

BUSINESS PERSON OF THE YEAR

Promoting Bangladeshi garments

REFAYET ULLAH MIRDHA

KM Rezaul Hasanat's moment of truth arrived in 2003: he took the most crucial decision of his life and vowed to buy the remaining 90 percent stakes in Youngones Fashions Ltd where he was the CEO with 10 percent shares.

"When other shareholders, who offered me 10 percent stake in the company as a working partner and CEO, decided to quit the business, my instincts told me to take a risk," Hasanat recalled.

There has been a gulf of differences between taking a decision and its implementation. He started looking for sources of finances.

"I approached my university friends who joined private commercial banks. I managed to make bank officials understand about the viability of my plan to buy the struggling garment factory," said Hasanat, who obtained his Master's degree in management from Dhaka University in 1988.

"Finally I bought the company: I purchased only the name of the company, not the assets. I shifted the factory to Tongi in Gazipur district in the same year and went into commercial operations," said a smiling Hasanat. Since then Hasanat did not look back.

Son of a small businessman Hasanat never planned to join any corporate house as an employee. Born in 1963, Hasanat had business in his bloodline: he used to look after his father's construction material business in Naogaon district during his early days.

Hasanat's ventures can be termed 'from micro to macro'.



BUSINESS PERSON OF THE YEAR 2007
KM REZAUL HASANAT
Chairman & Managing Director
Viyellatex Group

His beginning was very humble. After completion of university education, he started his career by supplying stationery and equipment to offices in 1988.

In 1996, he got a chance to demonstrate his entrepreneurial skills as he joined Youngones Fashions Ltd at Tejgaon in Dhaka as the CEO.

The board of directors of Youngones agreed to offer him 10 percent shares as the working partner. He started working hard for the company with 2000 workers.

Hasanat's business has now grown and his Viyellatex Group includes Youngones Fashions Ltd, Viyellatex Ltd, Interfab Shirt Manufacturing Ltd, Fashion Plastic and Packaging Ltd and Gothic Design Ltd.

The group's annual turnover was around US\$108 million (Tk 745.2 crore approximately) in 2006-07 fiscal year. In 2006-07, its garment export reached \$

106 million against \$56 million in 2005-06 and \$48 million in 2004-05.

Viyellatex's buyers include G-STAR, ESPRIT, Puma, Marks and Spencer, S. Oliver, PVH and Tesco.

An entrepreneur's journey never ends. Every year is fresh year for Viyellatex Group Chairman Hasanat.

"The group is about to achieve its ambitious export target of \$125 in 2007-08 fiscal year," Hasanat said.

"The group also plans to invest \$12 million in the next one year to upgrade its production activities. The group will also introduce well-known 'lean production' system to improve workers' productivity," Hasanat added.

In garment factories, traditional production lines are disappearing. In the lean system, teams of workers sit in small groups passing unfinished garments to each other. On a production line there are many people, but the system is not in balance. If one operation goes slow, there is a bottleneck.

In the team or lean system it is much easier to find a balance and eliminate bottlenecks since workers can easily switch between operations, according to garment factory managers.

Hasanat is always enthusiastic about new technologies as he believes only new expertise, skills and innovations can make a business competitive. He is going to install the world's renowned enterprise resources planner software at a cost of US\$ 1 million to monitor the real time production activities of his business.

"Once the lean production

system is introduced and the resources planner software is installed the production in terms of both quality and quantity will be improved," said Hasanat.

He also keen to ensure better management everywhere in business. "The group puts emphasis on hiring quality human resources and financial management people."

The Gazipur-based group that employs around 8,000 workers plans to pay 25 percent more than the minimum wage structure set by the government to ensure better living condition of workers from

June.

Viyellatex Group has set up factories ranging from yarn to garment and accessories, ensuring smooth supply chain.

Hasanat even did not want to depend on accessories manufacturers to make his export shipment hassle free, prompting him to establish Fashion Plastic and Packaging Ltd.

The most expensive investment in apparel production is spinning mill since it needs a lot of capital machinery, skilled manpower and huge space. Viyellatex Spinning with 40,320 spindles was set up in 2005.

Hasanat's Viyellatex aims to

high-end products. In 2007, he set up Gothic Design to develop garment print techniques to woo trendy customers with trendy designs.

On the corporate social responsibility front, Viyellatex offers scholarships to poor students. It has donated Tk2.60 million to the Bangladesh Thalassaemia Samity to purchase refrigerated equipment for blood banks. It also sponsored Tk 3.5 million for constructing an auditorium of Monsur Girls' School at Naogaon.

Viyellatex Group has purchased a piece of land at Tongi

in Gazipur district to set up an 80-bed hospital.

The group turns to environment as well. It has embarked on a plan to use 60,000 litres of recycled effluent water as toilet water per day to save underground water apart from another plan to store rainwater for daily use.

Hasanat, an enthusiastic golfer, terms barriers to business as strength. "If businesses cross the barriers with honesty and sincerity, they will definitely succeed." He has a dream now; he wants to get his company listed on the Fortune 500 list.



ENTERPRISE OF THE YEAR

Pioneer in plastic goods

SOHEL PARVEZ

Its humble journey began at a small factory in Old Dhaka with a capital of only Tk 3,500 in 1969. Today Tk 250 crore Bengal Plastic is one of the leading plastic goods making companies in Bangladesh employing around 2000 people.

"Use of plastic spare parts in jute mills inspired me to go for the venture to manufacture the products locally, recalled 58-year old Morshed Alam, the architect of Bengal Plastic and Bengal Group of Companies, which consists of nine industrial units in diversified fields of plastic processing, chemicals, food processing and trading.

"During the pre-liberation war period jute mills started using imported plastic spare parts. I saw opportunities and I made the decision to produce the items through hand machine," Morshed added.

Morshed started manufacturing by a single hand-operated plastic injection-molding machine in rented premises. He sourced 25 kg of raw materials from a German company called Bayer. "I sold about Tk 7,000 products at the beginning and it was the real boost," Morshed said.

The success told him to set up automatic machines in 1978: he expanded product base, manufacturing



ENTERPRISE OF THE YEAR 2007
MORSHED ALAM
Chairman
Bengal Plastic Industries Ltd

household utensils such as plastic jug and plastic plate.

Innovation and new products always give Bengal Plastic an edge. In 1991, Bengal Plastic started manufacturing garment accessories such as plastic hangers. It got a boost in business after winning contracts to supply crates to Coca Cola and Pepsi in 1992.

"The year 1992 was a turning point for our business as we got the first orders from international buyers," Morshed said.

The plastic industry that has evolved following the success of Bengal Plastic of Industries now contributes about over 0.50 percent to GDP. The

industry has created employment for about half a million people in the fields such as PVC pipe, garments accessories, polythene bag, artificial leather, jute and textile spares, toys, plastic waste recycling, computer accessories, auto lighting and plastic furniture.

Exports earning from the sector, comprising of about 3,000 manufacturers, almost doubled from US\$ 28.8 million in the fiscal year 2003-04 to \$53.6 million in the fiscal year 2004-05. The sector earned \$56.6 million in 2005-06.

Now the future of plastic goods industry hinges mainly on the performance of the country's garment industry. "We will grow and perform well if the garment sector continues to perform well," said the chairman of Bengal Plastic.

Bengal Plastic manufactures various garment accessories such as hangers, poly bag, carton sealing tapes, and strapping band.

The company also makes containers for paint factories, molded furniture and various injection molded parts for different industrial applications.

Bengal Plastic registered 23 percent growth in its turnover from \$32.5 million in 2006 to \$40 million in 2007. The export destinations of the company, which targets \$40 million export in 2008, include

European countries, the US and Canada.

The company won the national export trophy twice -- silver medal in 1997-98 and gold medal in 2000-2001.

In its long business career, the company has maintained a good credit record with banks. It has also got the ISO

accreditation environmental management system. Bengal Plastic offers equal opportunities for male and female employees.

"I have always maintained business commitment and product quality since the beginning of my business," said Morshed.

"Now my best asset is good will," he said, "product quality in the long run pays dividends."

Sitting in his modestly decorated room, clean shaved and gray haired Morshed now dreams to go for another venture before handing over the keys of his businesses to

successors.

The owner of the Bengal Group of Industries now wants to set up a modern spinning and weaving factory at a cost of Tk 130 crore.

"It's my dream project. I will be happy to see it as another successful venture," said a smiling Morshed.

