

Sitting pretty

Pen Workers, leader in cinema hall seat making in India, now plans to export its products

Founded in 1921 as a firm manufacturing only Cinema chairs, Pen Workers Seating Co has successfully expanded and is now the country's leader in the field. However, it faces tough competition from China, as the 93-year-old company emerges as a leading exporter in the ASEAN market, looking for its next stage of growth.

Pen Workers, now run by Anmol Kashmiri, a fourth-generation entrepreneur who joined the family business in 1989, looks to capitalise on their vast experience in manufacturing seats, coupled with their quick adaptability and customisation skills, to deliver a quality final product, as the company looks to capture growth in the ASEAN region with its tagline: 'Our effort is your comfort'. According to Kashmiri, "There is dearth of a good brand that represents quality and innovation in the export market," where Pen Workers competes with cheap Chinese products.

"China is cost-effective in furniture manufacturing," says Kashmiri, while, "We don't compromise with quality." Pen is the quality of wood with which Cinema chairs are made and company has been named after the people who work on Pen wood.

Business at Pen Workers has been lopsided, depending on market conditions as it grew steadily during 1921-80, primarily making cinema hall chairs, with some orders also coming in for auditorium chairs. "The worst phase was during 1980-95, when VCR was growing; business had collapsed totally and cinemas were closing down," adds Kashmiri.

From 1997 onwards, as the business slowly picked up momentum, Pen Workers captured the opportunity to expand into the manufacturing of chairs for stadia, class rooms, waiting areas and home theatres. "When the multiplex concept came to India and auditoriums were given



Kashmiri (inset): delivering quality products

importance due to cultural reasons, the business again started to grow. The transformation from a company making seats for cinema halls to one providing public seating, took place around 1997," adds Kashmiri.

Pen Workers make chairs that require installation. "We can adapt and customise to the requirements of any customer needs, as we are fully into manufacturing", says Kashmiri, adding that, "These days, many are becoming traders by importing and selling, but, we want to retain the identity of a manufacturing concern, as it gives us advantages in terms of flexibility, quality, adaptability, speed, customisation and pricing". A 20,000 sq ft factory in Goregaon, Mumbai, makes 30,-35,000 seats every year. All Pen Worker seats carry a five-year warranty against manufacturing defects. "Pen Workers seats stand for quality and innovation," adds Kashmiri.

Pen Workers' target audience is not retail, though the trend today is for recliners. They have a lot of demand coming from retail customers, who want recliners for home theatre, the prices of which range from ₹20,000 to ₹40,000. "We've been growing at an average of 10-12 per cent in the last 10 years. It's not a high margin business, the gross margin being about 20 per cent," adds Kashmiri.

The average turnover for the



company is ₹12-15 crore. Out of the 2,500 projects that Pen Workers have completed so far, more than 2,000 (80 per cent) have been for cinema halls. A R&D division is not required at Pen Workers Seating Co. "Every customer provides R&D assistance to us," says Kashmiri, as customer (the architect, in this case) takes care of the customisation/R&D required. "We're the first option for leading architects in India, which also helps us understand world trends," adds Kashmiri.

Banking on exports

Recent projects of Pen Workers Seating Co include orders from the National Sports Club of India (auditorium: 3,300 seats); R City Mall (cinema: 2,500 seats); Subroto Roy Sahara Stadium (45,000 seats); educational institute (SVKM College: 1,100 seats) and cine star Shah Rukh Khan's house Mannat in Mumbai (60 seats). Pen Workers has also worked on the Stadium for Commonwealth Games in Delhi in 2007-08. "Seats are installed in the end and I'm the last guy to leave the cinema or project ready," adds Kashmiri.

Employees work on either contractual or payroll basis. There are 70-80 employees in manufacturing, 15 in marketing and 30-35 employees in teams of five each to manage installation of seats. When big orders are to be delivered in a short span of time, contract workers are hired and that is one of the major challenges. Currently, Pen Workers is working on seat orders for 7-8 theatres, all of them opening on 8 August. "The work is time bound. Logistics and HR are two critical parts of this business," says Kashmiri, as delivering and installing seats at the site on time is crucial.

"We're confident about the next 5-10 years, as we're also looking at increasing exports," says Kashmiri, talking about growth targets and plans. "On the basis of the export opportunities, we're targeting to double our revenues in the next 4-5 years."

♦ ROHIT PANCHAL