**MOHAMED HASEER MOHAMED HAZZAN**

**KAANDHRM191P-003**

**ADVANCE NATIONAL DIPLOMA IN HUMAN RESOURCE**

**MANAGEMENT**

**RAINCO PRIVATE LIMITED**

**ACKNOWLEGEMENT**

“RAINCO (PVT) LTD”

Our Special thanks goes to MR. Thushara for giving us advice and encouraging us to go ahead with this event. And we thank Mr. M.R.M Riyas, Head of Supply Excellence, for giving us Information about the Company.

**Content.**

[01 Introduction](#_30j0zll) 3-4

[02 Planning](#_1fob9te) 6

[2.1 Business Partners](#_3znysh7) 6-7

2.2 Decision Making 7

SWOT Analysis7

[03 Organizing](#_3dy6vkm) 7

[3.1 Principle Activities](#_1t3h5sf) 7

[3.2 Budgets](#_4d34og8) 8

[3.3 Human Resources](#_2s8eyo1) 8

[04 Leading](#_17dp8vu) 10

[4.1 Training](#_3rdcrjn) 10

[4.2 Promotions](#_26in1rg) 10

[4.3 Bonus](#_lnxbz9) 10

[4.4 Welfare](#_35nkun2) 11

[4.5 The Leadership Grid](#_1ksv4uv) 11

[05 Controlling](#_44sinio) 12

[5.1 Respective Responsibility of Directors and Auditors.](#_2jxsxqh) 12

[5.2 Audit](#_z337ya) 12

[5.3 Taxation](#_3j2qqm3) 12

[5.4 Consolidation](#_1y810tw) 12

[06 Conclusion](#_1ci93xb) 13

07. Appendices 13

08. References 14

# Introduction

Rainco (Pvt) Ltd is a privately held company in Sri Lanka which manufactures umbrellas, mosquito nets and rainwear. Starting as a home based operation in 1977, the company today counts five production factories across the island, a workforce of over 1200 and a dealer network of over 7000, dealing with India, China, Sweden and France. As the first company to obtain ISO 9001-2000 certification and SLS certifications for the manufacture of umbrellas in Sri Lanka, Rainco is also the only producer of ISO 9001-2000 system certified mosquito nets in South Asia. Rainco products are currently exported to Maldives and South India. The company is also the official representative of several global brands in Sri Lanka including Cartoon Network.

Today it is large scale manufacturing, marketing and distributing company with a growing global presence. Remarkably Rainco (Pvt) Ltd company is the key leading player among 15 companies of Avarana Ventures Network.

Rainco began when entrepreneur S. L. M. Fausz hired 5 employees in 1977 and started making umbrellas through a process of trial and error out of a small house in Kadugannawa, Kandy. Following a disagreement with partners, the company re launched as Sri Lanka Umbrella Industries in 1990 and resumed the manufacture of umbrellas under the brand name Globe. In 2000, the company took the Rainco as the brand name and by 2003 became the first to obtain ISO 9001-2000 certification for umbrellas in Sri Lanka. And recently, 1st of July 2017 they convert “Sri Lanka Umbrella Industries” in to Rainco (Pvt) Ltd.

Eventually, the ultimate goal of the Rainco is to focus on its future exports in the International market and expand the market World Wide.

The strength of Rainco is its staff who are highly skilled, motivated and disciplined. The employer and employee relationship is extremely cordial. Rainco is undoubtedly the most recognizable brands in Sri Lanka and in the south Asian region.

### Vision

“Reaching heights in crating passionate brands that enrich our life.”

**Mission**

Rainco will create and deliver the highest value to our consumers, retailers, suppliers and employees as the premier marketing and distribution company, responsibly and sustainably. We will achieve leadership in sales, profit and value creation, by focusing on innovation in products, services and technology and improve the lives of our employees, shareholders and the communities we live in. Rainco will continue to shape and lead markets in the South Asian region.

 **Values**

* Quality is Our first priority
* Honesty and integrity
* Work discipline
* Freedom with accountability
* Customer focus and commitment
* Care development and learning
* Innovation and creativity

**Organizational Structure**

Chairmen (Mr. S L M. Fausz) and three Directors Mr. Fazal Fausz, Faizal Fausz and Faris Fausz manage the business with the support of management team headed by Mr Aroos (COO) and Riyas (Head of Supply Excellence) with several layers of administration, which’s functions and responsibilities are clearly defined. Raincos’ in-built seniority system for promotion and individual advancement brings wise changes in the organizational structure

For purpose of understanding the current organization structure, will no doubt note that Rainco is now a lean and flat organization with a horizontal sharing of clear functions, incomplete contrast to the multi-layered, bureaucratic and complete entire which existed earlier.

It is very important to have a flat organizational structure, because it helps Rainco to become closer to their customers. Then they can understand the customer requirements and after identifying their needs Rainco can come up with new technologies which are helpful in enjoying competitive advantage.

Following are some advantages of having a flat organizational structure in Rainco.

1. The Chief Executive Officer and Director Operation to have better control and communication with the Senior Managers, in a system where young competent managers were promoted to each division irrespective of seniority.
2. To have more effective and quick communication and coordination between the various divisions with clearly identified responsibilities.
3. To make Rainco both more customer oriented and customer friendly and provide quick responses to customer requests and complaints by avoiding unnecessary delay and red tape.

Quality Assurance Executive

Production Executive

Mawanalla

Production Executive

Dantura

Production Executive K’gannawa

Production Executive

Beligammana

Store Executive

Financial Audit and Store Manager

Production Manager

Head of Supply

Production Manager

HR

Executive

**Competition**

Rainco welcomes the increase in competition in Sri Lanka with a Major competitor named “Kandurata Umbrellas Pvt Ltd” competing with 35% market base. Apart from that Shleter and Siyarata are the competitors holding around 5% market base. However, Rainco (Pvt) Ltd were able to have a dominating power with 60% market proposition.

# 2. Planning

## 2.1 Business Partners

All 15 companies of Avarana Group are vital to their business. Meaningful avenues of engagement help to support this view as well as to reinforce their own commitment to play a vital role in their own areas of business. Thus the company organizes frequent conversations for their partners, distributors and dealers. They also maintain robust communication system which enables a continuing dialogue on product quality, marketing, customer satisfaction and problem solving.

There are both short term and long term plans. Rainco tries somehow to fulfill their targets.

## 2.2 Decision Making

In Rainco there is a centralized process in decision making. Top management takes all the decisions and asks other to follow them.

**SWOT Analysis**

SWOT Analysis is a simple framework for generating strategic alternatives from a situation analysis it’s an applicable to either the corporative level or the business unit level.

**Opportunities**

- Increasing media for advertising

- People are moving freely after war

- Northeast market opened

- Increasing tourism

- Government encourages opening new business

- Modern trades (growing shopping malls)

**Threats**

* Importance of illegal umbrella
* Increasing government rules and regulation in workers and import, export
* Key competitor kandurata umbrella main follower
* Seasonal issues.

**Strength**

* Established brand
* Market leader in umbrellas and net
* Ability to invest
* Strong distribution channel
* More than 800 workforce
* Dedicated staff

**Weaknesses**

* Generic products-no improvement
* No premium brand products
* Heavy cost on production
* Using traditional method to manufacture
* Not adopting to new technology
* High labor turnover

**3. Organizing**

## 3.1 Principle Activities

This company is the principal supplier of Umbrella Industry in Sri Lanka and owns and operates 5 umbrella manufacturing factories. the company provides Umbrellas, Mosquito Nets and Raincoats domestically and in the international Market.

## 3.2 Budgets

The board of directors are responsible for the strategic direction of the company. Towards this, the management prepares an annual business plan for the year along with rolling financial projections (budgets). The annual business plan is carefully reviewed and once approved; management is responsible for implementing the business plan.

## 3.3 Human Resources

Acknowledging that human resources are among the most valuable assets of the company. The board ensures that remuneration policy is fair and equitable for all employees. Salary and benefits packages across all grades are comparable with those of the best corporate entities in the country.

 Being the Sri Lanka’s key player in the umbrella industry, they are a technology intensive and skill intensive organization. The people who work for Rainco are required to possess the attitude and learning necessary to perform well in such as environment. The board considers the health and the safety of employees a matter of paramount importance. In order to reduce absence due to ill, the board has authorized a comprehensive medical checkup scheme for all employees with all expenses paid.

**Kinds of Managers in Rainco by Level and Area.**



**Chart No 3.1**

managers

# 4. Leading

## 4.1 Training

They were aware that the most important resource that Rainco has is, its human resource pool. Their skills need to be recognized. Similarly, their skills have also to be improved and diversified. Rainco introduced several schemes of training for the staff. There are both in house training and training thought special workshop and seminars. The overall aim of all training is to improve the quality of the staff at Rainco (Pvt) Ltd

In keeping with its present Manufacturing oriented image, The Company has allocated substantial resources to the development of their human assets. Their training programs have been specifically designed to create much needed change in organizational culture and attitudes. This involves the understanding and commitment to Rainco’s’ corporate Vision and Mission by their employees.

## 4.2 Promotions

Rainco introduced a performance Appraisal system. This has a great degree of transparency. Under this scheme each employee’s services standard, quality of output, internal/external relationship, organizational capabilities, technical competency, knowledge level and overall contributions to the betterment of the company are assessed.

This system makes it very much easier for good employees to obtain promotions and not to stagnate with growing dissatisfaction. The performance evaluation system, in which the employee too participates, has helped to improve productivity, efficiency and greater commitment of the staff to the change in the managerial culture of the company. It becomes easier for good employees to be promoted.

## 4.3 Bonus

We note that bonus payments are a contention issue in many organizations, both in the state and private sector. Rainco have substantially modified the staff bonus scheme enabling employees with better performance records to earn a larger bonus. Bonus includes two components

* The basic bonus
* Performance bonus

## 4.4 Welfare

As much as training is necessary to make a good employee, there is also the need for proper and adequate welfare facilities for satisfied employees and good employer and employee relation. Being aware of this need Rainco have enhanced its welfare facilities in many ways. These include the provision of additional holiday arrangements. Employees are given both a meal allowance and a transport allowance. Company medical scheme covers both outpatient and hospital expenses.

## 4.5 The Leadership Grid

When we consider the leadership grid we can see that there is a middle of the road management style. Because Rainco’s adequate organizational performance is possible through balancing the necessity to get out work with maintaining moral of employees at a satisfactory level.

# 5. Controlling

## 5.1 Respective Responsibility of Directors and Auditors.

Finance director Mr Shamil and his teams are responsible for preparing and presenting the financial statement to the BOD. Their responsibility is to express an opinion on these financial statements, based on their audit.

## 5.2 Audit

They conduct their audit in accordance with Sri-Lankan Auditing standards require that they plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit also includes examining on a test basis,

Evidence supporting the amounts and disclosures in the said financial statements; assessing the accounting principles used and significant estimates made by the directors,

As well as evaluating the overall presentation of the financial statements and determining whether they said financial statements are prepared and presented.

## 5.3 Taxation

Taxes on income are accounted for using the liability method. under this method the expected effect of temporarily difference between the figures used for financial reporting and income tax reporting purpose rerecorded as differed taxes at the rates there expected to apply when the temporary difference reverse. Differed taxes are accrued for all timing differences. Differed tax benefits are carried forward only where there is a reasonable expectation of realization.

## 5.4 Consolidation

The consolidated financial statements include the company and all its subsidiaries. The results of the subsidies acquired or disposed of during the year are included in the consolidated income statements, from the date of acquisition or up to the date of theirdisposal. Intra group sales and their profits are eliminated on consolidation and all sales and profit figures relate to external transactions only.

**8. Conclusion**

Rainco needs strong leadership and strong management to achieve goals and objectives since at present our environment changes drastically, because of that Rainco needs leaders to challenge the status queue to create or develop visions of the future, and to inspire their members to want to achieve the visions, as well as, they also need strong mangers to formulate detailed plans, create efficient organizational structures, and oversee day to day operations.

**Appendices**

Their vision is to be a truly global srilankan brand, and their mission to strive for excellence in everything we do while taking ownership of our environmental responsibilities. To achieve this, they are moving in to environmentally friend packing and they are in the process of becoming a carbon neutral organization by 2020. They are conscious of their purpose of enriching the live of all those who touch and are touched by their brands every day.

There are many innovations in the industry, and modem organization are adopting new concepts such as lean manufacturing, six sigma,JIT concepts, and automation. These concepts not only lead to better supply chain activities but also contribute towards improving the efficiency of business activities and reducing costs. Waste is minimized, more value is created for customers and inventory system such as JIT help organization improve their return on investment, by reducing work in process inventory and associated carrying cost.

**References**

# (Cartoon network appoints 'Rainco' joint to local branding agent, Sunday Times 10th May 2015. Retrieved 29th june 2015)

# (Vestergaard and Rainco joint to launch quality products, Sunday Observer 31st May 2009. Retrieved 29th june 2015)

**Thank You.**