

FURNITURE SHOP

1. INTRODUCTION

Uttarakhand's expanding hospitality sector offers a thrilling prospect of setting up a furniture store specializing in opulent and appealing furnishings. The state has seen a substantial increase in tourism in recent years. It entices visitors from all over the world, from the serene waters of Nainital Lake to the spiritual aura of Rishikesh and Haridwar, and from the trails of Auli to the beauty of Mussoorie. This spike has resulted in a thriving industry for homestays, hotels, and resorts, all competing to provide guests with a one-of-a-kind and memorable experience. There has never been a greater need for fashionable furnishings that match these stunning settings. It will be a profitable business to open a furniture store that caters to the demanding tastes and growing trends in Uttarakhand's hospitality sector.

2. PRODUCT & ITS APPLICATION

A retail furniture store sells products such as sofas and couches for comfortable living areas, living room furniture such as coffee tables and TV stands that improve aesthetics and functionality, dining room furniture that fosters a welcoming atmosphere, bedroom furniture that provides well-organized and restful sleeping spaces and accent furniture that adds character and versatility.

3. DESIRED QUALIFICATION FOR PROMOTER

The business promoter should have a thorough awareness of the furniture sector, as well as competence in design and product curation. Knowledge of local workmanship and the ability to identify emerging market trends will be required. A background in business management will also ensure efficient operations.

4. BUSINESS OUTLOOK AND TRENDS

With beautiful landscapes and a strong tourism economy, there is a growing need for outdoor and garden furniture, such as accent chairs and rattan seating sets, catering to both inhabitants and tourists wanting to enjoy the natural beauty. Collaboration with the rapidly growing hospitality sector is increasing, and eco-friendly, locally created, and customizable furniture alternatives are in high demand. As homeowners and tourists aspire to build outdoor places and surroundings, the furniture retail industry is all set for growth by harmonizing with local tastes and desires.

5. KEY BUSINESS ELEMENTS

The key business elements for the success are listed below:

- **Quality and Unique Offering:** It includes providing high-quality products and services that stand out.
- **Store Layout:** The arrangement of products in the store should be such that it provides a pleasant purchasing experience.
- **Customer Service:** It is to address the logistical and installation concerns of the customer. The promoter must ensure that the customer does not face any issues with the delivery of the product after the purchase.
- **Marketing and Branding:** The promoter must invest in marketing and branding initiatives that are target-specific. He/She must also highlight the unique qualities of the furniture as well as the natural beauty of the area.

6. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

The furniture business in hilly regions of India, such as Uttarakhand, is prospering due to a growing tourism industry, local residential demand, eco-conscious consumer preferences, and a respect for cultural aesthetics. Furthermore, there is a tendency towards furniture that is innovative, ready-made, low-maintenance, and easily adjustable. However, the furniture industry faces several issues, including keeping up with ever-changing trends in e-commerce and technology, differentiating itself from competitors both online and in-store, and fulfilling the increased emphasis on sustainability in product offerings. Businesses must negotiate these challenges while capitalizing on the market's potential and trends to succeed in this sector.

7. SUPPLY OF RAW MATERIAL

Furniture manufacturers, wholesalers, local craftspeople, importers, distributors, wholesale markets, internet marketplaces, and even other local furniture stores are examples of suppliers for a retail furniture store. Beyond this, it makes strategic sense to include the potential of agency, distributorship, or representation of a reliable furniture manufacturer inside the supply chain. This arrangement offers potential benefits in terms of product diversity and brand awareness in addition to guaranteeing a consistent supply of high-quality goods.

8. BUSINESS MODEL

The store layout includes a well-organized 300 Sq. m. space for customer experience and a 100 Sq. m storage room. The business model incorporates a space with display shelves and wall units for the display of a variety of furniture items. Other furniture items such as placing coffee and side tables strategically provide clients with a visual sense of home décor. Displaying cabinets and appealing furniture displays in storefront windows entice pedestrians. The sales counter is the focal point for transactions and client service. Mirrors add visual interest by reflecting the beauty of furniture pieces. Placing lights strategically facilitates the store to emphasize products and create an attractive atmosphere.

9. BUSINESS PROCESS

- Procuring inventory and ensuring quality control
- Finalizing the store layout and strategizing visual merchandising
- Conducting promotions, marketing, and advertising
- Developing an E-commerce website and managing social media
- Setting up a system of returns, logistics, and delivery coordination
- Ensuring proper resource allocation and managing finances
- Keeping up with the inventory, market trends, and delivery logistics.

10. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No of month in year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed	1	-	-	-
2	Skilled	1	12	0.35	4.20
3	Unskilled	2	12	0.15	3.60
4	Sales Person	2	12	0.30	7.20
5	Accountancy Service	1	12	0.07	0.84
	Total				15.84

11. IMPLEMENTATION SCHEDULE

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1
2	Construction (if applicable)	1.5
3	Procurement & installation of Plant & Machinery	2.5
4	Arrangement of Finance	1
5	Recruitment of required manpower	1
6	Total time required (some activities shall run concurrently)	3

12. COST OF PROJECT

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Pre-operative and preliminary Exp.	1.10
2	Equipment and Furniture Exp.	10.95
3	Working Capital	49.70
	Total Project Cost	61.75

13. MEANS OF FINANCE

Bank-term loans are assumed @ 60%

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	24.70
2	Bank Finance	37.05
	Total	61.75

14. FURNITURE AND FIXTURES

Sr. No.	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Display Shelves and Wall Units	10	0.15	1.50
2	Display Tables(Coffee Tables, Side Tables)	10	0.10	1.00
3	Display Cabinets	5	0.05	0.25
4	Storefront Windows	8	0.15	1.20
5	Sales Counter	1	0.25	0.25
6	Mirrors	5	0.15	0.75
7	Lighting	20	0.30	6.00
	Total			10.95

Local suppliers in India offer a wide range of furniture and fixtures. The entrepreneur can avail office furniture after thorough research and analysis. Below are the tentative suppliers in India. Besides these, online platforms such as India Mart, Trade Mart, etc. can also be explored for ordering online.

1. Shree Balaji Traders
73-74, Shree Plaza, Begum Bridge Road,
Near Boundary Road, Lalkurti,
Jawahar Nagar, Meerut-250001,
Uttar Pradesh, India
2. Leja Racks and Interior
Near Maharshi School, Dewalchour Kham,
Haldwani, Haldwani-263139,
Uttarakhand, India
3. A-one Creations
B-21, Amar colony,
Lajpat Nagar-IV- 110024,
New Delhi, India

15. SALES REALISATION

Sr. No	Product	Sales distribution in Percentage
1	Accent Furniture(Accent Chairs, Ottomans, Poufs, Benches)	27.0%
2	Dining Room Furniture(Tables, Chairs)	27.0%
3	Sofas & Couches	21.0%
4	Bedroom Furniture (Beds, Cupboards, Side tables, Side cabinets)	15.0%
5	Living Room Furniture(Coffee Tables, TV Stands)	10.0%
	Total	100.00%

16. PROFITABILITY CALCULATIONS

The basis of profitability is;

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realization	126.90
B.	Cost of production	
i)	Raw materials	82.49
ii)	Utilities	4.00
iii)	Manpower Cost (Salaries/wages)	15.84
iv)	Administrative expenses	1.40
v)	Packaging Cost	0.04
vi)	Material Lost Cost	0.04
vii)	Selling & distribution expenses	9.60
viii)	Repairs & maintenance	0.00
ix)	Rent	1.50
x)	Interest	0.48
xi)	Misc. expenses	0.00
	Total (B)	115.39

	No of Unit production	1755
	Cost of Goods Sold per unit	Rs. 6575
	Gross profit/loss (A – B)	11.51
	Less: Depreciation	1.72
C.	PBIT	9.80
D	Income-tax	1.96
E	Net profit/loss	7.84
F.	Repayment (Annual)	1.03
G	Retained surplus (E-F)	6.81

17. BREAKEVEN ANALYSIS

(Rs. in lakhs)

Fixed cost	
Land & Building Rent	1.50
Depreciation	1.72
Interest	0.48
Manpower	4.75
Total Fixed cost	8.45
Variable cost	
Raw materials	82.49
Utilities	4.00
Manpower	11.09
Administrative expenses	1.40
Selling & distribution expenses	9.60
Total Variable cost	108.57
Variable cost per Unit	Rs. 6186
Revenue per unit	Rs. 7231
Margin per Unit	Rs. 1044
Number of Units for Break Even Point	809
Actual Capacity	1755

18. STATUTORY/GOVERNMENT APPROVALS

It is important to comply with certain business regulations before starting a Furniture Shop

1. Shop and establishment license is necessary for operating a salon wherein working hours, employment conditions, and other regulatory requirements are stipulated.
2. Fire safety certification is an important certificate to obtain from the local fire department. The furniture store has to meet the necessary fire safety standards to ensure the safety of the working premises.
3. Registration of Store for Goods and Service Tax (GST) with the Goods and Service Tax Network (GSTIN) as it applies to the products covered under the furniture store.

19. TRAINING CENTERS AND COURSES

Training centers that offer professional training and certification in entrepreneurship and business management are as follows:

1. National Institute for Entrepreneurship and Small Business Development (NIESBUD)
Regional Centre, Dehradun
NSTI Campus, Green Park, Dehradun- 248001,
Uttarakhand, India
2. Indian Institute of Entrepreneurship (IIE)
Basistha Chariali, NH-37 Bypass, Near Game Village,
Lalmati Guwahati- 781029,
Assam, India

Disclaimer

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.