

28 WOODEN MEMENTO / SOUVENIR MAKING



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1. INTRODUCTION

The Wooden Memento/Souvenir Making project is an endeavor to promote local craftsmanship and create employment opportunities in the picturesque state of Uttarakhand, India. This micro and small investment project aims to harness the natural beauty of Uttarakhand's wood resources to craft exquisite wooden mementos and souvenirs that capture the essence of this region's rich culture and natural splendor. This profile serves as a valuable reference for aspiring entrepreneurs seeking to venture into the wooden souvenir industry.

2. PRODUCT & ITS APPLICATION

The project aims to produce high-quality wooden mementos and souvenirs, celebrating the rich culture, beautiful landscapes, and enduring traditions of Uttarakhand. Through the meticulous craftsmanship of handcrafted wooden items, the project brings to life a variety of products. These include intricately carved wooden figurines that capture the essence of local wildlife, deities, and cultural symbols, alongside engraved wooden plaques that depict the breathtaking scenery of Uttarakhand's mountains, forests, and rivers. Additionally, artfully designed wooden keychains and a range of decorative home items like candle holders, coasters, and wall hangings reflect the unique aesthetics of the region. The project also offers customized wooden souvenirs tailored for special occasions and events, catering to the tourism industry, local markets, and souvenir shops. These creations serve as cherished keepsakes for both tourists and residents, embodying the spirit of Uttarakhand in every piece.

3. DESIRED QUALIFICATION FOR PROMOTER

For a successful venture in the Wooden Memento/Souvenir Making project in Uttarakhand, the promoter needs a blend of artistic talent and practical business skills. Proficiency in woodworking, carving, and an overall appreciation for artistic craftsmanship are fundamental, allowing for the creation of unique items that reflect the region's rich culture and natural beauty. In addition to artistic skills, a thorough understanding of the market is essential, particularly insights into the preferences of both locals and tourists regarding souvenirs and mementos. Solid business management skills are also critical, encompassing budgeting, marketing, and inventory management, to ensure the venture's sustainability and growth. While a formal education in woodworking or craftsmanship can be advantageous, it's the passion for creating distinct wooden items that embody Uttarakhand's essence, which stands as equally important. Knowledge of and compliance with local regulations and permits for wood processing and souvenir manufacturing are also key to operating smoothly within the legal framework.

4. INDUSTRY OUTLOOK AND TRENDS

The souvenir industry in Uttarakhand, buoyed by its flourishing tourism sector, presents ample opportunities for growth, especially for ventures like the Wooden Memento/Souvenir Making project. Trends that are shaping the market include a focus on sustainability through the use of locally sourced wood, the rising demand for customized products that offer unique experiences, the strategic use of online platforms to extend market reach, and collaborations with local artisans and tourism agencies to enrich product offerings. Emphasizing quality and the cultural richness of the region's heritage can position such a project for success amidst these industry dynamics.

Regarding the broader gifts, novelty, and souvenirs market, statistics highlight its promising outlook. The market is anticipated to expand at a compound annual growth rate (CAGR) of 3.4% from 2022 to 2027, with an expected increase of USD 13,731.6 million in its size. Despite the steady growth rate observed in 2022, the market is poised for continued expansion. Significantly, India stands as the world's largest exporter of wooden handicrafts, catering primarily to markets in the United States, Germany, and the United Kingdom. Wooden mementos, with their potential for customization, such as engraving names, dates, and specific details, offer personalized experiences. These can range from desk accessories like pen holders, paperweights, to business card holders, each capable of capturing the essence of special occasions.

5. MARKET POTENTIAL AND MARKETING ISSUES; IF ANY

The market potential for wooden mementos and souvenirs in Uttarakhand is promising, driven by the state's popularity among tourists seeking unique keepsakes. Factors such as tourism growth, cultural significance, demand for gifts and home decor, and online sales opportunities contribute to this potential. However, the project may encounter marketing challenges like competition, seasonal variation in tourist influx, quality control, and distribution logistics. Overcoming these challenges through unique designs, seasonal inventory management, maintaining quality, and establishing a robust distribution network will be crucial for the success of the Wooden Memento/Souvenir Making project.

Some of existing Players:

- **Wood Creators:** Address: 93HR+G27, IAS Officers Colony, Kishanpur, Dehradun, Uttarakhand 248009
- **WINNING MOMENTS:** Address: FIRST FLOOR, 8, Chakrata Rd, near CLOCK TOWER, Clock Tower, Paltan Bazaar, Dehradun, Uttarakhand 248001

6. RAW MATERIAL REQUIREMENTS

The Wooden Memento/Souvenir Making project necessitates a careful selection of raw materials, central to which is wood, the primary medium for crafting these unique items. High-quality, locally sourced varieties of wood such as pine, deodar, or other suitable hardwoods are essential, with a preference for those that have been seasoned and treated to ensure durability and longevity of the final products. The crafting process will also require a comprehensive set of carving tools, including chisels, gouges, and mallets, to enable intricate and detailed woodwork. To achieve a polished and aesthetically pleasing finish, materials such as sandpaper, varnishes, and stains will be indispensable. Additionally, the creation of visually appealing and culturally resonant mementos may also call for various design elements, including paints, dyes, or embellishments, depending on the specific designs envisioned for the souvenirs.

Some of raw materials' suppliers are:

- **Jagdamba Timber Works & Plywood:** Address: 36FX+X53, Bypass Road, Devedhar Vihar, Gummawala, near D.S.B School, Rishikesh, Uttarakhand 249204. Phone: 094126 78698
- **Devbhoomi Timber's:** Address: Kashipur Road, near NazjarAn Masjid, Bhawaniganj, Ramnagar, Uttarakhand 244715

7. MANUFACTURING PROCESS

The production of wooden mementos and souvenirs is a meticulous process that begins with the selection of wood, emphasizing the importance of choosing the right type for each specific product. The wood must be dry and devoid of defects to ensure the quality of the finished item. The design phase follows, during which designs that capture the essence and aesthetics of Uttarakhand are either created or selected.

Carving is the next critical step, requiring precision and attention to detail as artisans use specialized tools to bring the chosen designs to life. After carving, the items undergo a finishing process where they are sanded to remove any rough edges, and then varnish, stain, or paint is applied to both enhance their appearance and protect the wood. Quality control is an integral part of the manufacturing process, ensuring each item meets a set standard of quality and consistency. Once approved, the mementos are carefully packaged to prevent damage during transportation.

The final step involves marketing and distributing the products, utilizing local markets, souvenir shops, and online platforms to reach a wide audience. Effective distribution channels are established to ensure these unique items find their way to customers efficiently.

Additionally, adherence to relevant ISO standards, such as ISO 4860:1982 for determining volumetric swelling of wood, and ISO 8903:1994 and 2016 for broadleaved sawn timber nominal sizes, along with ISO 8904:1990 for size measurement methods, ensures that technical specifications and general characteristics meet global benchmarks.

8. MANPOWER REQUIREMENT

Sr. No	Particulars	No. of Person	Months	Monthly Wages Amount/Person (Rs in Lakhs)	Monthly Wages - Total (Rs in Lakhs)	Annual Expenses (Rs in Lakhs)
1	Skilled	1	12	0.22	0.22	2.64
2	Semi-skilled	2	12	0.15	0.30	3.60
3	Unskilled	3	12	0.10	0.30	3.60
	Total					9.84

9. IMPLEMENTATION SCHEDULE

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

10. COST OF PROJECT

Sr. No.	Particulars	Amount (Rs in Lakhs)
1	Pre-operative Expenses	0.70
2	Land and Building	8.00
3	Machinery	10.53
4	Equipment and Furniture	2.00
5	Working Capital	1.75
	Total Project Cost	22.98

11. MEANS OF FINANCE

Bank-term loans are assumed @75 % of fixed assets.

Sr. No.	Particulars	Percentage Share	Amount (Rs in Lakhs)
1	Promoter's Contribution	25%	5.75
2	Bank Finance	75%	17.24
	Total		22.98

12. LIST OF MACHINERY REQUIRED

A. Machinery

Sr. No	Particulars	Unit	Unit Cost (Rs in Lakhs)	Total Amount (Rs in Lakhs)
1	Laser Engraving machine	1	3.00	3.00
2	Band Saw Machine	3	0.25	0.75
3	Wood Carving Tools (Chisels, Gouges)	Set	0.65	0.65
4	Sanding Machine	5	0.025	0.13
5	Varnishing and Finishing Tools	5	0.08	0.40
6	Paints and Stains	Set	0.40	0.40
7	Dust Extraction System	3	0.15	0.45
8	Workbenches	7	0.12	0.84
9	Storage Racks	5	0.10	0.50
10	Packaging Equipment (Cartons)	Set	0.45	0.45
11	Inventory Management Software	1	0.15	0.15
12	Safety Equipment (Goggles, Masks)	Set	0.38	0.38
	Total Amount			8.10

	Tax, Transportation, Insurance, etc.	1.62
	Electrification Expenses (Wiring)	0.81
	Grand Total	10.53

B. Furniture & Equipment

Sr. No	Particulars	Unit	Unit Cost (Rs in Lakhs)	Total Amount (Rs in Lakhs)
1	Office Furniture (Desks, Chairs)	2	0.55	1.10
2	Display Cabinets and Shelving	5	0.10	0.50
3	Computer for admin and Printer	1	0.40	0.40
	Total Amount			2.00

1. Micron Lasers
No.92/2, Road No. 4, Mundka,
Paschim Vihar, New Delhi-110041, Delhi, India
2. Lakshmi International
2-62, North Street, Coimbatore,
Erode- 638454, Tamil Nadu, India
3. Daksh Enterprises
B-9/1, Badli Industrial Estate,
Samay Pur, Delhi - 110042, India

13. SALES REALIZATION CALCULATION

Sr. No	Product	Quantity (in units)	Sales in Percentage	Total Sales (Rs in Lakhs)
1	Wooden Momento - Various	866	100%	65.00
		Total	100%	65.00

14. PROFITABILITY CALCULATIONS

Sr. No	Particulars - Amount (Rs.)	Year-I (Rs in Lakhs)
A.	Sales Realization	
	Sales (Assuming 15% growth per year)	65.00
	Other Income (Assuming constant)	
	Total Sales Realization	65.00

B.	Cost of Production	
	i) Raw Materials	33.80
	ii) Utilities (Assuming constant)	0.60
	iii) Manpower (Salaries/wages)	9.84
	iv) Administrative Expenses (Assuming constant)	0.36
	v) Selling & Distribution Expenses (Assuming constant)	0.48
	viii) Interest (Assuming constant)	2.30
	Total Cost of Production	47.38
	No of Units Produced	9,476
	Cost of Goods Sold	0.075
	Gross Profit/Loss (A – B)	17.63
	Less: Depreciation	1.84
C.	PBIT (Profit Before Interest and Tax)	15.79
D.	Income-tax (Assuming 28% tax rate)	4.42
E.	Net Profit/Loss (C - D)	11.37
F.	Repayment	2.30
	Retained Surplus (E - F)	9.07

15. BREAKEVEN ANALYSIS

Fixed cost	Year-I (Rs in Lakhs)
Depreciation	1.84
Interest	2.3
Manpower	2.95
Total Fixed cost	7.09
Variable cost	
Raw materials	33.8
Utilities	0.6
ManPower	6.89
Administrative expenses	0.36
Selling & distribution expenses	0.48
Total Variable cost	42.13
Contribution margin	20%
Break-Even Point in Value	35.45

18. STATUTORY/GOVERNMENT APPROVALS

Starting a Wooden Memento/Souvenir Making business in Uttarakhand may require several statutory and government approvals. Here are the key approvals and licenses to consider:

- **Business Registration:** Register your business as per the relevant government regulations, such as a Sole Proprietorship, Partnership, Private Limited Company, or any other suitable legal structure.
- **GST Registration:** Register your business for Goods and Services Tax (GST) to comply with tax regulations.
- **Environmental Clearances:** Depending on the scale of your operations and potential environmental impact, you may need environmental clearances from the State Pollution Control Board.

19. BACKWARD AND FORWARD INTEGRATIONS

A. Backward Integration

Backward integration involves acquiring or controlling suppliers of raw materials, components, or services that are part of your manufacturing process. In the context of Wooden Memento/Souvenir Making, you might consider the following:

- **Timber Procurement:** Establish tie-ups with local or regional timber suppliers to ensure a consistent supply of quality wood for your products.
- **Wood Processing Unit:** Consider setting up a small wood processing unit to prepare wood planks, shapes, and designs in-house.
- **Artistic Collaborations:** Collaborate with local artists or craftsmen to design unique wooden mementos that showcase regional artistry.

B. Forward Integration

Forward integration involves expanding your business activities into distribution, marketing, or retailing to capture a larger share of the market. For a Wooden Memento/Souvenir Making business, you might explore:

- **Online Sales Platform:** Create an e-commerce website or partner with popular online marketplaces to sell your wooden mementos globally.
- **Retail Stores:** Establish your retail outlets or showcase your products in existing gift shops, art galleries, or tourist centers.
- **Export Market:** Explore opportunities to export your products to international markets, especially regions with a high demand for souvenirs.
- **Customization Services:** Offer customization services for personalized wooden mementos, catering to specific events, occasions, or corporate gifting.

These integrations can help you optimize your supply chain and reach a broader customer base, ultimately boosting your business's growth and profitability.

20. TRAINING CENTERS AND COURSES

For entrepreneurs and individuals interested in venturing into the Wooden Memento/Souvenir Making business in Uttarakhand, there are various training centers and courses available to acquire the necessary skills and knowledge. These training programs can help individuals gain expertise in woodworking, craftsmanship, and entrepreneurship. Here are some options:

- **Industrial Training Institutes (ITIs):** ITIs offer courses in woodworking, carpentry, and related trades. These courses provide hands-on training in using woodworking tools and machinery, wood finishing techniques, and safety practices.

- **Woodworking Workshops:** Local woodworking workshops and artisans often conduct short-term courses and workshops. These programs focus on specific woodworking skills and techniques needed for crafting wooden mementos and souvenirs.
- **Skill Development Initiatives:** The Government of Uttarakhand and the Government of India have launched skill development initiatives. These programs aim to provide training and support to individuals interested in starting their own businesses, including those in the wooden handicrafts industry.
- **Entrepreneurship Development Programs:** Various institutions and organizations offer entrepreneurship development programs that cover aspects of business management, marketing, and financial planning. These programs are valuable for those looking to establish and manage their wooden memento business successfully.

It's advisable for prospective entrepreneurs to research and enroll in training programs that align with their specific needs and goals. Additionally, networking with experienced artisans and craftsmen in Uttarakhand can provide valuable insights and mentorship in the field of wooden memento and souvenir making.

Disclaimer

Only few machine manufacturers/institutes are mentioned in the profile, although many machine manufacturers/institutes are available in the market. The addresses given for machinery manufacturers/institutes 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.