



# BUSINESS PLAN

## SAMPLE

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## 1.0 Executive Summary

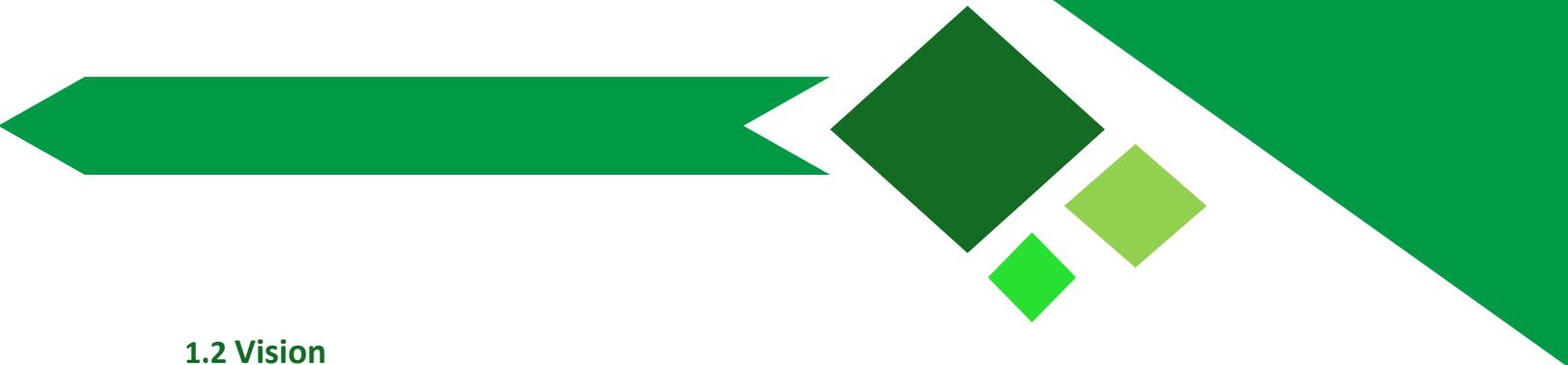
### 1.1 Introduction

Indian retail industry is one of the fastest-growing in the world. The retail industry is expected to reach Rs. 76.87 lakh crore (US\$ 1.1 trillion) by 2020<sup>1</sup>. India is the fifth largest and preferred retail destination globally. The country is among the highest in the world in terms of per capita retail store availability. India's retail sector is experiencing exponential growth with retail development taking place not just in major cities and metros, but also in tier II and III cities. Healthy economic growth, changing demographic profile, increasing disposable income, urbanization, changing consumer tastes and preferences are some of the factors driving growth in the organized retail market in India.

The Indian domestic furniture market is expected to grow at a CAGR of 12.91 percent from 2020 through 2024, while the global furniture market is estimated at \$1.1 trillion<sup>2</sup>. Over the past few years, the utilization of wooden goods in professional space and outdoors has increased as people have started using wood for furnishing cupboards, decorating, and other purposes. Apart from this, the demand for engineered wood furniture is rising in metro cities such as Delhi, Mumbai, Kolkata, and other major cities.

Further, the growth of the real estate sector in India is anticipated to boost the demand for modular furniture in urban areas in India. Apart from this, rising investment in the retail sector by various national and international entities is anticipated to foster the growth of the furniture market in India.

Nowadays, consumers are replacing their furniture more frequently than in the past, which is largely due to increasing standards of living and a steady increase in disposable income across the board. These are some of the factors driving the continued growth of the Retail Furniture market.

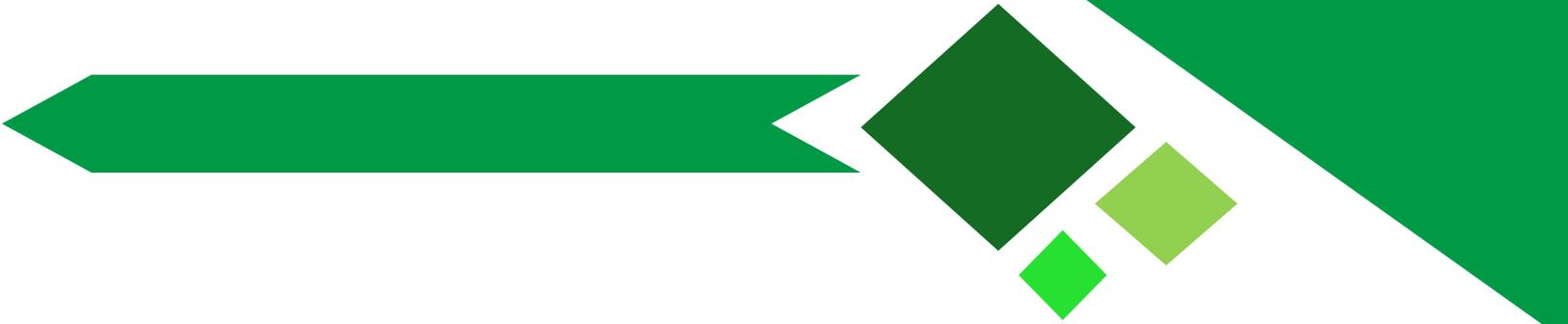


## 1.2 Vision

To establish as one of the top furniture manufacturing companies in the country. To provide innovative and quality products to our customer meeting their expectations. To be committed to seeking growth and prosperity achieving a sustainable competitive share of the industry. To continue to bring in improvements in quality, productivity, value, innovative product offerings.

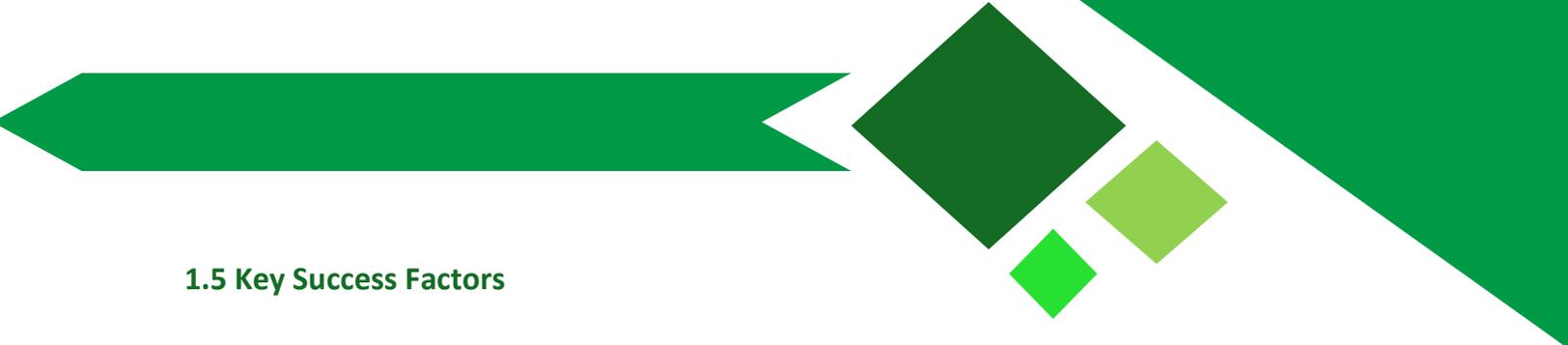
## 1.3 Mission

To provide and promote business and related services that strengthen the furniture manufacturing and retail sector for the ultimate benefit of its customers and society. To aim higher to establish a very decent global market. To be a profitable, ethical, and market-driven company. To consistently provide reliable products in all categories of modular furniture systems.



## 1.4 Objectives

- To offer our customers affordable quality furniture that will last.
  - To maintain technological leadership through a continuous effort to update product technology and manufacturing method.
  - To provide one-stop solutions including supply of different furniture products as per the brand/ retailer/ customer guidelines.
  - To meet the expectations of the customers with the right coordination with architects/ brand architect.
  - To establish relationships with designers of unique and fine furniture.
  - To establish the company's name and image in the market as a specialty manufacturer of custom-designed furnishings within the next three years.
  - To achieve the gross profit of ..... amount and ..... percentage by the end of 3 years projected period.
  - To hire highly-qualified and multidisciplinary personnel for the business and expand the team to cater to future growth.
  - To review and measure the company's growth and impact periodically, aligning business strategies with existing market trends.
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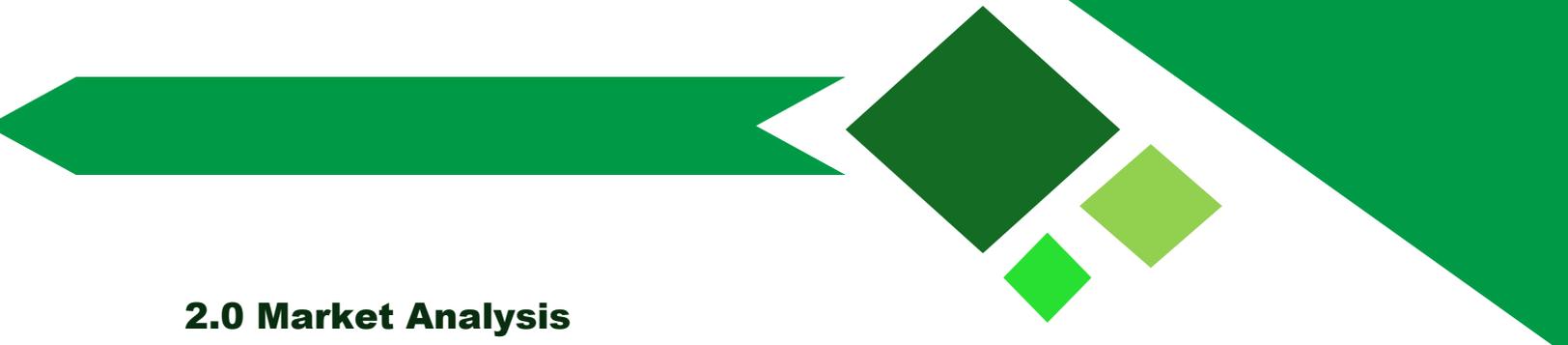
## 1.5 Key Success Factors

**EXPERIENCE OF THE FOUNDERS:** The founders of the company, Mr. Rajesh Saraha have a combined industry experience of about 8 years. Their strong background in the retail and manufacturing furniture industry will drive the business growth and enable them to capture the initial market share and establish long-term client relationships.

**EXTENSIVE MARKETING STRATEGIES:** The company will leverage the power of e-mail marketing and social media like Face-book and others to target its potential customer base. It will regularly update the posts, images, and blogs on the social media sites to share the latest projects accomplished and access the demand of new customers. **Through these techniques the start-up will be able to earn a revenue of Rs..... by the end of fifth year.**

**PROFESSIONALLY QUALIFIED TEAM:** The entire team of the company will be immersed in the vision and mission of the company. The company will also be providing regular training to the new and existing employees to keep them up to date about the latest developments and changes in the manufacturing and retail furniture industry that will, in turn, help them in providing exceptional customer services.

**GEOGRAPHIC COVERAGE:** The company aims to cover the major metropolitan cities including Delhi, Mumbai, etc. India is a growing market for retail and manufacturing furniture, this provides a huge opportunity for the company to grab the maximum market share initially as possible.



## 2.0 Market Analysis

India is a land of wonderful and marvelous artistic work of wood. The rich handicraft and beautiful traditional attributes of art and design have established a reputation of the Indian Furniture Industry in the nation and worldwide. Traditionally, furniture has been made of wood. With the industrial revolution, furniture manufactured from materials such as steel, aluminum, glass, and plastic, began to appear. These materials may have revolutionized the way the furniture was used to be manufactured and thereby leading to the upliftment of the Retail furniture market in a small period.

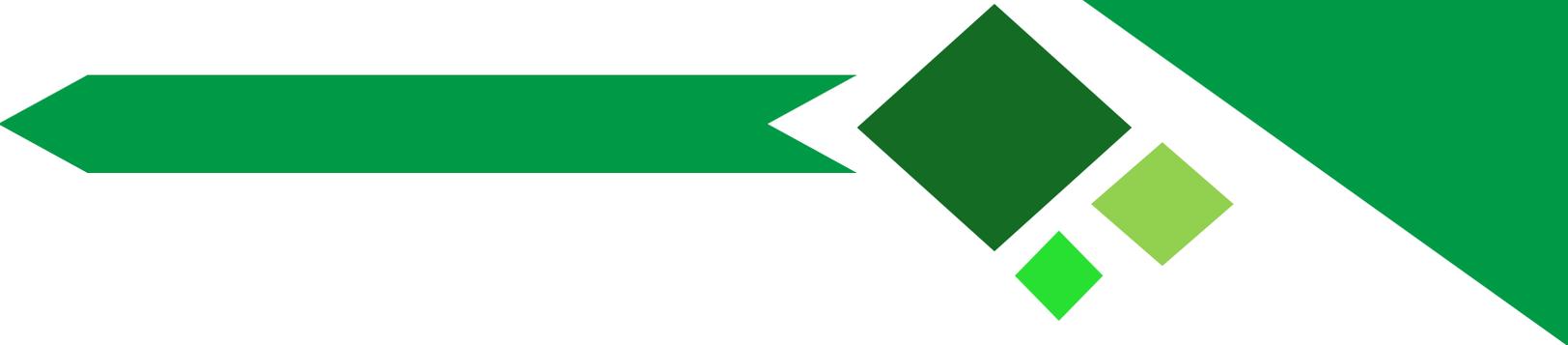
Furniture retailing in India has traditionally been highly fragmented and unorganized. This has been caused by high offline rentals along with challenges of consolidating the supply and demand at a national scale- leading to the absence of many nationally recalled brands. Over the last few years, a combination of strong marketing and retail merchandising is driving demand creation. Two megatrends are changing the demand side of furniture buying-

1) increased digitization and 2) growing share of urban millennial- which is causing a major disruption to the customer needs and purchase journeys.

Indian furniture market is forecasted to expand at a rate of 12.91% during 2016-2023<sup>3</sup>. There are growing investments in tire 1 and tire 2 cities in the nation which is leading to a rise in the number of interior designing and designers in India in these cities.

### RETAILING SECTOR

In the furniture fittings industry, the local, unorganized sector, that ruled the market for decades, is seeing a slow down as more and more people are looking for professional furniture fittings manufacturers. The trend will grow in the coming years and big brands with innovative strategies and cutting edge technology are likely to take over the market.



Increasing demand for online shopping is expected to help the retail furniture and manufacturing market to grow. Manufacturers can now sell their products on a larger platform than before, which will increase their customer base geographically, driving the growth of the furniture manufacturing market. In countries such as India, for instance, e-commerce portals have boosted the sales of furniture manufacturers by giving larger exposure to products. Other key factors expected to drive the retail furniture market are mentioned below:

1. Increasing government investments in infrastructure development
2. Rising demand for luxury and premium furniture from certain consumer sections.
3. One of the additional factors driving the demand for premium furniture market in major metropolitan cities is rising disposable income
4. Tourism and hospitality industry growth

Viransh the



## 2.1 Furniture Market In Metro Cities

The furniture industry has come a long way in procuring the maturation of the market in all its inhibitions. Peculiarly after the pandemic attack throughout the world, every commodity of every market got affected by the complete lack of transportation and E-commerce service. Yet, the tycoons of furniture bazaar say, that even though the industry has suffered a huge loss, they were able to recover a reasonable amount of net projected income at the end of the year 2020. The demand for furniture has arisen significantly in metropolitan cities which can be seen from the following driving factors:

### **CONSUMER BEHAVIOUR**

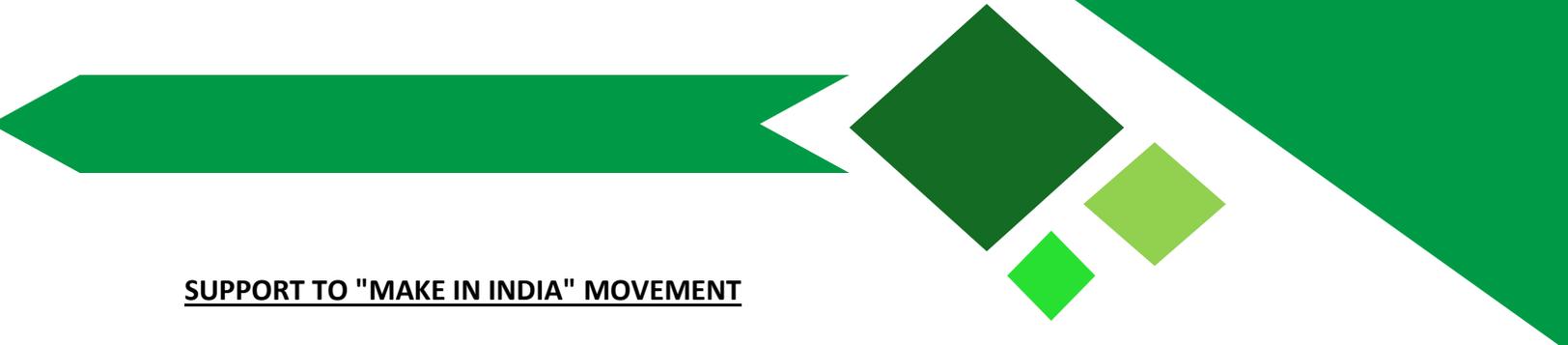
The growing popularity of rentals and solution-based designs is completely changing the nature of demand. Additionally, buyers are extensively digitizing their purchase journeys- right from research to payment stage. Retailers need to not only actively look at offering superior digital journeys to their customers, but also fundamentally rethink the very nature of their offerings for these segments.

### **PRODUCT PREFERENCE**

People today run for comfort life. People who have moved to their village and other remote areas experienced an uncomfortable working posture while working and it leads to the purchasing of comfortable chairs, recliners, and sofas over the aesthetic and design aspect. This has triggered the manufacturing of such ideal furniture products that have a complete configuration of comfort, and design. This is yet another reason behind the furniture industry being optimistic for the year 2021.

### **INCREASEING NUMBER OF SHOPPING MALLS**

With the increasing number of shopping centers in India including metro cities, the furniture retail industry is expected to see a hike in its growth structure. There are around 255 operational malls in India with around 95 malls in Delhi itself. These number shows the growing demand of customized furniture by brands/ architects<sup>4</sup>.



## **SUPPORT TO "MAKE IN INDIA" MOVEMENT**

The Government of India has always supported self-manufacturing because it will provide high revenue, employments, and maximum export to the world. This has provided prodigious support to “MANUFACTURING” concerning Indian Furniture Market in the financial year 2020 to 2026<sup>5</sup>.

Recently, one more initiative was launched by the government under the name tag, “Vocal for Local”. The intention behind this scheme is to support all the local retailers and manufacturers across the nation, which is very beneficial for the furniture industry to expand and grow into the roots. These initiatives will prove to be the helping hand for the start-up as it will render a ready market to work in. **This will lead the start-up to generate a gross profit of ... by the end of fifth year.**

## **EFFICIENT LOGISTICS AND THOROUGH CONNECTED E-COMMERCE NETWORK**

One of the major reasons behind the furniture industry being optimistic is logistics. The prompt delivery service across even the remotest towns and cities has been made possible just because the demand has proliferated concerning the furniture units. The furniture industry has gained momentum and is growing at an exponential rate in India as well as globally.



## 2.2 Demand and Future Of Furniture Market

- The furniture industry witnesses a spike in demand for multifunctional furniture, this comes up as one of the prime reasons for driving the demand for online retail furniture market growth.
- Growing brand consciousness and increasing expenditure on furniture goods among millennial are supporting the market growth for the last few years.
- Consumer preference for premium quality products, increasing urban population, and rising disposable income are a few other factors that are positively influencing the furniture market.
- Besides, the projected increase in the tourism and hospitality sectors is also expected to spur the demand for furniture in the country through 2019. The western and southern regions may continue to be the leading revenue generators due to developments.
- With growing employment opportunities, the purchasing power of Indian consumers is increasing, which is consequently expected to continue and boost the demand for designer as well as standardized furniture in the country in the forecast period i.e. 2016-2026<sup>6</sup>.
- Due to significant demand from the younger generation, key players have now come up with various offers on their products along with DIY furniture products. This strategy makes the products quite affordable and supporting market growth.
- The rise in residential and commercial construction and the increasing number of strategic alliances and partnerships, easy availability of furniture in various regions through the online platform is influencing the sales of domestic furniture products.



## 2.3 Top Trends in Furniture Industry

### 1. Policy support for Manufacturing.

As per the "Make in India" and "Vocal for Local" initiative, the Government of India aims to increase the share of the manufacturing sector in the country's GDP to 25% by 2025. Additionally, in August 2019, the Government permitted 100 percent FDI in contract manufacturing through the automatic route, further encouraging the growth of the sector<sup>7</sup>.

### 2. Online is the fastest-growing channel in developing markets.

Online stores are becoming the fastest-growing channel at a CAGR of 16.6 percent. Many companies are putting more effort towards their online retail stores, by adding benefits for consumers who shop online such as free delivery and installation and even same-day pick up.

### 3. Export of Retail Furniture.

The rise in export demand and e-commerce is driving the growth of this sector. For manufacturing and retailing, India is already poised for success with the availability of resources, manpower, and superior technology, and policy support to drive the growth.

### 4. More furniture vendors are choosing to go green.

Many vendors are developing eco-friendly furniture. This trend is driven by environmental concerns, such as the problem of deforestation. Although eco-friendly furniture is more expensive, the demand is on the rise, making it worthwhile for manufacturers and companies to offer these products.

## 3.0 Competitive Analysis

### 3.1 Elemental

The logo for Elemental, featuring the word "elemental" in a lowercase, sans-serif font. The letter "a" is stylized with a red dot above it.

Description: At Elemental Fixtures, the team execute retail design solutions for some of India's leading retail brands. The company also create bespoke furniture and fixtures across a range of sectors including healthcare, education, corporate enterprises and residences. The company owns 500 artisans and is spread across a whopping 4,50,000 sq.ft. space, with three dedicated millwork, metal and powder coating manufacturing facilities<sup>8</sup>.

Popularity: Twitter - 28 followers  
Facebook - 847 likes

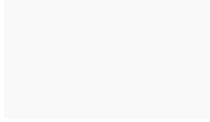
### 3.2 Instor

The logo for Instor, featuring the word "instor" in a lowercase, sans-serif font. Below it, in smaller text, is "KIDER INDIA PVT. LTD.".

Description: Instor by Kider India Pvt. Ltd. is the largest manufacturer and exporter of retail fixtures and industrial solutions in India. With a unique design approach, state-of-the art manufacturing facility, proven processes and "we care" pledge, we deliver a wide range of solutions for retail and other industries. The company fully embrace the "Make in India" initiative and stand behind everything they build<sup>9</sup>.

Popularity: Twitter - 237 followers  
Facebook - 6054 likes

### 3.3 Decolab



Description: Decolab has been established since 2005. Headquartered in Dubai - UAE our superior in house production facility boasts of a mix of “high tech” state of the art machinery & equipment & “high touch” handmade craftsmanship to create world class bespoke joinery & finishes in line with our customers mandate, defined budgets & delivery time lines.

The company specialize in complete turnkey interior fit out & furnishing solutions in hospitality, retail, travel – retail industry, commercial & residential sectors within the UAE, GCC, Middle East, Africa, Europe, Indian Sub - continent & Asia<sup>10</sup>.

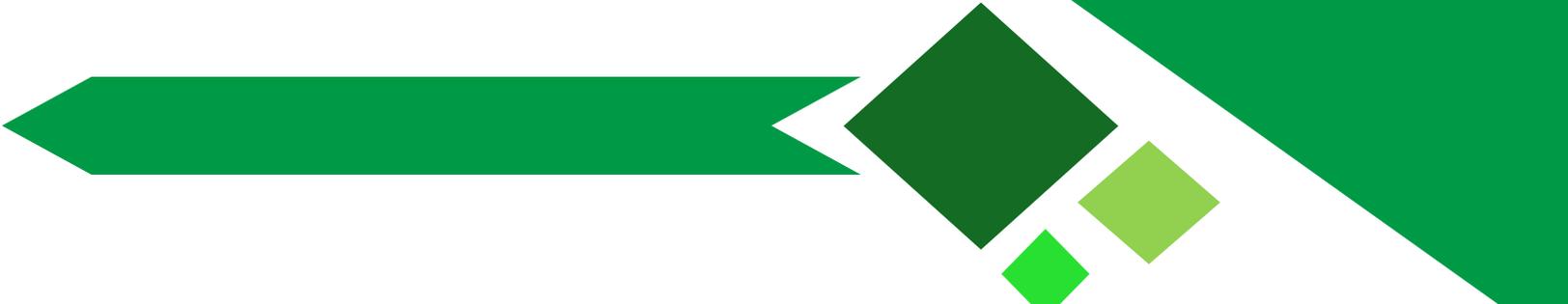
### 3.4 Synergy



Description: Synergy Punching was incepted in the year 2001 to cater to the needs and growing demand of sheet metal enclosures. Manufacturer and Suppliers of Sheet Metal components, Kiosk Enclosures, Lazer Cutting Services, Retail fixtures and ATM Enclosures. In eighteen years of our existence, the company is synonymous with sheet metal fabrication with a varied product range from concept to creation<sup>11</sup>.

Popularity: Twitter - 27 followers

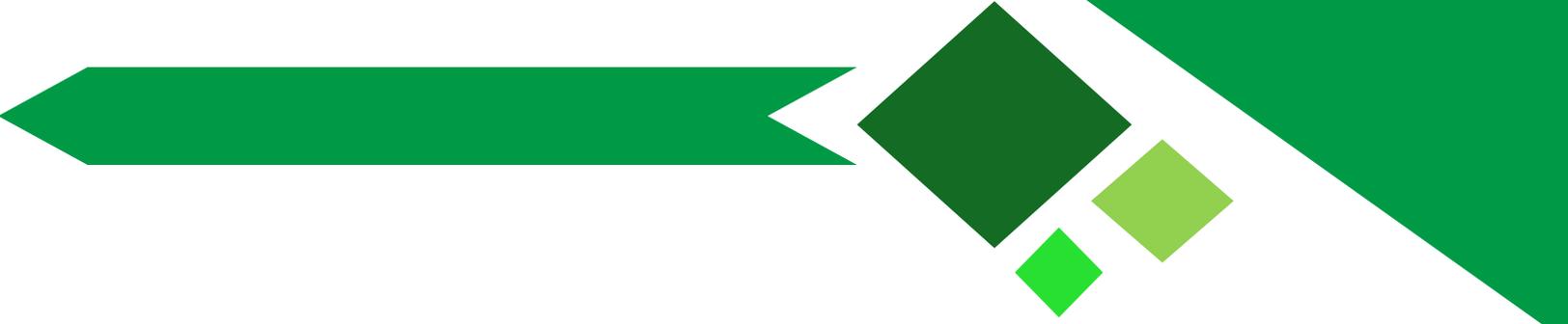
Facebook - 161 likes



## 4.0 Marketing Strategies

Below are some of the marketing strategies that the company will adopt to expand its outreach:

1. **Website marketing:** The website is a very basic and easy source to attract and retain potential customers. The company will direct the traffic to its website by making it user-friendly. The company will make sure to display contact form, blog icon, social media icons, featured products and services on its website so that customers find it easy to find any information and post any inquiry.
2. **Partnership with top retailers and wholesalers:** The company would partner itself with top retailers and wholesalers to expand its business across India. This will help the company to get major business deals and earn huge profits. This will even allow the company to grab a significant market share in the industry as compared to competitors.
3. **E-mail Marketing:** This marketing technique will allow the company to build brand awareness among customers which will lead to acquiring new customers or convincing current customers to purchase something immediately. E-mail marketing has a quick and wide reach, approximately 3.9 billion people use email daily which will generate business leads for company<sup>12</sup>.
4. **Social Media Marketing:** Company will use social media platforms to promote its products. This will allow the company to increase its brand visibility in just one click. The company will create short videos and post testimonials of its products, share the company's development, etc. This will surely help the company in increasing its customer base and therefore revenue.



5. Promotional Activities and Events: The Company will consider the following activities and events to promote its business:

- **Online Ads:** Company will advertise its product through online channels to expand their reach to potential customers. Start-up will make use of Facebook, Twitter, Yelp etc. to go online and interact with customers.
- **Pay per click (PPC):** Company will follow this marketing channel for buying visits of the prospective client which may turn into valuable customers.
- **Search engine optimization (SEO):** Company will divert the traffic to its website or web page by allowing them quality services and will offer profitable deals.
- **Live Chat:** Customers are more realistic now. 30% of customers expect websites to offer a live chat option. The company will make use of this strategy to increase revenues in future years<sup>13</sup>.

**Conclusion:**

Effective marketing channels provides a platform for the start-up to advertise itself in the industry among potential brands, architects. It offers a way to boost the company's revenue and customer base. Keeping the customer's preferences in mind, effective marketing will lead to achieve net profit of .... rupees by the end of fifth year after incurring regular expenses.

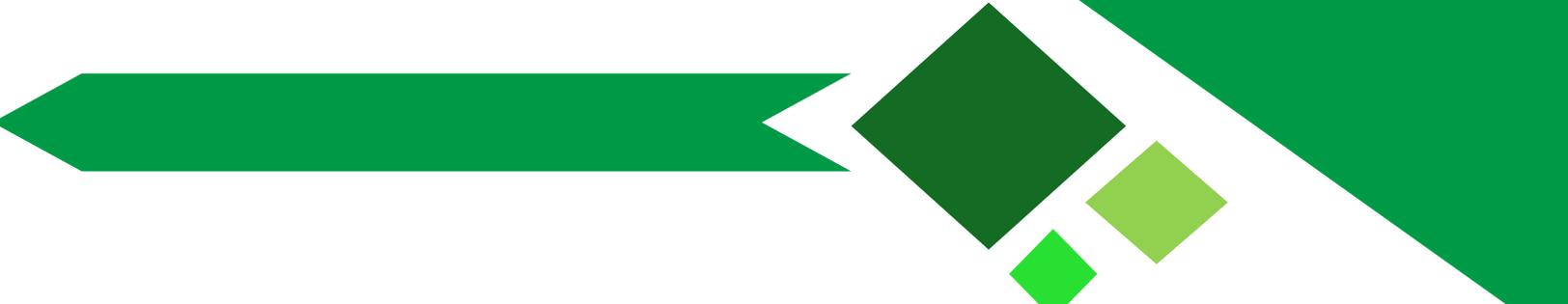
## 5.0 Management Team

### Professional Synopsis

Mr. ABC is working as an operational manager at XYZ from past 7 years. He poses an exceptional skills in contract negotiation and AutoCAD. He has specific industry knowledge in project estimation and cost management.

His experience and knowledge will help in laying the foundation of start-up successfully. His time investment in the furniture industry has insisted him to set up his own manufacturing and retail furniture start-up. His responsibilities will include managing the overall administration and supervision of the organization.





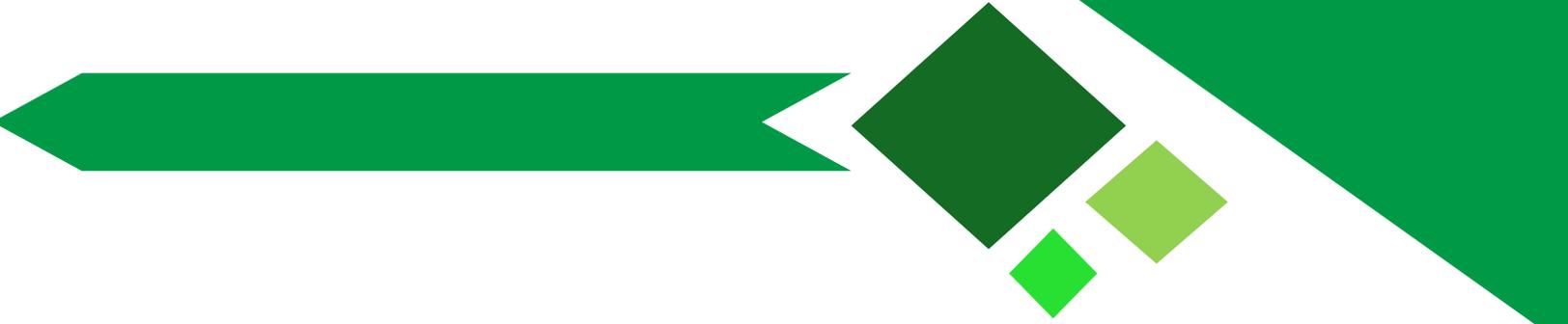
## 6.0 SWOT Analysis

### 6.1 Strength

1. To streamline its operations and to grab client's attraction, the company is spending heavily on marketing its brand name among potential customers. Being a new entrant into the market it is necessary to establish a strong presence in the market. Hence the company is occupying every marketing source to get into the nerves of old and potential customers.
2. Company has established strong connections with the suppliers of raw materials for the manufacturing of furniture. This will help the company in avoiding any hindrance in the supply chain system and thus will lead to the smooth accomplishment of projects.
3. The rich experience of the owner and staff personnel in the field of manufacturing and retailing furniture will lead the company to touch new heights. The owner's knowledge about the demand of customers and market will surely lead to the successful establishment of the start-up.

### 6.2 Weakness

1. The world is becoming more tech efficient and hence to establish its name in the market the company needs to plan more investment in new technologies. As the company is planning to expand its business across metro cities hence the company needs to put more money in technology to integrate the processes across the board.
2. In today's era, the backbone of a successful organization is its workforce. But in this industry, hiring and retaining an experienced workforce is a difficult task. The company will have to put extra efforts to acquire the staff to develop its brand image in the target market.
3. Every customer demands physical output/sample be seen before placing any new order with a new company entered in the industry. The company being a new one lacks on this point, but the staff personnel will try its best efforts to convince and satisfy its potential customers to place the order with the company.

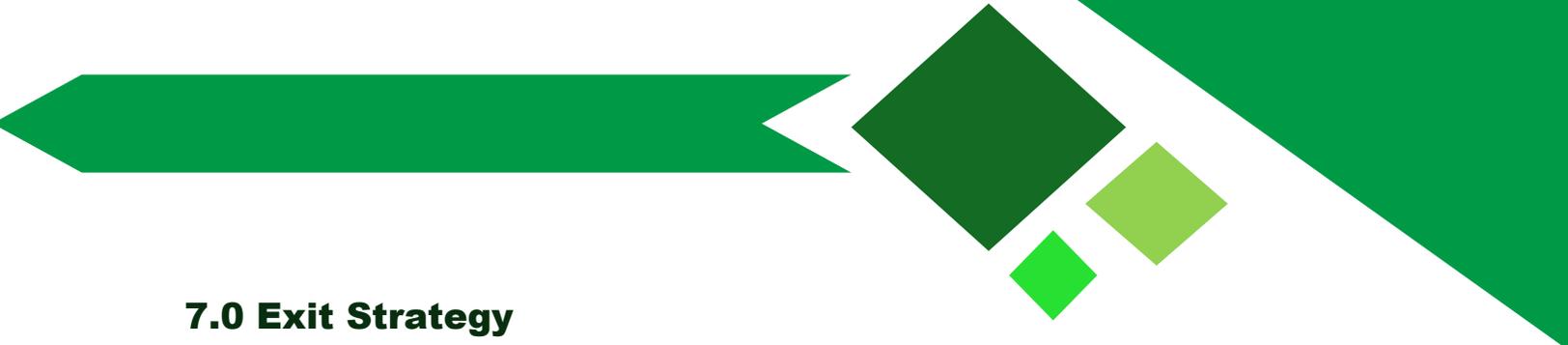


### 6.3 Opportunities

1. The industry has now seen an economic uptick and increase in customer spending after such an economic slowdown brought by COVID-19. This provides a huge opportunity for the company to capture new customers and increase its market share.
2. Under the current industry scenario everything from big to small is available on the online platform. This has opened new avenues for the company, as in the next few years the company can leverage this opportunity by knowing its customer better and serving their needs.

### 6.4 Threats

1. Local distributors put a huge threat for the new entrant in the market as they give a tight competition by providing the cheap products at huge discounts. This will lead to customer base sharing and thus low revenues in the initial phase of the start-up.
2. The demand for valuable products is seasonal. Any change in governmental policy or any unlikely event occurrence during the peak season may impact the profitability of the company without being the start-up at default.



## 7.0 Exit Strategy

Option 1: The company may seek to sell the business to a third party for a significant earnings multiple. It will hire a qualified business broker to sell the business on behalf of the company. It also expects that after 4-5 years it will have a market share of its own so the company can fetch the goodwill amount.

Option 2: Opportunity to float on the Alternative Market. The company could also consider IPO as an exit strategy. IPO stands for 'initial public offering' and it means that a company starts floating on a stock market, selling a significant number of their shares in the process to institutional and non-institutional investors. Such options provide large sums of capital to all parties involved (founders, early employees, and investors).

The company believes that in 7-8 years, it will execute one of these two options.

## 8.0 References

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