



Feasibility Study Abstract

1. TITLE : A Project Feasibility Study on Decorative Candles Manufacturing in Imus, Cavite
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6. SUMMARY :

The study will adopt a sole proprietorship form of organization. The business will be named "JRJ's Decorative Candles". It is composed of 15 personnel, consists of a manager, a marketing executive, an accountant, a supervisor, a secretary, a driver, a janitor, 5 workers, and 3 packers. Duties and responsibilities of each personnel are well-defined and effectively flourished. In order to comply with all the requirements needed to start its operation, an assumption of eight (8) months will be used.

Today, there are 16 firms established in Cavite and in some parts of National Capital Region (NCR) that





are engaged in the manufacturing of decorative candles. Existing firms production are not enough to satisfy the growing demand for candles. Although supply is increasing, there is still available market which has not yet been served and that is a chance for any interested investor to enter in this kind of business. The proponents envisioned to target very minimal portion of the gap of at least 5% for the first year.

The prices of decorative candles made by the researchers are relatively cheap compared to others. The prices are affordable because of at least P2.00 lower than the competitor's price. Considering the cost that the project will incur and the schedule of competitor's prices, the researchers decided to have a 19% mark-up for small rose candle, 27% for large rose candle, 15% for small fruit candle, 27% for large fruit candle, 23% for the beer mug candle and 11% mark-up for the carved and pinched candles. The price/candle depends on design and size. Initially, price/candle will be pegged at 10.00, 14.00, 8.00, 14.00, 15.00, 23.00, 23.00, respectively. The researchers will adopt different strategies to market their product. Credit will be allowed and the delivery of the product will be given much attention.





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The paraffin wax, wax dye, fragrant essential oil, crystal wax, polyethylene and microwax are the major materials needed in the making of decorative candles. There are seven (7) processes in making decorative candles, which include, melting the wax, dipping process, pouring process, drawing process, and the making of decorations of the candles. With regards to the decorations of the candles, there are also some steps to be followed. The prospective place of JRJ's Decorative Candle would be on the public market of Imus, cavite.

The project has an initial capital investment of P 960,914.84. 40% of the required capital will be supplemented by the owner and 60% of it will be loaned in a bank. The projected operating expenses for the first year is P 465,042.00 and is expected to increase 10% per annum. It will generate P 209,242.11 income for the first year of its operation and there will be 62.94% rate of return on investment and the business can recover its initial capital within 1 year, 7 months, and 2 days.

CONCLUSIONS :

Manufacturing decorative candles is not just an easy task. It needs people who are creative enough and really have special talent in decorating candles. It is

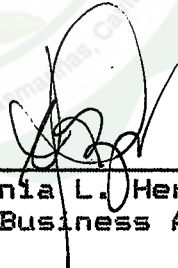




also considered seasonal and therefore, there are certain months wherein sales of decorative candles are increasing. The raw materials used can be assured of the best quality, particularly waxes. Prices need not to be costly or be in lined with that of the competitor's. Proposed price of this study can still have an alternation in favor of the customers as long as the business will not suffer. The project needs an initial capital of P 964,949.09 and expected to have a payback period of 1 year, 7 months, and 2 days.

The study evidenced the feasibility and viability of the proposed project as it was sustained by its profitability measures and is therefore considered worth investing.

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