

PROJECT FEASIBILITY ABSTRACT

TITLE: FEASIBILITY STUDY OF A PROPOSED RATTAN FURNITURE BUSINESS

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SUMMARY:

Income from exportation of goods is one of the biggest earners of our country. Furniture business takes a large part of this export industry. Filipino handicrafts are now known in the foreign market. In fact, our products are earning high degree of respect from foreign buyers. Moreover, we already established a market in U.S., Europe, Japan and other Asian countries.

The furniture business is still blooming. In addition to this, the present supply of rattan sala sets for the final consumption of foreign market is not sufficient to meet the demand. Hence, the need for establishing more manufacturing firms, including the proposed project arises.

The proposed project is the establishment of rattan furniture business in Imus, Cavite.

The operations are focused mainly on manufacturing of rattan sala sets for foreign market. A sala set is composed of a sofa, two armchairs, a center table, and a side table.

Data presented in this study were based on past and current data (1990 - 1994), and projections made cover a period of five (5) years. Plans and programs of expansion shall be implemented after five years.

Interviews with manufacturers of rattan handicraft served as the primary data. Secondary data were also gathered by the proponents from the different government agencies.

Linear regression analysis was used in the treatment of data gathered.

MANAGEMENT ASPECT:

The project will adopt partnership as the form of business organization.

On top of the organization is the General Manager, an industrial-capitalist partner, who will be in charge of the overall administration of the business. The firm will also have managers for production and sales.

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MARKETING ASPECT:

The proposed project intends to cater the Japan market. Because of this, the firm will join trade exhibits being sponsored by the Center for International Trade Exposition and Mission.

The gap, which is the difference between the demand and supply, represents the unserved market. The proposed project intends to capture twenty five percent (25%) of the unserved market for the first year. The project expects to increase its market share by five percent annually.

FINANCIAL ASPECT:

The initial project cost is P 2,000,000 to be financed through equity financing.

Financial ratios show that the business is liquid, stable, and profitable. Net income ratio for the first year is fourteen percent (14%) and twenty four percent (24%) in the fifth year. Payback period is 4.13 years.

SOCIO - ECONOMIC ASPECT:

The project will generate revenue and will benefit various parties. It will create job not only for the owners but also for the people who will be directly and indirectly employed in its operation.

Owners contribute to the upliftment of the community through public service by providing livelihood. It will also give additional income to our government.

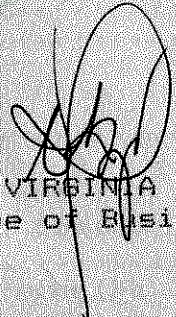
CONCLUSION:

The proponents concluded that the proposed business is feasible and viable. Therefore, the project may be implemented.

RECOMMENDATION:

In order to have a sure market, the owners should become members of the Center for International Trade Exposition and Mission. The company should have good marketing strategies in order to maintain its customers. Finally, workers should have good background in making rattan furniture and should be artistic enough to create a unique, in-fashion and new designs.


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