



Classical Handmade Products BD Ltd

Impact Report 2022-2023



MESSAGE FROM THE FOUNDER



In 2008, I started my own company. We started a very small company and our initial investment was BDT 5.4 million. To be able to respond to increasing demand, we have to employ more people. We are exporting to 33 countries, but our major customers come from Germany, Spain, Sweden and USA. We are producing for major home decor buyers like Zara Home, H&M, and Walmart.

We are the most diversified product out of jute. We want to be one stop solution for international customer for home decor products. We will expand our business through international online shops. Quality, sustainability, and compliance are the key to our success.

Definitely, this whole CSR meaning is changing in the world rapidly, and we are coping up with that. We also donate to the local school for quality education of our employees kids. We are producing low carbon footprints products. In our production process, very less amount of energy is consumed.

To supply to international customers, we follow local rules and regulations, including manufacturing standards like Alliance and BACI. We pay to our workers according to the government rules and regulations, but living wages is the new standard. So to cope up with the living standard, we increase the salary every single year with the inflation rate. It is a pleasure to do business in Northern Bangladesh because our workers are creating interesting products every single day. By doing this, we are bringing foreign currency, eliminating poverty, social exclusion. And that drives me to go on and on.

Md. Tauhid Bin Abdus Salam

Managing Director

Classical Handmade Products BD



ABOUT CHP BD

Classical Handmade Products BD (CHP) started in February, 2008 with 3 units in the northern part of Bangladesh. The entrepreneur left his job in June 2007. Within 9 months of laying the blueprints of his business, he received his first export order from Germany company Kik Textilien. The order was for rugs made from garments waste. He received a small grant from Care Bangladesh, and assistance from a consultant who helped to make sure these small units were export compliant. In June, 2008 CHP started exporting. From 2008-2011, CHP established an additional 21 units. On average, 20 women worked in these units. The entrepreneur believed in the impact these decentralized units would have despite increasing overheads like transportation costs. In 2012, CHP diversified its portfolio by adding baskets/storage to the product line. From the profit accumulated from production in 21 units, CHP established their central production facility in Nilphamari in 2013. H&M was added to the list of customers in 2013.

In 2015, CHP introduced jute based storage units. CHP started selling products to Walmart in 2016. In 2017 CHP made their factory compliant to Accord and Alliance for ensuring safety standards for employees.

JOURNEY OF CHP BD

MD. Tauhid Bin Abdus Salam completed his undergraduation from the BGMEA University of Fashion and Technology (BUFT) in 2004 where he studied fashion designing. Upon graduation he joined a Dutch buying house (RMG) as a marketing manager, and at the same time he played the role of a lecturer at Ahsanullah University of Science & Technology and BUFT. The capital he accrued during his short career of 4 years, acted as the capital (20 lacs/20000 Euros) to start his venture 'Classical Handmade Products'. The entrepreneur came to learn about the production of rugs (shotrunji) produced in the northern part of Bangladesh, as a result of his education. Tauhid planned to manufacture "Grameen check" for the RMG sector but realized that it would be difficult to produce such precise thread based designs on such a mass scale. He began pondering on how to utilize thicker threads and around that time he started producing rugs by establishing 90 machines across 3 units which gave birth to his venture.

Tauhid started the business out of his interests towards rugs produced in the northern part of Bangladesh. In the early days of his venture, he met a lady who came to him searching for a job. The woman worked as a stone breaker and received .4 Euros as remuneration on a day to day basis. He came to know about her penurious living standards from an NGO worker. From that point on, the entrepreneur decided to create a model that would directly empower poverty-stricken women through employment. With this end in view, CHP established 21 decentralized production units spread across these ultra-poor areas in the subsequent years. Tauhid is currently in charge of making investment decisions for the business, as well as maintaining relationships with the buyers and execution. As an entrepreneur he has 10 years of experience, and 14 years of experience in the RMG/Decor market.



IMPACT

Since the beginning of 2022, CHP has recruited 480 workers in total i.e. 160 workers on average per quarter. Of the workers hired, 75% were women who have all been trained for production based at home or one of the factories. In fact, CHP trained 1107 workers in total in 2022 including all new recruits and recurring trainings of workers for new products or to boost performance. Additional 3 employees with disability have been onboarded and trained. In terms of overall employment creation CHP's workforce increased by 15% while the income of individual workers increased by 9%. CHP is working to add more value added products to their shelf which will enable workers gain higher salary.

CHP's sales are not uniform on a monthly basis i.e. reporting of revenue depends on orders placed by buyers which can take more than a month to fulfill therefore variability exist for monthly revenue. Based on financials from 2021-2022, monthly average Gross Merchandise Value (GMV) of CHP was approximately USD 700,000. The workers produced 140,000 units monthly to achieve this GMV, 100% of which were made from eco-friendly product following fair trade guidelines. Meanwhile, CHP sourced these raw materials from aggregators and smallholder farmers worth USD 300,000 per month resulting in direct income increase of farmers by approximately 20% leading to higher standard of living of them as they use the additional income for education expenses, upgrading their households, healthcare, etc.