

Fauji Soaps

Fauji Soaps is a privately owned business. Sheikh Mohammed Iftikhar established the company in 1980, with the sole aim of manufacturing detergent soaps.

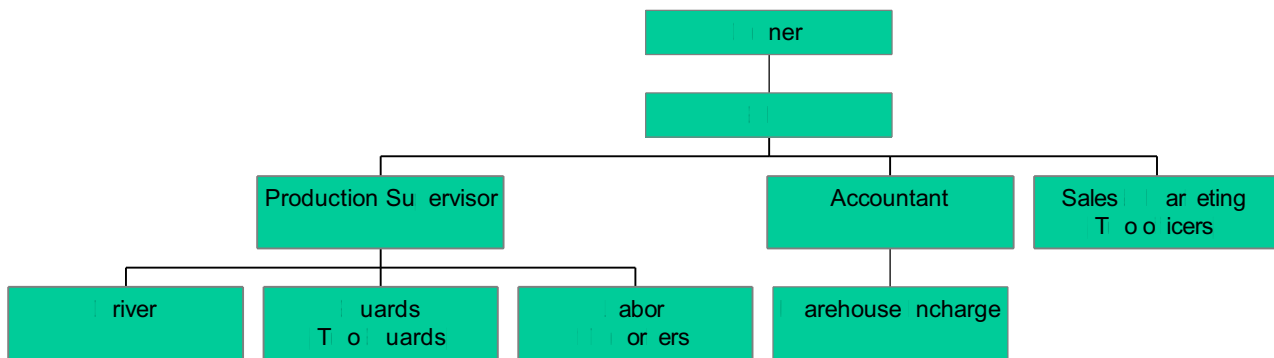
The company is situated in the industrial area of sector I-9, Islamabad. The factory covers an area of 2 kanals, which houses both the administration and the manufacturing block.

The company manufactures and sells detergent soaps under the brand name of Fauji Soap. Currently, the company is serving the rural areas of Northern Punjab and the whole of NWFP. However majority of the sales come from NWFP. The product is sold to wholesalers, whereas in NWFP it is distributed through distributors.

Organizational Structure

There are a total of 30 people working in the facility chiefly divided into:

- Production
- Administration and Selling



Three janitors have also been hired on ad hoc basis.

Soap Manufacturing Process

Materials Required

Soap manufacturing requires these raw materials:

- Fatty Acids (60% of mixture; 900kg in a 1500kg pan)
- Caustic Soda (20% of mixture; 300kg in a 1500kg pan)
- Water (5% of mixture; 75kg in a 1500 kg pan)
- Sodium Silicate (15% of mixture; 225kg in a 1500 kg pan)

Process

1. The soap maker puts fatty acids in a pan that already has some water
2. Sodium Silicate and Caustic Soda are added and the pan is brought to a boiler
3. The mixture is allowed to first boil and then cool down
4. Once the mixture has taken a solid shape, it is taken out of the pan
5. Solidified mixture is taken to duplex plotters for plotting and cutting
6. Finally cakes are fed to stamping machine to stamp company logo on them
7. Stamped cakes are fed to the wrapping machine to wrap them up

Production and Sales Data

- On an average Fauji Soaps makes 5 pans per day
- Each pans makes 1500Kgs of soap
- Each carton contains 10 kgs of soaps, thus each pan can make 150 cartons
- Each carton has 40 cakes of soaps and each soap weighs 250gms
- Company has 15 distributors in N.W.F.P and 11 wholesalers in Punjab, thus the company essentially has 26 customer (15+11=26)

- On an average, each distributor of N.W.F.P orders 900 cartons per month. Each wholesaler in Punjab orders 410 cartons per month approximately
- Company charges PKR8 for each soap or PKR320 for each carton in Punjab and PKR7 for each soap in N.W.F.P

Company Operations and Data

Production Department

Supervisor in production department receives the order from sales officers and instructs the laborers to follow a production schedule accordingly. Once a pan of soap has been created, it is fed to electric machines for cutting & wrapping etc. Once an order has been produced, it is packed in cartons and stored in an in-house warehouse. Production department notifies the Marketing department of the completion of the order. Marketing department then asks the customer to pick up their order from the factory warehouse.

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Administration Department

This department has a support role. It manages inventory, accounts, procurement, payroll and compensation. Furthermore, General Manager occasionally makes “good-will” calls to company’s regular customers. This department employs a warehouse in charge. His responsibility is to work with accountant and maintain records of raw materials and finished goods inventory. When the raw materials reach a reorder point, he notifies the GM. Then, GM arranges supply of the raw materials from suppliers, which are transported to the company warehouse by the supplier.

Marketing Department

This department shares the building with Administration department. Two sales officers work in this department. Their primary responsibilities are receiving orders from the customers and passing them on to production supervisor. It must be noted that customer orders are placed in terms of the number of cartons required by the customer. Marketing department converts the number of cartons in to kilograms of soap required and number of batches required to produce those kilograms of soap (because soap is produced in 1500kg batches). Marketing department is also responsible for periodic marketing activities such a publishing company calendars and key rings. Furthermore, this department also has to try to acquire more customers and manage relationships with existing ones.