



Vigyan Ashram
Startup Saarthi

Business Plan
Electrical Fitting Shop

Supported By



सत्यमेव जयते

विज्ञान एवं
प्रौद्योगिकी मंत्रालय
MINISTRY OF
**SCIENCE AND
TECHNOLOGY**



Industrial Overview

About Product/Service



- Providing end-to-end service-Selling domestic electrical items & providing service of installing them in the premise
- Increasing demand of Electrical products due to extensive construction in both Rural & Urban Areas
- Fancy low cost/imported items are available from wholesaler which have huge demand e.g. Concealed lights, fancy lamps, etc.
- Can be started at small scale with smaller initial investment (or loan) & can be scaled later on with the increase in demand & sales.
- Loan can be easily taken at any point for expansion against inventory

Competitors Analysis

- Barriers to entry are low. Anyone can start the business of selling Electrical items
- Most of the items are available at lower cost on ecommerce platforms
- Low cost procurement & logistics is required to have higher margins
- Providing high quality products is essential as electrical equipments are generally risky items.
- Providing the service of installation in premise requires skilled labor which can be a differentiator & provides competitive edge
- Having a strong network in the village community & connections with the civil contractors can boost sales
- Agreement with electricians can help in getting edge over competitors
- Registering on online portals like IndiaMart, Meesho & Gov E-Marketplace (GeM) will provide more visibility
- A few flexes & attractive banner can help in creating awareness in the community about the shop.
- Influencers, Marketing & advertisement through flexes should be able to connect with the people & send a clear message to the prospective customers

Future Potential

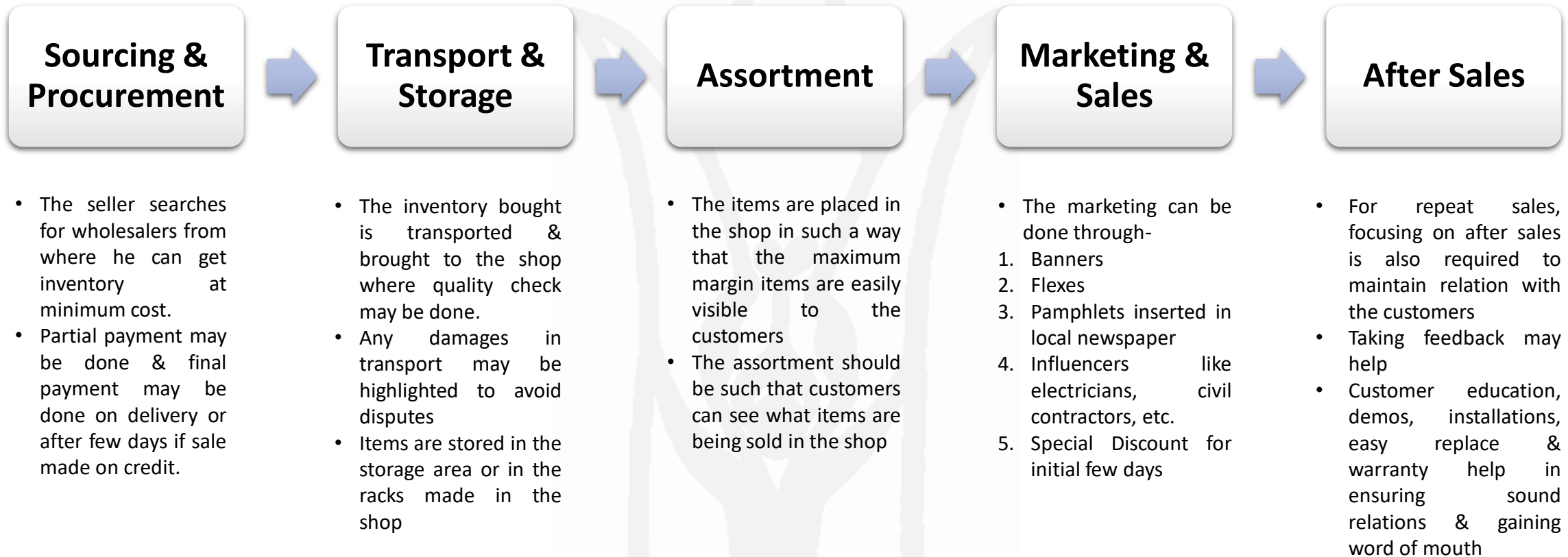


- Growth in real estate/ construction will lead to growth in the sales with time
- Increase in commercial & industrial activity in the villages can also help in increasing sales
- With cost of electricity increasing, people prefer to have modern energy saving equipments
- Presence on online portals is required for scaling business
- Being adaptive & flexible as per market trends & consumer demand will help in future growth.
- One possible expansion can be in the field of consumer durables like Mixer, iron, geysers, etc.
- Loan for Expansion can be availed under various schemes by Central/State Govt



Value Chain of Business

Below is the journey map for the seller for all the process that are involved in the business. The processes involved may vary depending on the size of business, items dealt with, specific requirements of the stakeholders involved





Target Consumer & Marketing Plan

Target Consumer/Market

- In rural India, the target audience for this business will domestic & commercial premises. In the industrial areas, factories can be a bulk customers as they have varied requirements for electrical products.
- New premises being built, those undergoing renovation, extremely old premises can be prospective customers.
- B2B clients like construction companies/mechanics/welders/powerhouses will ensure a stable source of revenue

Marketing Plan

Product

- Offer high-quality, durable and modern electrical products which are ISI marked, shock & fire resistant.
- Provide a range of options from different make, power rating, design to cater to the diverse needs of customers.

Price

- Price the products competitively, taking into account the purchasing power of the rural customer base, and the competition in which the business is operating.
- Offer volume discounts to attract small construction contractors, builders & other commercial units who may require a larger quantity of products.

Place

- Distribution strategy should be simple through their shops.
- Local transportation can help to reach out to more distanced places providing convenience to the customers.
- After some time, online channels may be explored for more reach & higher sales

Promotion

- A big board outside shop mentioning all the items sold will also be helpful.
- Face to face visits & interactions and building relations.
- Word-of-mouth marketing in villages is majorly suggested in initial phase of business.



Products that can be Sold



Various lighting instruments like CFL, LED, Bulbs, etc are available for domestic & commercial purposes. They come with different power rating & star ratings.



Cables of different current carrying capacity (measured from thickness), different phases (1/3 phase), different insulation levels, fire resistance are available.



Switches & Sockets for different purposes i.e. light power are available in different colors, designs & shapes.



Financial Calculations

Initial Investment Calculation

Making Racks for storing Inventory	25000
Repair of Shop	10000
Security	25000
TOTAL	60000

Operational Cost Calculation

Item	Rate
Rent	4000
Electricity	500
EMI	5000
Misc	2000
TOTAL	11500

	Unit/Description	Cost Price	Qty Purchased	Total Cost	Selling Price	Qty sold (In 1 Month)	COGS	Sales
Aluminium Wires	kg, 35mm	342	50	17083	410	25	8542	10250
Copper Wires	kg, 35mm	583	50	29167	700	25	14583	17500
Tubelights	40w	176	100	17600	220	48	8448	10560
LEDs Tubelight	9W	120	50	6000	190	25	3000	4750
LEDs Tubelight	7 W	80	25	2000	130	15	1200	1950
Casing	per 10 ft	40	20	800	45	6	240	270
ScrewDriver	Nos.	67	25	1667	80	12	800	960
Hammer	Nos.	120	25	3000	150	12	1440	1800
Tape	Nos.	8	200	1667	10	125	1042	1250
Juntion Box	Nos.	200	50	10000	250	40	8000	10000
Switches - Light	Nos.	14	50	708	17	35	496	595
Switch Power	Nos.	50	30	1500	55	20	1000	1100
Ceiling Fan	Nos.	1100	20	22000	1300	10	11000	13000
Table Fan	Nos.	2000	10	20000	2300	3	6000	6900
MCBs	32A	67	25	1667	80	15	1000	1200
Nuts & Bolts	kg	83	25	2083	100	10	833	1000
Battery-AA/AAA	1.5V , No.	8	100	833	10	80	667	800
Copper Cable	1.5 mm, per meter	7	1000	7000	10	200	1400	2000
Lamp		500	5	2500	625	2	1000	1250
Total				144775		708	70691	87135

Profit Calculation

Particulars	Amount
Fixed Cost	11,500
Initial Investment	60000
Variable cost	70691
Sales Revenue	87135
Contribution Margin	16,445



Financial Calculations

The business must sell minimum of 496 units per month to remain at no profit no loss situation

Break-Even Calculation

Particulars	Amount
Total Fixed Cost	11,500
Total Operational Cost	70691
Units Sold	708
Contribution Margin/unit	23.23
Break-Even Sales unit (Total Fixed Cost / Profits/window)	496
Days required to produce required output of break-even	20.98
Profit per month after EMI	4944.50
Annual Profit	59334

Cash Flow Analysis

	Initial Investment	Fix Cost (Without EMI)	Variable Cost	EMI	Sales	Profit
Year 0	-60000					-60000
Year 1		-78000	-848286	-60000	1045620	59334
Year 2		-78000	-848286	-60000	1045620	59334
Year 2.5		-39000	-424143	-30000	522810	29667
Year 2.5-3		-39000	-424143	0	522810	59667
Year 4		-78000	-848286	0	1045620	119334
Year 5		-78000	-848286	0	1045620	119334

Payback period calculation

Assuming sales	706
Additional Profits/month would be	4,898
Initial Investment	60000
Months required to recover initial investment	12.25
Return on Investment would be	8.16

Assumptions:

- Initial Investment of Rs 60,000/-
- Loan Amount of Rs 1,44,775/- at 8% for 30 months
- All the numbers are based on experience of current alumni of Vigyan Ashram, that might vary from business to business.



Sources of Funding & Government Support Available

Legal requirements

- Initially Company registration is required along with GST, Udyam Aadhaar number, MSME & PAN card for business
- On later stage further licensing is required but at start no major licenses are required.

Government Support available (Major Schemes available)

- Pradhan Mantri MUDRA Yojana (PMMY)
- Stand Up India Scheme
- National Bank for Agriculture and Rural Development (NABARD)
- Credit Guarantee Scheme (CGS)
- Coir Udyami Yojana
- Special provisions for loans to women entrepreneurs e.g Udyogini

Funding Sources

- Self-Financed
- Loan available from Family and Friends
- Loan from local banks like Co-operative Banks, SHGs
- Loan under various Govt Schemes

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Support from Vigyan Ashram & Testimonials

How Vigyan Ashram will help you in taking your business to new heights...

- Guidance & Evaluation of business opportunities

- Developing Business Plan

- Technical training on Rural Technology

- Entrepreneurship Development Training program

- Field Support and Hand-holding of one business cycle for the success of our entrepreneurs

- Assisting in Sales & Marketing in both Online and Offline model

- Provide linkage with finance institution

- Licensing and Company Registration

- Market Linkages and connections to Vigyan Ashram Alumni in similar business

Testimonials from similar businesses supported by Vigyan Ashram