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**Principles of Management**

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TERM PAPER ON PRAN-RFL GROUP

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INTRODUCTION OF PRAN-RFL GROUP

PRAN-RFL is a conglomerate. It is the largest agricultural food processor and food exporter in Bangladesh. Our economy is based on agriculture and PRAN's goal is to develop the agricultural sector. They want more demand for the produce our farmers produce. Good education and financial support for poor farmers can produce more agricultural products. They are trying to expand contact farming. On the other hand, jobs are being created at PRAN's food processing factories. Their view is to create more jobs to end poverty. Their goal is to make their products available everywhere in the country so that every customer has the right to consume. They export their products to over 77 countries around the world and earn a lot of foreign currency domestically. PRAN is about to rapidly accelerate its position in the global market

PRAN- PRAN Group was born in 1980. Keeping in view the corporate mission of the Group, they have over the years diversified their activities in several areas. PRAN`s biggest asset is their competent team of hands-on managers and dedicated employees. PRAN is Bangladesh's largest grower and processor of fruits and vegetables. Their contract growers cultivate the choicest fruits and vegetables, which are processed in their modern and hygienic factories to the highest quality & international standards.

RFL - RFL began its journey in 1980 with cast iron (CI) products. Initially, the primary goal was to provide clean drinking water and affordable irrigation tools to improve rural life. Today, the company owns a wide range of his CI products such as pumps, pipe wells, bearings, gas stoves, etc. and has earned a reputation as the largest cast iron foundry and lightweight workshop in Bangladesh. RFL has diversified with a vision of providing quality products that meet the daily needs of the people of Bangladesh. In 1996 he worked in the PVC division and in 2003 in the plastics division. Today, in cast iron, PVC and plastics he is the market leader in all three domestic sectors. A significant amount is also exported to various countries.

PRAN-RFL GROUP was established in 1980. Over the years, we have respected the Group's corporate mission and diversified our activities. Today we are one of the largest fruit and vegetable processors in Bangladesh. We encourage contract farmers and help them grow higher yields, higher quality crops and get fair prices.The group is made up of 10 companies. The company is headquartered in Dhaka and has manufacturing facilities across the country. Our management is modern and adapted to our environment and culture. Our greatest asset is our talented team of hands-on managers and dedicated employees.

History - PRAN was actually founded in 1980 by the current CEO, mej. G. (rtd.) Amjad Khan Chowdhury & RFL was established in 1980. In 1981 they merged to form a group called the PRAN-RFL Group. Currently they are one of the biggest groups in Bangladesh.

MEANING of PRAN-RFL – PRAN means Program for Rural Advancement Nationally.RFL stands for Rangpur Foundry Limited

PESTLE Analysis for PRAN-RFL GROUP.

PESTEL Analysis is an external environmental analysis which usually cannot be controlled and have potential to affect objectives.

Political:

Political actions greatly affect Pran Foods' business because it is Bangladesh's largest producer of consumer goods. Political disturbance hinders the movement of goods and drives up the cost of raw materials and industry as a whole. For instance, the current political unrest in Bangladesh poses a serious threat to the entire consumer food sector. Due to the limited transportation options, PRAN Foods is unable to both gather the necessary raw materials for food production and deliver the finished products. The entire economy may be impacted by the political and legal climate.Given the recent political upheaval, it is evident from recent economic analyses that Bangladesh seldom exports any goods. Each business has its own methodical approach to product conception, production, and delivery. Negative political environments impede day-to-day business operations in practically every way for large corporations like PRAN Foodslimited. Strikes can easily be imagined as impeding trade between Bangladesh and India. Such situations harm a company's international reputation over time in addition to momentarily paralyzing its activities. Worldwide businesses that fail to deliver on their promises lose clients in other countries.

Economical:

Bangladesh has risen two spots from previous year to be ranked 41st among the largest economies in the world in 2019. As of the first quarter of 2019, the country has the second-largest economy in South Asia. Bangladesh has the seventh-fastest growing economy in the world, with real GDP growth averaging 7.3% per year. Unsaturated markets make it difficult for business owners to expand their industries. The market's natural pecking order is being ascended by those with sufficient income, while those with insufficient income face difficulties in maintaining their businesses. For any organization in the globe, economic difficulties play a crucial role since they control financial development, interest rates, expansion rates, and other factors. However, there are occasions when a country's financial situation has a serious impact on a firm. The company has problems with the volume of currency exchanged, the purchasers' buying power, and other factors. If these are low, it will be challenging to make a significant amount of profit. Maintaining quality is also a hindrance. PRAN Food Ltd. also has a similar problem.

Social:

In addition to cultural features, social variables also take into account age distribution, career attitudes, health consciousness, and emphasis on safety. Social trends have an impact on a company's operations and the demand for its products. Agroprocessing investment is represented by PRAN Foods. generating demand for farm products that supports rural economies and stops urban migration. PRAN wants to increase the harvest's worth. The Group's most significant accomplishment has been its efforts to combine dispersed land holdings and group farmers into "contract growers" of particular crops for inclusion in PRAN's most important processed goods. Farmers now receive fair prices for their goods thanks to the removal of middlemen, and thanks to the agro-processing industry's technical support, yields, quality, and income have all increased significantly. For many farmers, eradicating poverty through successful businesses is now a realistic objective.

Technology:

The effectiveness of PRAN's marketing, advertising, and promotion initiatives. Most recent advancements in internet and TV technologies, such as the utilization of significantly more complex and high-definition visuals. These technological advancements and improvements improve the product's appearance and boost sales.

Businesses like PRAN Foods must use mobile and Internet technology to reach these clients. For instance, many businesses now use social networking sites like Twitter and Facebook into their promotion strategy to engage their present clientele and attract new ones. As technology advances daily and becomes more effective, there have been breakthroughs in new machinery and equipment that significantly improve PRAN's production and manufacturing capacities compared to earlier years.

The R&D division of PRAN Food Ltd. has expanded its product line thanks to its consistency and ongoing innovation. Starting with the well-known mango beverages, they now also manufacture a variety of delicious foods, including "JhalMuri," "Éclairs," and "Fit Crackers."

PRAN Foods Ltd. has seen a rise in sales thanks to plastic bottles and tetra packs. This is especially true given how simple it is to transport and discard them. The packaging's effective technology has led consumers to favor PRAN's goods.

Environmental:

PRAN Foods announced plans to purchase 40M tons of mangoes between 2011 and 2012. It may not be possible in every country to meet such a large demand domestically, but Bangladesh's agricultural climate makes it simple for businesses like PRAN Foods to gather such large quantities of raw materials for their varied processed food production. PRAN Foods can produce efficiently in a safe environment thanks to safety procedures implemented in the manufacturing facilities. The organization keeps a clean working environment, which aids in increasing staff productivity. On the other hand, the business has a lot of issues with natural disasters. Despite being rare, the natural environment can be a serious danger to any market. Natural disasters including erosion, flooding, cyclones, tsunamis, and drought frequently have a negative effect on any economy. In many areas of Bangladesh, the floods in 1988 and 1998 made travel difficult. All businesses, including PRAN Foods, struggled to function effectively at the time.

Legal:

PRAN Foods sells products to many nations in Asia, Africa, and North America; as a result, they are required to follow each nation's regulations. However, PRAN Foods and other businesses of a similar nature in Bangladesh should be aware of the following laws:

1959's THE PURE FOOD ORDINANCE

The Pure Food Act, the 1966 Penal Code, the 1860 Pesticide Ordinance, and the 1956 Food (Special Courts) Act are further laws pertaining to food safety.

PRAN Foods is also required to abide by a number of other laws, including the Labor Law because it employs a sizable workforce for its manufacturing and production activities. Among these laws is the Bangladesh Labor Law of 2013, which guards against harmful working conditions and guarantees that employees have acceptable working conditions.

Specific Components affecting or influencing Pran:

Customer:

Customers are referred to as the king of the business. A business like Pran Foods would never get recognized if the customer made it happen. This is the most prominent specific component that is affecting or influencing Pran to sustain in the competitive market successfully. PRAN has 80,000 direct employees and 200,000 indirect employees. PRAN exports goods to more than 118 nations.

To add to that, PRAN established agribusiness in Bangladesh by offering farmers prices that were guaranteed. They have various varieties of products. This means that they have great influence on customers by providing a wide range of choices. Even also to that, they have also captured their customers with eye-catching promotions and advertisements which influence more customers to buy on impulse. Hence, enabling to gain customer loyalty and achieve high market share.

Supplier:

Pran has large supply chain management to pool out their resources easily. PRAN has committed itself to enhancing society and the environment. The supply chain management planning starts from the top level of the management. They forecast the demand beforehand in order to develop the best possible product by maximizing scarce resources. They try to balance out supply and demand and exploit it. The demand requires the supplier to meet the required raw material to produce the product and satisfy consumer wants.

Competitors:

Pran exports in 110 Countries 5 Geographic Region: SE Asia, Middle East, Africa, Europe and North America. The main goals are to spread the wings of Bangladesh across the regions. It's likely to be the case that they are going to have local competitors and international competitors as well. They face intense competition both from local and international competitors. PRAN's competitors and similar companies include Gloria Jean's Coffees, Alqueria, Nutrifood and SADAFCO. As they face intense competition from their rivals which means they are thriving for many decades successfully by taking consumer satisfaction into consideration.

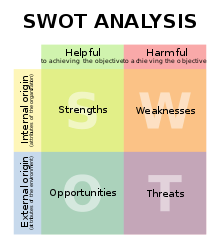
Pressure groups​:

Pran is more concerned about boosting the national and rural economies, generating jobs, and exporting, aiming to enhance rural life. PRAN has committed itself to enhancing society and the environment so they are likely to face challenges from pressure groups. Pressure groups are always created to protect nature and even have a check on organizations like Pran so that they do not exploit natural resources as raw material is being used excessively so that they are left in little so that an economy cannot use it properly. Pressure groups even oversee that an organization like Pran do not harm mother nature and ruin it for good. Hence, it is a binding obligation to make sure that their products are always safe, eco-friendly and can be recycled easily.

SWOT Analysis for PRAN-RFL GROUP.

What is SWOT analysis?

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. Strengths and weaknesses are internal factors of a company that the higher authority have some control over and can change.



SWOT ANALYSIS:

Strength:

Pran believes in their quality and the value they made by their reputations of safe and efficient products for their consumers and they have been receiving appreciable feedback from them. PRAN Juice, PRAN Mango Bar, PRAN Badam vaja, Confectionery, Candy, Noodles, Snacks, Agro products, Biscuits, Dairy, Sweets and bakery store, Textile, Beveragsare the well known and well consumed product in BD produced by them. Aside from their buying and selling activity, their reputation has been remarkable with their shareholders by providing reasonable fair returns to their investors. The combination of these made their brand values renown all over the Country and also international market parallel. They have successfully made a good reputation with the local market of Bangladesh and the people have faith within the company’s product. All of these created a very good positive mindset about the company among their consumers. With various criterias of products in the market the people are aware of their brand and their products get the best preference. They have assured their weight with the policy of agricultural marketing within local and international manufacturing practices which made a good standard of the organization. This led them to have a high position in the share market with incrementing market share. Pran releases their product with a very relatable marketing campaign having a reasonable market price of the product based on the local consumers which makes the consumers satisfied with the Organization.

Weaknesses:

Pran is one of the leading organizations of Bangladesh leading the share market. Although the company having an agricultural based policy can’t fluctuate with their decision repeatedly. Due to the agricultural marketing often the price of the product varies because of the raw materials. Often the raw materials from agriculture can put a hard time on the organization to keep the price constant and keep them in the competition with their competitors. This disadvantage often forces them to sell their products with higher price than their market competitors.the market of bangladesh is carried in such a way that the most cost efficient gets higher preference which is why lower class people suffer to avail the products of Pran. And most of these people live in remote areas. So the Pran group faces problems to reach them due to geographical structure and even if they reach them due to high prices compared to the low class people, their products can not be consumed by those consumers.

Opportunities:

Pran-RFL has remarkable opportunities like large agriculture sector, crop production system, incrementing employment opportunity, attraction of foreign buyer, developed effective distribution system and effective product. These are the factors which is why Pran-RFL has the upper hand in the local and international market to present their products.

Threats:

Unlike other companies the Pran-RFL has also felt the threat of competitors. The strongest competitors are dairy products. Increasing prices also can fire back the decision. Often the string operation of the food department from Bangladesh gov. Can make a problem for them. Argo based products of Pran shall be preserved for a longer time which can cause challenges for the production team. Political stability has been a major issue for any organization unlike Pran\_RFL.

STAKEHOLDER of PRAN-RFL GROUP.

Who are the primary stake holders of Pran?

Stakeholders are generally made up of a large group pf people who are affected by both the negative and positive activities of a business, and they in turn can also negatively or positively affect a business.

The primary or most critical stake holders of Pran group are its customers, employees, investors/owner, and suppliers.

They are critical stakeholders of Pran because the loss and profit of Pran directly affects them and they share a closer relationship with Pran than stake holders such as the government, general public, trade unions etc.

 The investors or the owner is one of Pran groups most critical stakeholder as he/she has invested heavily in the company, in terms of money and different assets. When Pran makes any monetary gain, it leads to more income for them and vice versa.

 Employees are also an important stakeholder as their salaries are dependent on how well Pran is doing as a business. If Pran incurs a loss, it might result in loss of employee benefit, salary cuts or even them losing their jobs as a means to cut down company expenses.

Pran’s customers will benefit if Pran generates more profit, which can lead them to investing in research and development and building better consumable products for their customers.  They will get more options or variety and more convenience in the form of closer by located stores, and also cheaper products If Pran uses the profit in making the production process more efficient.

Suppliers may benefit or does not benefit, depending on Pran’s performance.  Suppliers can expect to get paid quicker If Pran makes a profit, they might enjoy better relationship and more business stability overall If Pran fairs  well as a firm.

ORGANISATIONAL STRUCTURE OF PRAN-RFL GROUP.

An organizational structure defines how activities such as taks allocation, coordination and supervision are directed toward the achievement of organizational goals. It is also considered as the perspective through which individuals see their organization and its environment. As we know the structure of an organizational action affects the company mindset.

The Pran\_RFL Group is assigned with 4 organizational Structures and Design. Those are

-Organizing production system.

-Democratic Leadership Transactional Leadership.

-HR Practice at Pran RFL Group.

-Marketing strategy of Pran Group.

PRAN-RFL has a mechanistic structure. It's a bigger organization. The company environment is stable. There is a clear, well-defined, centralized vertical hierarchy of command, authority, and control. Specialization permeates the entire organization. They have specialized functional departments such as Product On, Marketing and Finance. Each unit has studs and specific responsibilities and duties. More centralized. As the distance between the upper and lower levels of an organization has increased, management has increasingly imposed rules and regulations. This is because top management cannot control lower-level activities through direct observation. Even subordinate managers do not have sufficient decision-making ability.

The company wants to share its views and ideas with its employees and also expects valuable ideas from some employees when making decisions. As such, the company believes in democratic governance that respects all employers.

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