

# GARMENT STORE

## 1. INTRODUCTION

Setting up a clothing business offers entrepreneurs a one-of-a-kind and fascinating opportunity. This venture can not only meet the clothing needs of the local population, but it can also tap into the tourism industry of a particular region. In a hilly location like Uttarakhand which is popular among travellers, a clothing store can be a lucrative endeavor. Uttarakhand's steep topography and fluctuating weather circumstances need stocking a diverse choice of clothes, from thick winter attire for the cold months to lightweight, comfortable clothing for the summer season. Furthermore, given the state's cultural richness, there is a chance to present and promote traditional and ethnic clothes with contemporary design.

## 2. PRODUCT & ITS APPLICATION

A family garment store offers a vast variety of clothing options. It includes clothing for all family members from children's wear to women's and men's apparel. The store also caters to seasonal demands. An all-product range store promises a go-to and one-stop destination for all the clothing needs of a family.

## 3. DESIRED QUALIFICATION FOR PROMOTER

Anyone starting a business requires business management skills and retail experience in selling garments. Additionally, a person must have strong communication skills to be able to influence fashion choices among customers. An additional asset would be a keen interest and passion in the fashion industry.

## 4. BUSINESS OUTLOOK AND TRENDS

Setting up a clothing store requires keeping an eye on emerging fashion trends and consumer preferences. One must also be able to monitor changes in the retail and e-commerce landscape, especially given the shifting trend towards online shopping. One must regularly observe the global and national trends to keep the stock of clothes relevant and trendy.

## 5. KEY BUSINESS ELEMENTS

- Location: A clothing store can benefit best in an area where there is high foot traffic.
- Marketing and Promotion: Marketing the business online on platforms such as Instagram and Facebook can easily gain popularity among the youth and families leading to higher sales.
- Inventory: The business must keep a diverse and appealing range of clothing keeping in view trends, seasonal demands, and customer tastes to provide maximum satisfaction to the customers.

## 6. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

Uttarakhand has a diversified population and an expanding consumer market, making it an appealing location for a family clothing store. However, seasonal fluctuations have an impact on sales, necessitating inventory management measures. Besides that, competition from both local and internet stores makes it difficult to run the business smoothly. In this setup, building brand awareness and consumer loyalty emerge as a strong marketing tool to enhance the visibility of the business and increase footfall.

## 7. SUPPLY OF RAW MATERIAL

It is extremely important to establish reliable relationships with clothing suppliers. A business operating from Uttarakhand must try and establish relationships with suppliers from top-tier cities as they can be very instrumental in building a brand image of the business. To address seasonal demands, the inventory can be sourced from local places or neighboring regions. And to meet the fashion demands, inventory can be stocked from metro cities.

## 8. BUSINESS MODEL

The business area is spread across 1500 sq. meters and has an inviting entrance with promotional displays, a spacious sales floor with organized clothing sections, fitting rooms, a payment area, and an office storage space for inventory.

## 9. BUSINESS PROCESS

The process of running a clothing store is as follows:

- **Purchasing inventory:** Clothing should be purchased depending on market demand and seasonal trends. Inventory must include every size of clothing to ensure an inclusive range of garments.
- **Maintaining Inventory:** Maintaining inventory means upkeep of an efficient inventory management system to monitor stock levels, track sales patterns, and ensure that the business has the right products in stock at the right time. This minimizes overstocking and prevents out-of-stock situations.
- **Implementing a multi-channel marketing approach:** It is to implement search engine optimization (SEO) tools and use digital marketing as an approach to influence online presence. One can use social media platforms to engage an audience. Offline marketing includes releasing flyers, promotional offers in newspapers, etc.
- **Offering personalised customer assistance:** This includes providing options and choices for alterations and personalization.
- **Assessing financial performance:** Reviewing financial performance is necessary to strategize business growth and to make informed decisions.

## 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	12	0.70	8.40
2	Skilled	4	12	0.35	16.80
3	Unskilled	1	12	0.15	1.80
4	Accountant	1	12	0.25	3.00
	<b>Total</b>				<b>30.00</b>

**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.	1.06
2	Equipment and Furniture Exp.	8.63
3	Working Capital	92.93
	<b>Total Project Cost</b>	<b>102.62</b>

**13. MEANS OF FINANCE**

Bank-term loans are assumed @ 60%

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	41.05
2	Bank Finance	61.57
	<b>Total</b>	<b>102.62</b>

**14. FURNITURE AND FIXTURES**

Sr. No.	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Vehicle	1	0.80	0.80
2	Computers	2	0.50	1.00
3	Clothing Rack & Shelves	25	0.15	3.75
4	Mannequins	2	0.04	0.08
5	Display Tables	2	0.40	0.80
6	Fitting Rooms	2	0.50	1.00
7	Office table & chair	4	0.25	1.00
8	Miscellaneous Items (Development of software, portals)	-	0.20	0.20
	<b>Total</b>			<b>8.63</b>

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. Khalsa Display Mannequin  
149/1, Main Road, Gandhi Nagar-110031,  
Delhi, 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

Annual sales capacity estimated at 95%

Sr. No	Product	Total Amount (Rs. in lakhs)
1	Children's Clothing ( Newly born, Toddlers, Older Kids)	68.4
2	Women's Clothing ( Dresses, tops, skirts, jeans, and formal wear)	42.75
3	Men's Clothing (Shirts, trousers, jeans, and suits)	11.4
	Total	122.55

## 16. PROFITABILITY CALCULATIONS

The basis of profitability calculation;

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realization	122.55
B.	Cost of production	
i)	Raw materials	49.02
ii)	Utilities	1.54
iii)	Manpower Cost (Salaries/wages)	30.00
iv)	Administrative expenses	1.02
v)	Selling & distribution expenses	2.76
vii)	Rent	3.00
viii)	Interest	0.48
	Total (B)	87.82
	No. of Unit production	11400
	Cost of Goods Sold per unit	Rs. 770 (Rupees Seven Hundred & Seventy)
	Gross profit/loss (A – B)	34.73
	Less: Depreciation	1.01

C.	PBIT	33.72
D	Income-tax	3.37
E	Net profit/loss	30.35
F.	Repayment (Annual)	2.16
G	Retained surplus (E-F )	28.19

## 17. BREAKEVEN ANALYSIS

(Rs. in lakhs)

Fixed cost	
Land & Building Rent	3.00
Depreciation	1.01
Interest	0.48
Manpower	9.00
<b>Total Fixed cost</b>	<b>13.49</b>
Variable cost	
Raw materials	49.02
Utilities	1.54
Manpower	21.00
Administrative expenses	1.02
Selling & distribution expenses	2.76
<b>Total Variable cost</b>	<b>75.34</b>
Variable cost per Unit	660.88
Revenue per unit	1075.00
Margin per Unit	414.12
<b>Number of Unit for Break Even Point</b>	<b>3258</b>
Actual Capacity	11400

## 18. STATUTORY/GOVERNMENT APPROVALS

It is important to comply with certain business regulations before starting a beauty salon and spa business.

1. Shop and establishment license is necessary for operating a salon wherein working hours, employment conditions, and other regulatory requirements are stipulated.
2. Registration of salon for Goods and Service Tax (GST) with the Goods and Service Tax Network (GSTIN) as it applies to the services covered under the salon.
3. A trade license has to be obtained from the local municipal authority to operate a commercial establishment legally.

## 19. TRAINING CENTERS AND COURSES

Training centers that offer professional training and certification in the 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

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