Furniture Cluster

Profile
Location: Ernakulam, Kerala
Major Products: Furniture
People Employed: 25,000*
Business Units: 5,000*
Turnover: Rs. 800 Crores*
CIC Host: Kerala Furniture Consortium (KEFCON)
* Data provided by KEFCON

Growth Challenges
Lack of contemporary design skills
Restricted supply of raw materials
Deficiency of skilled labour

Pilot Innovation Activities

Product Design Hub
- Domestic market being captured by better looking imported furniture.
- Design hub established in KEFCON by recruiting designers.
- New designs showcased and accepted by dealers.
- Better profit margins obtained.

Wood Seasoning
- Local manufacturers use unseasoned wood affecting the life span and quality of the product.
- KEFCON established wood seasoning unit.
- Technology from Rubber Research Institute has helped reduce seasoning time by 3 days.
- Total cost per cycle reduced by 16%.

Machine cutting and finishing facilities
- Deficiency of skilled labour and non-optimal practices.
- KEFCON offers machine cutting and finishing facilities.
- Higher selling price with better quality and lower production cost achieved.

Result:

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost at micro units in Rs.</th>
<th>Cost at KEFCON in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw material</td>
<td>910</td>
<td>805</td>
</tr>
<tr>
<td>Seasoning</td>
<td>155</td>
<td>115.5</td>
</tr>
<tr>
<td>Labour</td>
<td>351</td>
<td>145</td>
</tr>
<tr>
<td>Total cost of production</td>
<td>1,647.49</td>
<td>1,397.10</td>
</tr>
<tr>
<td>Selling Price</td>
<td>2,000.00</td>
<td>2,280.00</td>
</tr>
</tbody>
</table>

* Data provided by kefcon and KEFCON.

Cluster, NInC, MSME-DI
CII, TMTC, FMC

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