top level management can focus fully on planning strategies for long term growth of the business.



## Power Point Bags



### **ROLES:**

#### LEVEL SPECIALISED ROLES

- |                            |   |
|----------------------------|---|
| 1. Top level management    | - strategic planning, monitoring the whole organization |
| 2. Middle level management | - operation planning; supervision of lower management   |

- |                                 |  |
|---------------------------------|--|
| 3. Lower level management       | -front line planning , supervision of operations |
| 4. Operational level management | -works \ functions                               |

#### **RULES AND RESPONSIBILITIES:**

- Free tea and lunch available to employees.
- Salary is paid on every 10<sup>th</sup> of every month.
- Day to day production report should be entered.
- Daily cash balance has to be checked by the accountant.
- Proper stock record should be maintained.

#### **2. SYSTEM:**

System of the company refers to the daily procedures ,workflow and decisions that makeup the standard operations within the organisation .These are the processes and procedures of the company ,which revel business daily activities and how decisions are made. The present system is designed keeping in mind in any organisation in the manufacturing industry where the primary resource is manpower. The top management can use the system to manage the implementation of strategies by checking that the human are deployed in a proper manner to achieve the business goal.

Power Point Bags have strong quality system . One of the system that is followed by the company so far is:

- Power Point Bags has a system of evaluating the performance of employees to maintain the records and for the pay roll.
- Based on the different performance the payroll or incentives also been increased.

In the manufacturing sector there are only 3 steps:

1. Input : raw materials ( polypropylene)
2. Production process: looms ,linear, inspection lab, label printing, planning and control, finishing 1 2 and 3
3. Output: finished goods

### **3. STRATEGY:**

In this company they do not make any new strategy, but they add new things to the old strategy and make as new strategy which helps to get the customer. Sometime by creating new strategy some small industry take terrible decision which is successful in short run but fails in long run by reducing quality and customer loyalty , Basically the strategy means the work plan. The entire performance of work is based on the brand so PowerPoint Bag company keep their initial strategy as base and adding some input to initial strategy and make it as new strategy. This helps the industry to get new customer and retain old customer by giving improved quality.

#### **CORPORATE STRATEGY:**

They are trying to manufacture more variety of bags with best quality and expand its business in various other countries as well so that they can be globally recognized .

#### **BUSINESS LEVEL STRATEGY:**

This strategy is a plan to distinct itself from the existing competitors . Power Point Bags business level strategy is to give good quality products to the customers and to come up with various types in bags so that they can satisfy the customers to the maximum extent.

#### **FUNCTIONAL LEVEL STRATEGY:**

Under this strategy various departments in Power Point bags have their own strategy to maintain the smooth functioning of operations.

-In finance department ,the employees will be given daily assignments which they have to submit before the prescribed time so that any mistakes can be rectified before the final submission.

#### **OPERATIONAL LEVEL STRATEGY:**

- All enquires should be handled within 24 hours
- Samples should be dispatched within 5 working days
- High priority should be give to the delivery of consignments
- Customer's complaints should be handled carefully and should be settled with customers amicably.
- Power Point Bags believes the customer is always right and all efforts should be made to satisfy customers.
- Continuous updates related to shipment details as well as order schedule on weekly basis should be given to customers.

#### **4. STYLE:**

The style refers to the leadership relation between the owners with employees. Here the Balanced leadership is followed by giving small amount of authority along with this the staff to get huge amount of accountability and responsibility. The owner gives entire freedom to the worker, but the work must be done within given period. In Power Point Bags the top managers let the staff to take decisions regarding various issues related to their department and they can also take guidance from the top authorities if required.

#### **5. STAFF:**

The organization has well trained and experienced workforce and few new workers who are doing their probationary period. The owner of the industry selects suitable candidate for the right job, for effectively utilizes the workers ability for the benefit of the industry. The owner motivates his worker by giving good incentive and good working environment this help to boost the morale of the worker and he work effectively for the benefit of the organization. . There are around 95 employees working in this organization.

#### **6. SKILLS:**

The industry has well experienced workforce, who use their skills and knowledge efficiently to achieve the organization goal. The workers of this industry mainly have

good communication, good knowledge of the technology, concentration and flexibility in time management etc. The good quality of skills increases the productivity of the industry and these skills helpful to maximum utilization of available resources.

In Power Point Bags, in every department the team leaders or the experienced employee will take a training session for the new employees and the existing employees who require Training . Counseling , On-Field training will be conducted to improve the skills of employees.

## **7. SHARED VALUES:**

The shared values are the core of the Mckinsey 7s model. They are the norms and standards that guide employee behavior and company action and thus, are the foundation of every organization. The shared values are the sum of above six factors. These six factors need to perform effectively for the achievement of the organization goals. The staff of this industry trust in teamwork and in each other. Here one person's skills helpful to reduce other mistakes.

Power Point Bags is a company committed to firm corporate ethical values:

- We are committed to fair treatment of all our employees. In keeping with this we are firmly against the employment of child labour as per the Indian law labour act. We ensure that all our employees are above the age of 18 years.
- All are employees are covered under medical insurance under state government i.e. ESI (employee state insurance)1948 act.
- We are fair towards our competition and resist from indulging in unhealthy and unethical trade practices.

## 3.2 Ports Five Force Model

Porters five force model is effective tool to recognise the level of rivalry and threats in your existing sector. This approach helps to increase the profitability and achieve the competitive advantage. By adopting porters five force model you can stay one step a Head from your competitors. It will help in strengthen your weak position or fairly exploits the good chances to avoid future mistakes. In order to define corporate strategy, the Five Forces analysis is widely used to evaluate the structure of an industry. Michael E. Porter, a professor at Harvard Business School, is remembered by the name of the Five Forces model.

Using Porter's Five Forces, a business analysis framework, it is possible to understand why different industries are able to maintain varying levels of profitability. In 1980, Michael E. Porter's book "Competitive Strategy: Techniques for Analysing Industries and Competitors" published the model. The Five Forces model is frequently used to examine a company's industry structure as well as corporate strategy. Porter, with some qualifications, identified five indisputable forces that, together, shape every market and industry in the world. The competitiveness, attractiveness, and profitability of a market or industry are frequently assessed using the five forces.

Porter's five forces are:

1. Rivalry among the existing company
2. Bargaining power of suppliers
3. Bargaining power of buyers
4. Threats of substitute products
5. Threats of new entrants



Figure: 3.2 Porters five force Model

## 1. Degree of Rivalries\_:

The intensity of rivalry among the competitors in an industry refers to the extent to which firm within an industry put pressure on another and limit each others profit potentials. The bag industries has many competitors, most of whom hold significant percentage of the market share. Wildcraft , Safari, American tourist, etc are some of the competitor in the hand bags and accessories industry. This company starts in 2011 but it efficiently gains the market for its goods in all over Karnataka, so this industry has lot of competitors. The competition covers within and outside of Karnataka. Rivalry among competitors is intense when:

- There are many competitors
- Exit barriers are high
- Low customer loyalty
- Competitors are of equal size

## **2. Bargaining Power of Suppliers:**

Suppliers have the power to influence price, as well as the availability of resource . Suppliers' power generally depends on volume purchase by companies. The more powerful suppliers are, the less profitable the industries is. Basically Mumbai and Bangalore are major supplier of raw material.

- There are few suppliers but many buyers
- Few substitutes raw material exists
- Supplier hold scarce resources
- Cost of switching raw materials is especially high

## **3. Bargaining Power of Buyers:**

Buyers have the power of influence price and the quantity of the product sold .Buyers power is the impact that customer have on a producing industries. Bargaining power very high in case of bags industries because lot of industries are exists

Buyer has strong bargaining power when:

- Buying in large quantities
- Only few buyers exist
- Switching costs to another supplier are low
- There are many substitute

## **4. Threat of substitute products:**

Substitute goods or services that can be used in place of a company's products or services pose a threat. Companies that produce goods or services for which there are no close substitutes will have more power to increase prices and lock in favorable



terms. When close substitutes are available, customers will have the option to forgo buying a company's product, and a company's power can be weakened.

High when rivals or companies outside the industry, offer more attractive and/or lower cost product . Substitute product in the bags industries are Paper bags, Jute bags and Leaf bags which may effect the power point industry in the long run.

## 5. Threat of new entrances:

The risk a new competitor creates for current companies within an industry .There are many players in this market promoting their product, so the new players have big difficulty in establishing their brand name in the market.

This force determines how easy (or not) it is to enter an industry. This industry is fast growing industry so in future many competitors may born, because of high profitability and low entry barriers. The threat from new entrants is high for this industry because off ;

- This business required low amount of capital to enter a market
- There is no government regulation
- The customer switching costs are low
- Economics of scale can be easily achieved
- Patents as barriers

FORCES	ANALYSIS
Rivalry among existing competitors	High
Bargaining power of suppliers	Low
Bargaining power of customers	High
Threat from substitutes product	Low
Threat of New Entrants	High

# **CHAPTER – 4**

## **SWOT ANALYSIS**

SWOT analysis is a process that recognize an organization strengths, weakness, opportunities and threats. Specifically, SWOT is a simple, logical outline that evaluates what an object can and cannot do, for factors both internal as well as external. Using environmental data to appraise the situation of a company, A SWOT analysis helps to determine what promotion of the firm is achieving its objectives, and what difficulties must be overcome or to be minimized to achieve desired results, here the organization is today, and where the organization will be positioned in future.

A SWOT analysis is intended to help you take a practical, fact-based, and data-driven look at the advantages and disadvantages of a company, its efforts, or its sector. The organisation must avoid preconceived notions or grey regions and concentrate on real-life settings in order to maintain the analyses' accuracy. Companies should use it as a reference rather than a strict prescription.



## **1. Strengths:**

It refers to the internal factors that give an individual or an organization a competitive advantage, such as expertise, resources or a strong brand.

- a) Highly skilled labor.
- b) Entrenched clients.
- c) Strong customer trust and belief in their product and services.
- d) Level of wage labor accessibility.
- e) Well experienced and skilled laborers.
- f) Expanded product choice helps the company to maintain stability.
- g) No requirement of highly educated employees for production.

## **2. Weakness:**

Weaknesses are the internal factors that put an individual or an organization at a disadvantage, such as lack of resources, low expertise, or weak infrastructure.

- a) Lack of finance.
- b) Location of the office is inappropriate.
- c) Poor business plan.
- d) Unqualified employees produce a low level of productivity as they depend on others.
- e) Limited branches.
- f) Difficulties in communication among superiors and employees as the employees are from different states.

## **3. Opportunities:**

It refers to a favorable circumstance or situation that presents possibilities for gain or advancement. It could be a chance to achieve a goal, pursue a new project or initiative, or capitalize on a positive trend or market condition.

- a) Growth and expansion.
- b) Global operations.

- c) New development and market tactics.
- d) Increasing demand for innovative product.
- e) Our business division is increasing, with many future changes for success.
- f) Increase in demands of the company.
- g) The company enjoys more forecasts in sale due to the high quality products and high contact to local market.

#### **4. Threats/Challenges:**

It is a risk or challenge that has the potential to harm or damage an individual or organizations interests. It could be a negative development in the market or industry, a competitors aggressive move , changes in regulations or laws, or any other factor that could impede progress or success.

- a) Increasing number of competitors market.
- b) A stiff competition from other companies.
- c) Increase in labor continuous rise in raw materials.
- d) Increase in labor cost.
- e) Government policies may reduce the growth potential.
- f) Lower products price from competitors.

# **CHAPTER- 5**

## **FINANCIAL STATEMENT ANALYSIS**

Financial statement analysis is the process of reviewing and analyzing the company's financial statement make better economic decisions to earn income in future. It is the process of classifying the facts and figures given in the financial statements into simple understandable component and establishing the relationship between the classified component with a view to provide a full picture of the profitability and financial position of the enterprises.

Financial statement is the formal report record of financial activities and position of the business, person and other entity. The objective of the financial statement is to provide information about the financial position, performance and the change in the financial position of an enterprise that is useful to a wide range of users in making decisions.” Financial statements should be understandable, reliable, relevant and comparable.” Reported assets, liabilities, equity, income and expenses are directly related to an organizations financial position.

Financial statement may be used by different users for different purpose. Internal users and external users completely rely on the company's financial statement to get depth knowledge about the company's financial position. For internal users such as managers the financial statements offers all the necessary information to plan, evaluate and control operations. For external users such as investors and creditors use the financial statements to ensure the future possibility and liquidity of the company.

### **USERS OF FINANCIAL STATEMENTS**

- **COMPANY MANAGEMENT**
- **.INVESTORS**
- **COMPETITORS**
- **GOVERNMENT**

<b>BALANCESHEETS OF POWER POINT BANGS INDUSTRY</b>			
	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b><u>LIABILITY</u></b>			
<b><u>CAPITAL ACCOUNT</u></b>			
Mahaveer Hegde's Capital [Schedule-C] 989,884.66	5,001,000.00	5,001,000.00	5,001,000.00
Anvitha M Hegde's Capital [Schedule-D] 560,920.24	4,000,000.00	4,000,000.00	4,000,000.00
<b><u>NON-CURRENT LIABILITY</u></b>			
Secured Loans	22,501,717.63	21,531,443.56	20,603,007.72
Unsecured Loans	33,747,525.00	35,434,901.25	37,206,646.31
<b><u>CURRENT LIABILITY</u></b>			
<b><u>Sundry Creditors</u></b>	10,160,729.09	11,654,357.31	13,367,547.83
<b><u>Provisions</u></b>	1,348,926.74	1,378,603.13	1,408,932.40
Professional Charges Payable	80,000.00	90,000.00	100,000.00
<b>TOTAL</b>	<b>76,839,898.46</b>	<b>79,090,305.25</b>	<b>81,687,134.26</b>
<b>ASSETS</b>			
<b><u>FIXED ASSET</u></b>	<b>16,245,110.00</b>	<b>14,620,599.00</b>	13,158,539.10
<b><u>CURRENT ASSETS</u></b>			
Closing Stock	36,625,888.26	27,822,079.85	49,370,330.07
Deposit	50,000.00	70,000.00	96,069.00
Sundry Debtor	1,495,100.20	1,794,120.24	1,973,532.26
Cash	32,412.00	25,672.00	2,498.00
Bank	5,004,830.00	5,287,298.00	2,640,033.59
Other Current Asset	17,386,558.00	29,470,536.16	14,446,132.24
<b>TOTAL</b>	<b>76,839,898.46</b>	<b>79,090,305.25</b>	<b>81,687,134.26</b>



<b>PROFIT AND LOSS ACCOUNT OF POWER POINT BANGS INDUSTRY</b>			
<b>PARTICULAR</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
<b>1. Sales</b>	65,475,761.46	53,002,090.00	54,555,101.00
Outward Supply of Goods			
	<b>65,475,761.46</b>	<b>53,002,090.00</b>	<b>54,555,101.00</b>
<b><u>2. Cost Of Goods Sold</u></b>			
Opening Stock	49,037,463.81	36,625,888.26	27,822,079.85
(+)Inward supply [Schedule-A]	27,132,600.00	29,845,860.00	53,722,548.00
(-)Closing Stock	36,625,888.26	27,822,079.85	49,370,330.07
	<b>39,544,175.55</b>	<b>38,649,668.40</b>	<b>32,174,297.78</b>
<b><u>3. Direct Expenses</u></b>			
Freight Charges	1,964,272.84	1,590,062.70	1,636,653.03
Wages Account	3,558,975.80	3,478,470.16	6,434,859.56
	<b>5,523,248.64</b>	<b>5,068,532.86</b>	<b>8,071,512.59</b>
<b>4. Gross Profit (D)=(A)-(B)-(C)</b>	<b>20,408,337.27</b>	<b>9,283,888.74</b>	<b>14,309,290.63</b>
<b><u>5. Indirect Expenses</u></b>			
Bank Charges & Interest Paid	1,234,212.10	1,357,633.31	2,661,151.16
Insurance Charges	18,590.00	20,449.00	57,317.00
Accounting Charges	143,000.00	157,300.00	15,000.00
Advertisement Expenses and Sales Promotion Expenses	214,500.00	235,950.00	3,500.00
Commission on sale	85,785.70	94,364.27	1,200.00
Computer Maintenance	21,450.00	23,595.00	24,600.26
Generator Maintenance	20,777.90	22,855.69	2,967.58
Depreciation	858,143.00	943,957.30	1,962,853.64
Electricity Charges Paid	85,800.00	94,380.00	208,203.70
Fuel Charges	114,400.00	125,840.00	41,046.93
Municipality Tax	14,300.00	15,730.00	87,123.00
Telephone Expenses	34,320.00	37,752.00	8,000.00
Printing Charges	7,150.00	7,865.00	17,315.00
Professional Charges	14,300.00	15,730.00	25,000.00
Professional Tax	3,575.00	3,932.50	2,500.00
Repair & Maintenance	64,350.00	70,785.00	199,512.00
Pollution Control Charges	5,734.30	6,307.73	20,111.80
Vehicle Maintenance	50,050.00	55,055.00	128,269.77
Discount	8,580.00	9,438.00	2,965.19
Parcel Charges	7,150.00	7,865.00	178.00

Round Off	15.73	17.30	1,223.04
Remuneration to Mahaveer Hegde	715,000.00	786,500.00	450,000.00
Travelling expenses	64,350.00	70,785.00	3,665.00
( E)	3,785,533.73	4,164,087.10	5,923,703.07
5. Loss from business & profession (G)= (D)+(F)-(E)	16,622,803.54	5,119,801.64	8,385,587.56

### **Balance sheet :**

It is a financial statement that reports a company's assets, liabilities, and shareholder equity. The balance sheet is one of the three core financial statement that are used to evaluate a business. It provides a snapshot of a company's finance as of the date of publication.

### **Income statement or Profit and loss account:**

An income statement or profit and loss account is one of the financial statement of a company and shows the company's revenues and expenses during a particular period. It indicates how the revenues are transformed into the net income or net profit.

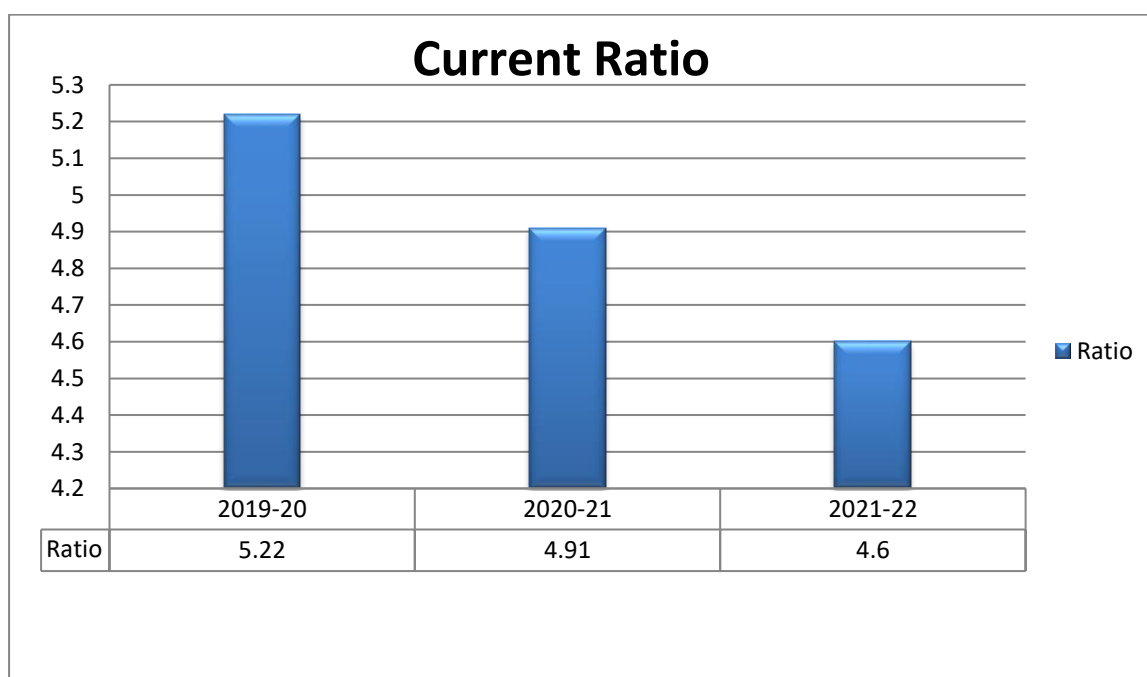
### **Ratio Analysis:**

Ratio analysis is the technique of the computation of number of accounting ratios from the data derived from the financial statement and comparing those with the ideal or standard ratio or the previous year's ratio of other similar concern.

### **CURRENT RATIO:**

## **CURRENT RATIO=CURRENT ASSETS/CURRENT LIABILITIES**

year	Current assets	Current liabilities	Ratio
2019-20	60,594,788.46	11,589,655.83	5.22:1
2020-21	64,469,706.25	13,122,960.44	4.91:1
2021-22	68,528,595.16	14,876,480.23	4.60:1



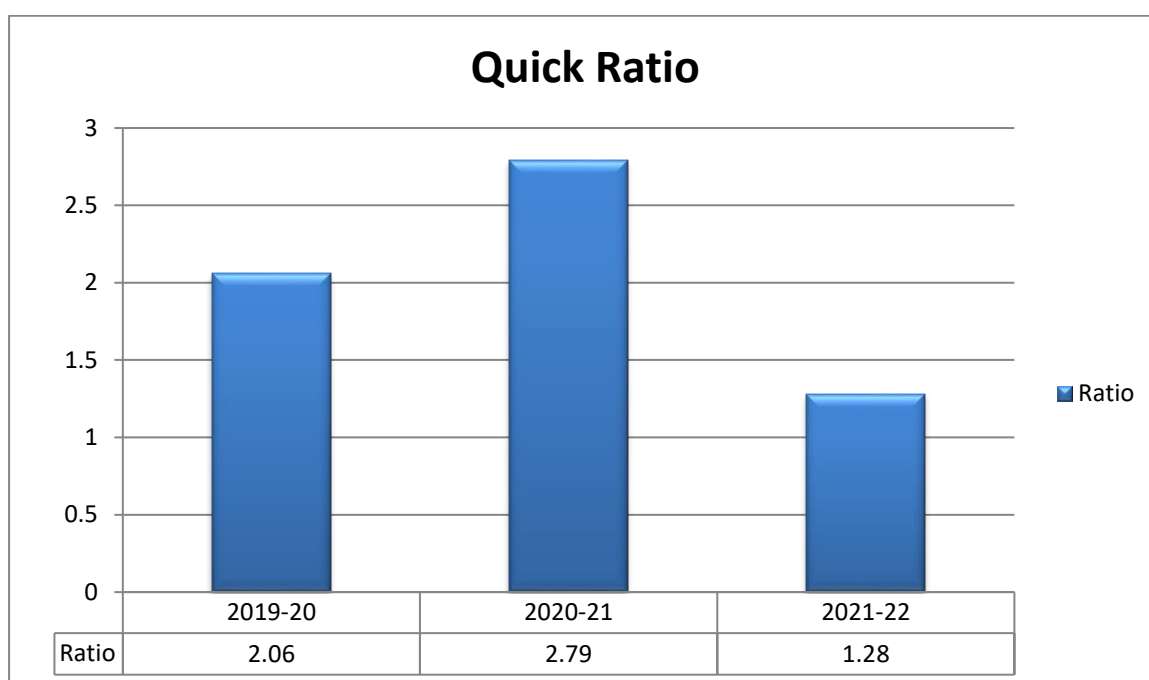
### **Interpretation:**

The standard current ratio is 2:1. The ratio determines whether the company has enough short-term assets to pay for short term liabilities. If the current ratio is greater than 1, it means that company has adequate current settle its current liabilities. In the above graph company is having the adequate amount to settle the current liabilities.

## QUICK RATIO:

$$\text{QUICK RATIO} = \text{QUICK ASSETS} / \text{CURRENT LIABILITIES}$$

Year	Quick assets	Current liabilities	Ratio
2019-20	23,968,900.2	11,589,655.83	2.06:1
2020-21	36,647,626.4	13,122,960.44	2.79:1
2021-22	,9,158,265.09	14,876,480.23	1.28:1



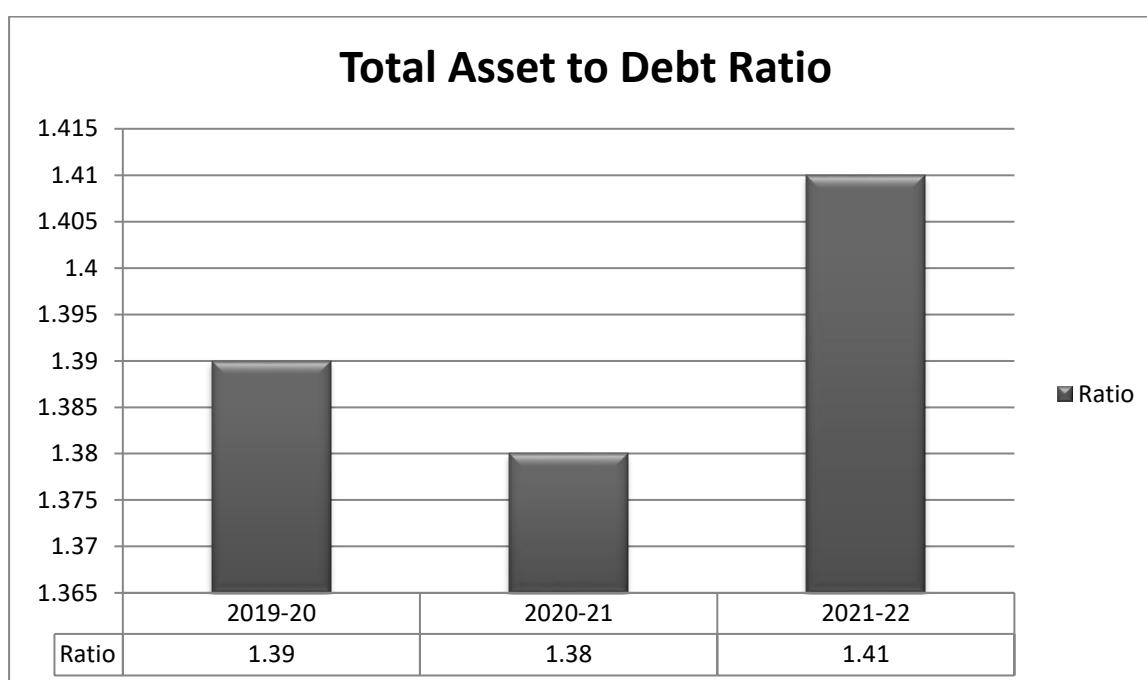
## Interpretation:

The ideal ratio is 1:1. It talks about the ability of the firm to meet short term obligations to meet its liquid asset. In the above graph the liquid ratio is above the ideal ratio . It indicates that the company is financially strong and have ability to pay its most immediate liabilities.

## TOTAL ASSET TO DEBT RATIO:

## TOTAL ASSET TO DEBT RATIO=TOTAL ASSETS/LONG TERM LOANS

Year	Total assets	Long term debts	Ratio
2019-20	76,839,898.46	55,249,242.63	1.39
2020-21	79,090,305.25	56,966,344.81	1.38
2021-22	81,687,134.26	57,809,653.31	1.41



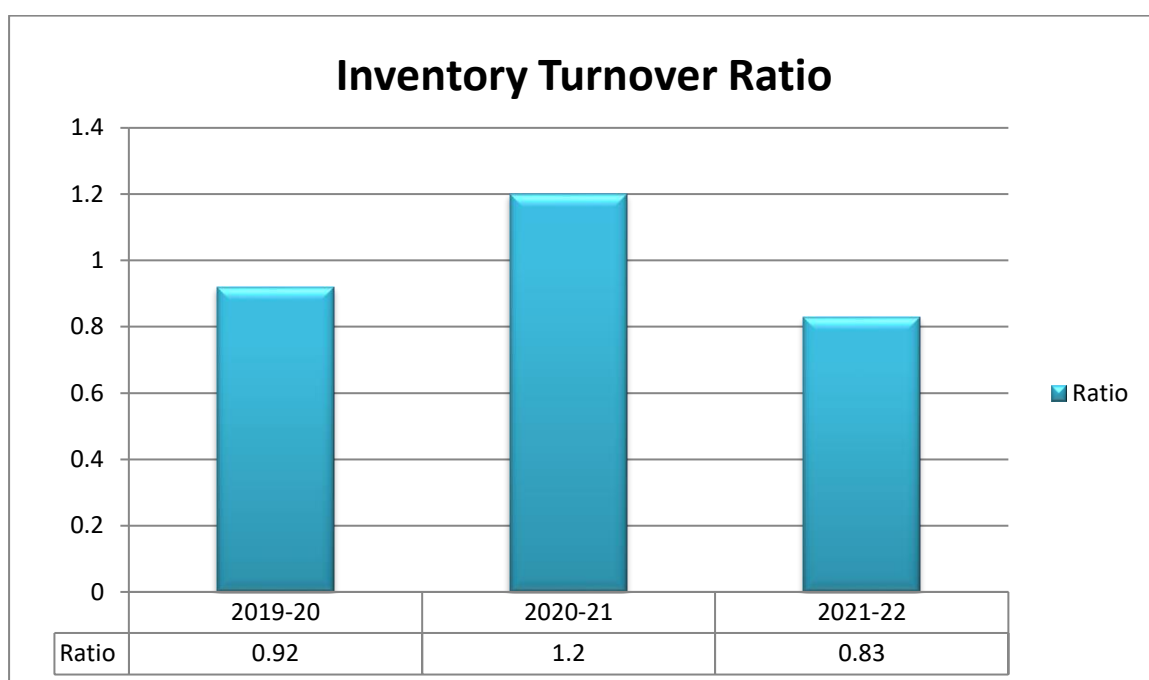
### Interpretation:

The ideal ratio is around 0.3 to 0.6 is where investors will feel comfortable, though a company's specific situation may yield different results. In the above graph total asset ratio is more than the long term ratio in these case investors is more secured.

### INVENTORY TURNOVER RATIO:

**INVENTORY TURNOVER RATIO = COST OF GOODS SOLD/AVERAGE INVENTORY**

Year	Cost of goods sold	Average inventory	Ratio
2019-20	39,544,175.55	42,831,676.03	0.92
2020-21	38,649,668.40	32,223,983.63	1.20
2021-22	32,174,297.78	38,596,204.96	0.83



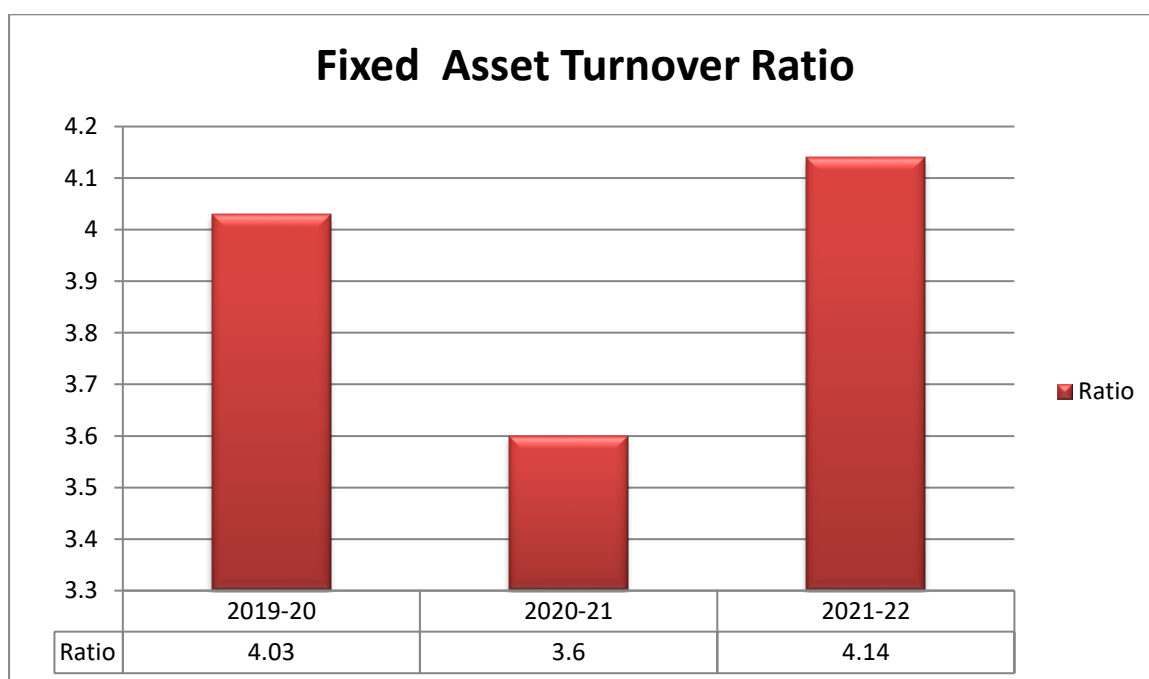
**Interpretation:**

The ideal ratio is 8 times. A high ratio indicates fast moving inventories and low ratio indicates slow moving stocks. A company have low ratio compared to last 2 years ,there is no proper management of Inventory. A low inventory turnover may reflect dull business.

### **FIXED ASSET TURNOVER RATIO:**

$$\text{FIXED ASSET TURNOVER RATIO} = \text{NET SALES} / \text{FIXED ASSETS}$$

Year	Net sales	Fixed assets	Ratio
2019-20	65,475,761.46	16,245,110.00	4.03
2020-21	53,002,090.00	14,620,599.00	3.6
2021-22	54,555,101.00	13,158,539.10	4.14



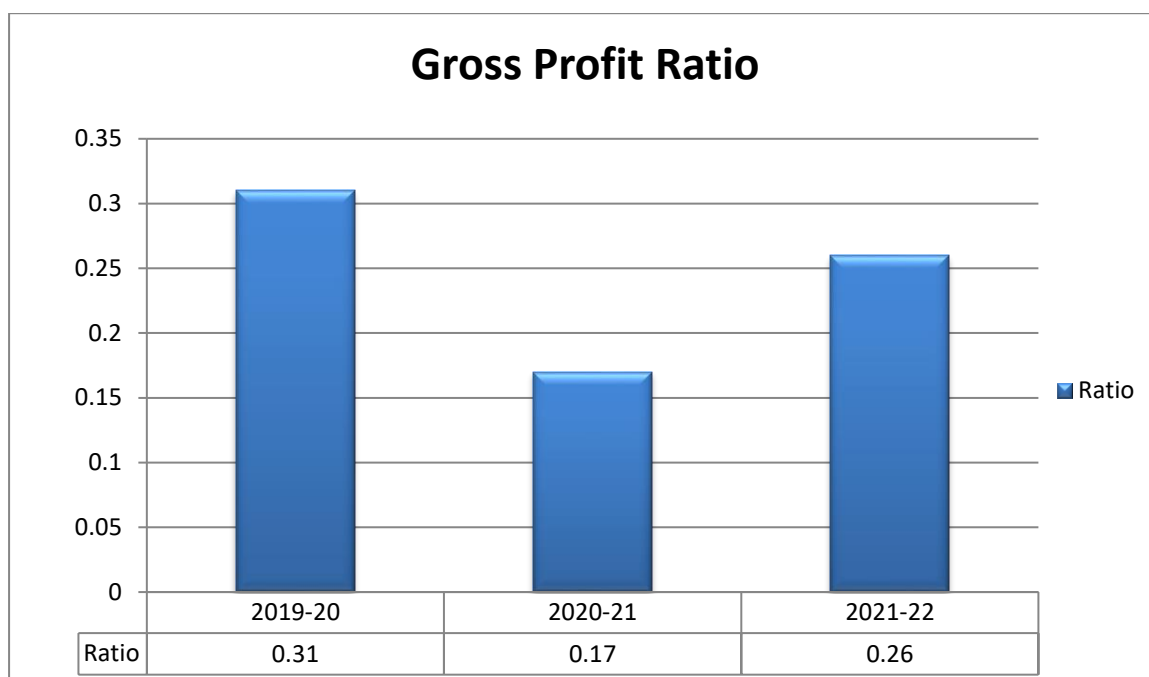
### **Interpretation:**

The ideal asset turnover ratio is 2.5 or more. A higher ratio implies that management is using its fixed asset more effectively. In the above graph it states that the company using fixed asset more efficiently and effectively.

### **GROSS PROFIT RATIO:**

## GROSS PROFIT RATIO=GROSS PROFIT/NET SALES

Year	Gross Profit	Net sale	Ratio
2019-20	20,408,337.27	65,475,761.46	0.31
2020-21	9,283,888.74	53,002,090.00	0.17
2021-22	14,309,290.63	54,555,101.00	0.26



### Interpretation:

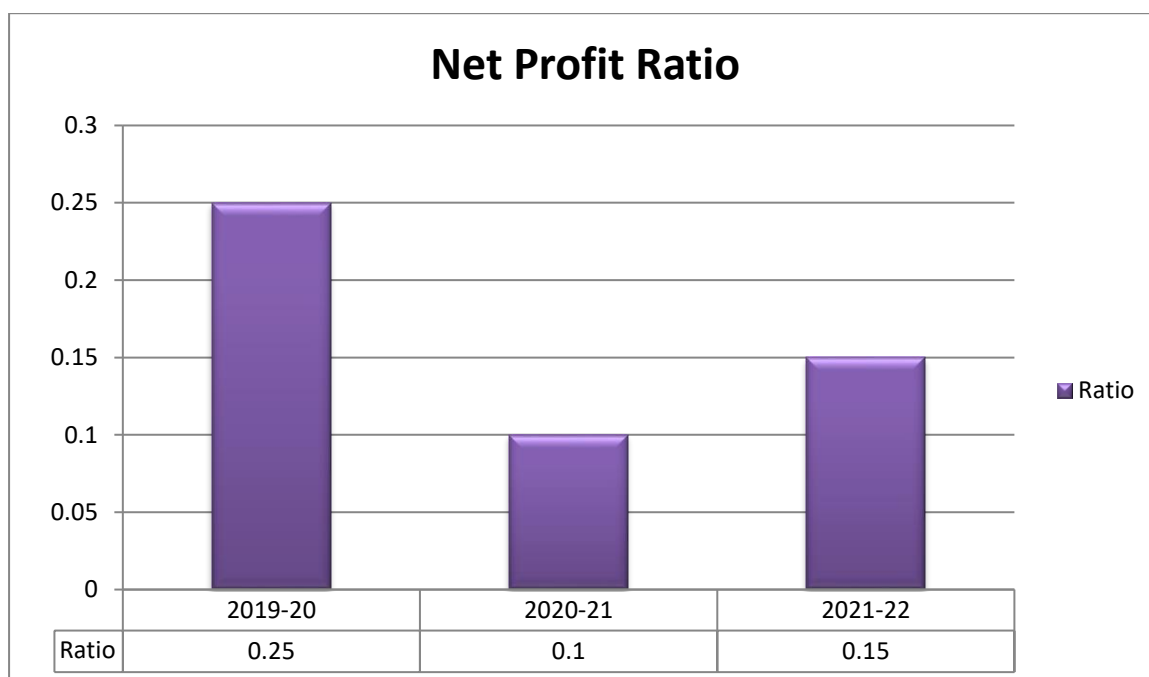
Gross profit is a profitability ratio that measures how profit the company makes from the sale of goods after deducting the sale of goods after deducting direct costs. Ideal gross profit ratio is 50% to 70%. As per above graph company is not performing good in the area of utilization of direct cost

### NET PROFIT:



## NET PROFIT = NET PROFIT/NET SALES

Year	Net Profit	Net sale	Ratio
2019-20	16,622,803.54	65,475,761.46	0.25
2020-21	5,119,801.64	53,002,090.00	0.10
2021-22	8,385,587.56	54,555,101.00	0.15



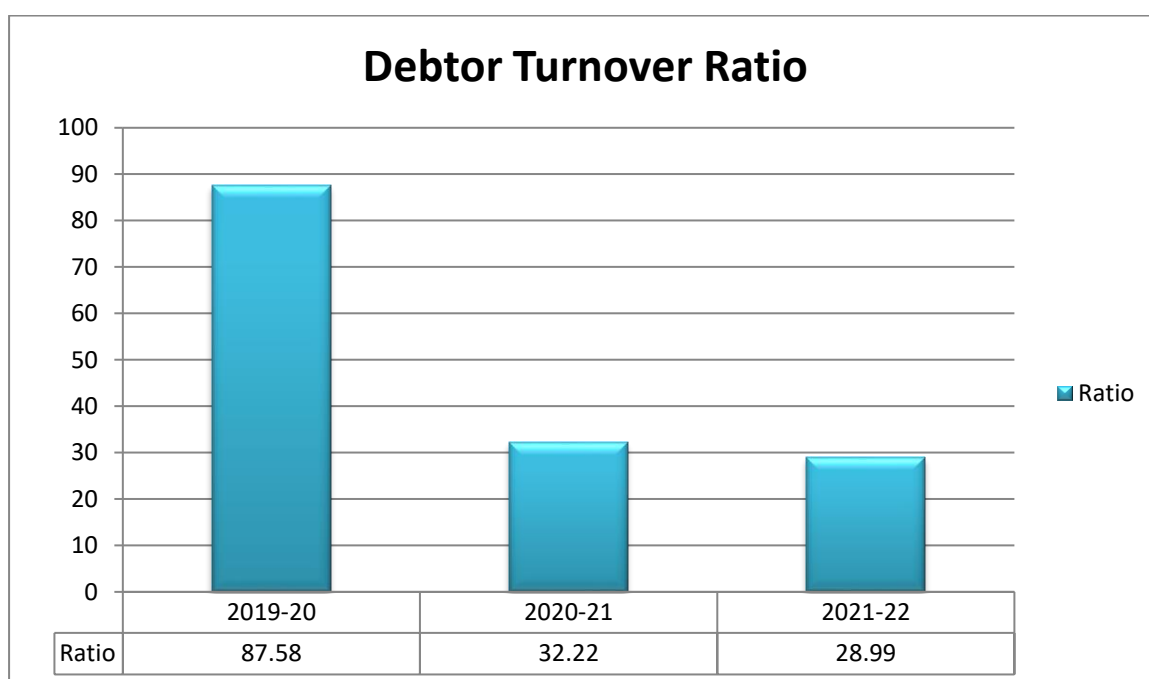
### Interpretation:

The net profit margin, or simply net margin, measures how much net income or profit is generated as a percentage of revenue. In the above graph if we compare three of them the company is increase its performance compare to 2020-21, but need to perform more compare to 2019-20

### DEBTOR TURNOVER RATIO:

## DEBTOR TURNOVER RATIO=NET CREDIT SALES/AVERAGE DEBTORS

Year	Net credit sales	Average Debtors	Ratio
2019-20	65,475,761.46	747,550.1	87.58
2020-21	53,002,090.00	1,644,610.22	32.22
2021-22	54,555,101.00	1,883,826.25	28.99



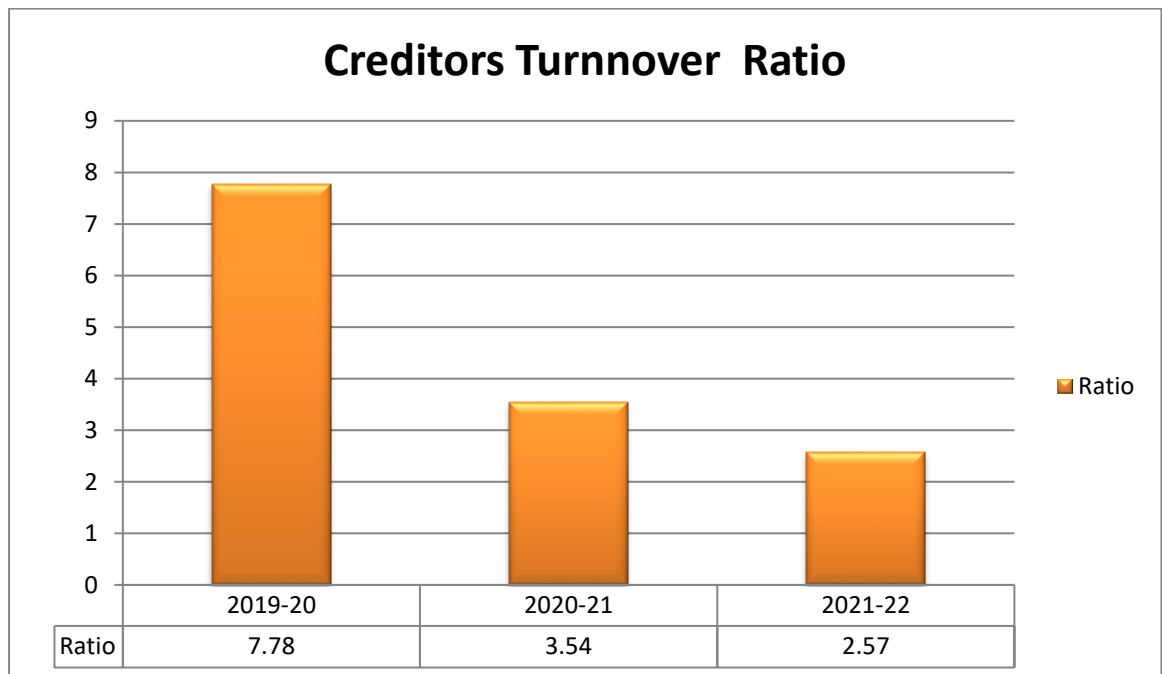
### Interpretation:

This ratio indicates the number of times average debtor have been converted into cash during the year. The company having the effect management in collection due to which collection period reduced from 89 to 29.

## CREDITORS TURNOVER RATIO:

## **CREDITORS TURNOVER RATIO=NET CREDIT PURCHASES/AVERAGE CREDITORS**

Year	Net credit purchases	Average Creditors	Ratio
2019-20	39,544,175.55	5,080,364.54	7.78
2020-21	38,649,668.40	10,907,543.2	3.54
2021-22	32,174,297.78	12,510,952.57	2.57



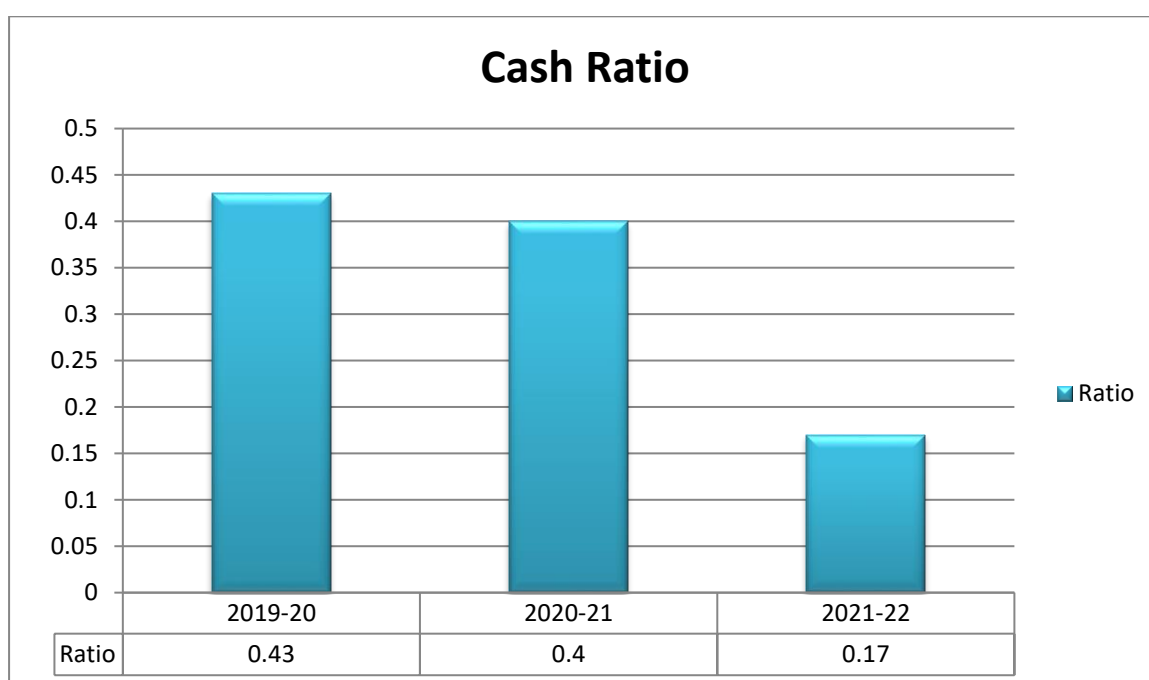
### **Interpretation:**

It measure of how often a particular company pays off its debts to suppliers within a given accounting period. In the above table the net credit purchases are decreasing year by year the times of payment also decreasing because they have made regular payment towards its supplier.

### **CASH RATIO:**

## **CASH RATIO= CASH AND CASH EQUIVALENTS / CURRENT LIABILITIES**

<b>Year</b>	<b>Cash and cash equivalents</b>	<b>Current liabilities</b>	<b>Ratio</b>
2019-20	5,037,242	11,589,655.83	0.43
2020-21	5,312,970	13,122,960.44	0.40
2021-22	2,642,531.26	14,876,480.23	0.17



### **Interpretation:**

It measure that shoes a company's ability to cover its short-term obligations using only cash and cash equivalents. In the above graph it properly states that the company does not have ability to cover entire short- term obligation through cash and cash equivalent.

# **CHAPTER-6**

## **LEARNING EXPERIENCE**

## **Learning Experience:**

It gave me lot of experience about the various aspects in manufacturing industry. This study highlighted that the company is mainly focusing on providing best products to their customer. The study reveals that the company continues to identify new areas and activities that require attention so that they can improve in their performance and achieve their organizational goal. Apart from this, they undertake after sale services and product warranty services that will provide all the clients. Also, I was tasked in identifying participate in Bags manufacturing and was made to do a research on how their manufacturing process is undertaken. I was able to understand certain thing about manufacturing industry.

- Learnt the importance of networking
- Leant the significance of time management
- Learnt to use theoretical knowledge in practical situations
- Learnt the importance of maintaining proper records
- Gained exposure to meeting huge deadlines

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