

PROVISION STORE

1. INTRODUCTION

A provision store, also known as a convenience store, is a type of retail outlet that primarily sells a variety of common consumer products and necessities. Setting up a provision store is a commitment to serve the local community. It is a source of convenience, a repository of daily essentials, and a hub of community interaction. In Uttarakhand, where tradition and modernity meet, a provision store provides a place to engage, meet neighbors, share stories, and connect with the essence of local existence.

2. PRODUCT & ITS APPLICATION

A grocery store sells groceries (pantry staples, canned goods, spices), bakery items (bread, pastries), beverages (soft drinks, juices, coffee), household essentials (cleaning supplies, detergents, paper products, toiletries), personal care items (shampoo, soap, toothpaste), snacks and packaged foods, frozen foods, baby and infant products (diapers, baby food), pet supplies (pet food, treats), and other items. Customers' daily needs are met by these products. They're utilized for cooking, food preparation, cleaning, personal hygiene, snacking, and general well-being.

3. DESIRED QUALIFICATION FOR PROMOTER

To efficiently run a provision store one should understand local consumer demands, tastes, and culture. Strong interpersonal skills are required for building consumer relations. There is no specific qualification required.

4. BUSINESS LOOKOUT AND TRENDS

Provision stores often have consistent demand since they meet the everyday needs of the local community. Having an internet presence is critical in today's digital age. Promoters must consider developing a website and utilizing social media platforms to exhibit the products, as well as to provide online ordering and home delivery options. Online sales have increased significantly, particularly during the COVID-19 pandemic. While the provision store industry is stable, larger retail chains may pose a threat. To compete successfully, the promoter must emphasize personalized customer service, distinctive product offerings, and a strong community presence. Offering home delivery services, particularly in hilly areas where access can be difficult, can provide a competitive advantage.

5. KEY BUSINESS ELEMENTS

- **Location:** A prominent, easily accessible place is ideal for setting up a provision store that is heavily inhabited by a neighborhood or has a high footfall. It is advantageous to be close to residential areas, schools, and local offices.
- **Inventory Management:** Managing the inventory effectively is important to ensure products are constantly available.
- **Product Selection:** The store must be able to offer a wide range of goods and necessities.
- **Marketing and promotion** include both online and offline promotion for greater reachability and service delivery.
- **Store Layout:** Arrangement of products in the store should be such that it provides a pleasant purchasing experience.

6. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

Uttarakhand's market potential is promising, but it is hampered by specific problems such as seasonality, infrastructure constraints, and competition from larger retail chains. These obstacles can be effectively overcome by intelligent marketing, solid supplier relationships, and local alliances. The global epidemic has changed consumer purchasing habits. This volatility has had an impact not only on customer behavior but has also prompted modifications in retail supply chain structures. To satisfy changing consumer needs, grocery stores have had to adjust by reorganizing their supply chains, experimenting with private-label product offers, and expanding their supplier networks. The shift to online food buying has increased competitiveness. Amazon's Online Grocery Store, for example, has a competitive advantage in the digital sphere, posing a big challenge to traditional brick-and-mortar grocery stores. Adapting to the digital landscape and providing flawless online shopping experiences have become critical for keeping competitive in the rapidly changing retail business.

7. SUPPLY OF RAW MATERIAL

A provision store requires a consistent inflow of inventory and that can be accomplished through ties with local producers, wholesalers, and other different sources. Quality assurance and inventory management are critical to ensuring stable supply levels, especially given the region's seasonal changes. Strong vendor connections and efficient logistics are essential for addressing market difficulties such as competition and seasonality.

8. BUSINESS MODEL

To structure a business, available resources, and market conditions must be considered. A classic brick-and-mortar store, an online store, or a hybrid approach are all options. To reach a larger customer base, try offering home delivery services.

9. BUSINESS PROCESS

The business processes include the following:

- Procurement of Inventory: It is the process of sourcing things based on demand and market trends.
- Inventory management: It involves keeping supplies fresh and organized.
- Customer Service: It is to teach employees how to efficiently assist consumers.
- Financial management: It is to maintain accurate financial records and manage cash flow effectively.
- Marketing and Promotion: It is important to promote the business store via multiple media.

10. MANPOWER REQUIREMENT

Sr. No	Particulars	No.	No of the month in year	Wages/Salaries per month (Rs. In Lakhs)	Annual Expense (Rs. In Lakhs)
1	Self-employed	1	12	0.50	6.00
2	Skilled	2	12	0.20	4.80
3	Unskilled	4	12	0.12	5.76
4	Accountant	1	12	0.25	3.00
	Total				19.56

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.	0.41
2	Equipment and Furniture Exp.	3.90
3	Working Capital	42.88
	Total Project Cost	47.19

13. MEANS OF FINANCE

Bank-term loans are assumed @ 60%

Sr. No.	Particulars	Annual Expenses (Rs. in lakhs)
1	Promoter's contribution	18.88
2	Bank Finance	28.31
	Total	47.19

14. EQUIPMENT AND FURNITURE

Sr. No.	Particulars	Unit	Price per Unit (Rs. in lakhs)	Total Amount (Rs. in lakhs)
1	Stainless Steel Containers for storing grains	4	0.10	0.40
2	Display Shelves	2	0.20	0.40
3	Refrigeration Unit	1	0.35	0.35
4	Storage Racks	15	0.05	0.75
5	Cash Counter	1	0.25	0.25
6	Cabinets and Drawers	10	0.05	0.50
7	Chairs and Tables	4	0.25	0.25
8	Computer	1	0.60	0.60
9	Labeling Equipment (printers and labels)	1	0.40	0.40
	Total			3.90

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. Nilkamal & Supreme Furniture
149/1, Main Road-110031,
New Delhi, India
2. Shree Indrraj Furniture
Near Maharshi School, Dewalchour Kham,
Haldwani, Haldwani-263139,
Uttarakhand, India
3. Shree Balaji Traders
73-74, Shree Plaza, Begum Bridge Road,
Near Boundary Road, Lalkurti,
Jawahar Nagar, Meerut-250001,
Uttar Pradesh, India

15. SALES REALISATION

Sr. No	Product	Sales in Percentage
1	Different items like sugar, rice, vegetable oil, ghee, turmeric, powdered chili, salt, flour, wheat flour, gram flour etc.	78%
2	Soap, detergent, detergent cake, phenyl, broom, etc.	4%
3	Ready-to-eat products like biscuits, chocolates, toffies, etc.	15%
4	Stationery items like pens, slate, chalk, notebooks, note pads, eraser, etc.	1%
5	Other items like plastic jugs, buckets strings etc.	2%
	Total	168.73

16. PROFITABILITY CALCULATIONS

The basis of profit calculation;

Sr. No	Particulars	Annual Expenses (Rs. in lakhs)
A.	Sales realization	168.73
B.	Cost of production	
i)	Raw materials	109.67
ii)	Utilities	1.05
iii)	Manpower Cost (Salaries/wages)	19.56
iv)	Administrative expenses	0.17
v)	Selling & distribution expenses	4.08
vii)	Rent	10.00
viii)	Interest	0.48
	Total (B)	145.01
	No of Unit Sold	171293
	Cost of Goods Sold per unit	Rs. 85 (Rupees Eighty-Five)
	Gross profit/loss (A – B)	23.72
	Less: Depreciation	0.89
C.	PBIT	22.83
D	Income-tax	4.57
E	Net profit/loss	18.26
F.	Repayment (Annual)	0.18
G	Retained surplus (E-F)	18.08

17. BREAKEVEN ANALYSIS*(Rs. in lakhs)*

Fixed cost	
Land & Building Rent	10.00
Depreciation	0.89
Interest	0.48
Manpower	5.87
Total Fixed cost	17.24
Variable cost	
Raw materials	109.67
Utilities	1.05
Manpower	13.69
Administrative expenses	0.17
Selling & distribution expenses	4.08
Total Variable cost	128.66
Variable cost per Unit	Rs. 75
Revenue per unit	Rs. 98
Margin per Unit	Rs. 23
Number of Units for Break-Even Point	73697
Actual Capacity	171292

18. STATUTORY/GOVERNMENT APPROVALS

It is important to comply with food safety and business regulations before starting a provision store business.s

1. Shop and establishment license is necessary for operating a provision store wherein working hours, employment conditions, and other regulatory requirements are stipulated.
2. Trade License: The business has to obtain a trade license from the local municipal corporation. This license permits to carry out commercial activities within a specific jurisdiction.
3. FSSAI-Food safety license registration is a must-have document for food-related sales to meet legal requirements. The Food Standards and Safety Authority of India (FSSAI) is the primary authority in charge of food safety regulation and oversight. As a result, according to the law, FSSAI Basic Registration is required.
4. Registration of business for Goods and Service Tax (GST) with the Goods and Service Tax Network (GSTIN) as it applies to all the products.

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 suppliers of furniture and fixtures are mentioned in the profile, although many 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.