

**ESTABLISHMENT OF A BRUSH ELECTROPLATING
SHOP IN BACCOOR, CAVITE**

003100

A FEASIBILITY STUDY

Presented to the Faculty of the
College of Business Administration
De La Salle University - Aguineldo
Bagong Bayan, Dasmaringas, Cavite

In Partial Fulfillment
of the requirements for the Degree of
Bachelor of Science in Business Administration

By:

Marilyn R. Dimaculangan

Dino Edmundo G. Ibrado

Joel P. Maddatu

1995

ABSTRACT

Title: Establishment of a Brush Electroplating Shop in Bacoor, Cavite

Researchers: Dimaculangan, Marilyn R.

Ibrado, Dino Edmundo G.

Maddatu, Joel P.

Degree: Bachelor of Science in Business Administration, Major in Marketing
Management

No. of Pages: 136

Date: _____

Management Aspect:

The form of business organization in the proposed feasibility study is a partnership. The firm is to be established in the municipality of Bacoor, Cavite.

Marketing Aspect:

The target market of this study is the Cavite Export Processing Zone in Rosario, Cavite, wherein the bulk of big industries are situated in the province. These big industrial companies form the potential market, which will require electroplating service for the repair and maintenance of their machinery.

Technical Aspect:

Brush electroplating, the proposed service is the latest method in electroplating technology, by which it can repair or electroplate a localized area of a machine part, avoiding unnecessary dismantling, transport, or plating of other surface areas. This

also avoids the purchase of expensive replacement parts and the consequences it will bring to the company, particularly production lag, down time and missed schedules.

Financial Aspect:

The total project cost is P1,550,000, in which 60% will be the owners' equity and 40% will be loaned from a lending institution. It is deemed to generate an income of P355,100 for the year of 1998. The total investment will be recovered after 5 years.

Socio-Economic Aspect:

Since this new method incorporates efficient use of electroplating solutions and cleaning acids, it will be very beneficial to the environment. Mostly these electroplating liquids are reusable and can be maximized until the deletion of metals and chemicals to trace levels.

The big industrial companies will also enjoy an uninterrupted flow of activities in the advent of this new electroplating method, since repairs and maintenance of machines and heavy equipment can be done on-site and in a matter of a few minutes and there is no need of replacing the damaged part, thus saving time, effort and money in the client's part.

Conclusion:

Based on facts, information, and findings, the proponents conclude that the proposed business is feasible and viable.

ACKNOWLEDGEMENTS

The group would like to acknowledge the following businesses, establishments and people who played an important role in the conception of this feasibility study.

The following government offices:

- Department of Trade and Industry
- National Statistics Office
- Department of Science and Technology
- Metal Industries Research and Development Center
- Technology and Livelihood Resource Center
- Cavite Export Processing Zone
- Municipal Government of Bacoor, Cavite
- Municipal Government of Trece Martires

The group would also like to thank the following private businesses:

- Selectrons, Inc.
- Materials and Systems, Inc.
- CD Electroplating
- Plating Haus
- Pacific Rare Metals, Inc.
- Four-J Bakery, the owner of the site.

The group would also like to acknowledge the following persons for their support and guidance throughout the duration of the study:

- Mr. Allan Cruz of Selectrons, Inc.
- Mr. Cecilio Ambid, our beloved adviser
- Ms. Lanie Criseno and Ms. Eloisa Genova, our beloved professors
- Mr. Paul Andre Aytona
- Our Parents
- Faculty of the College of Business Administration
- Mr. Alexander Mesa and Mr. George Banniquet
- Mr. Lawrence Larkins
- Gina Maddatu, Gigi and Randy of Metrobank

And all the people who made an effort to help the group finish the study. Our deepest gratitude and appreciation to you all.

m.r.d

d.e.g.i

j.p.m

TABLE OF CONTENTS

CHAPTERS and SUB-CHAPTERS	Page Number
Preliminaries	
Approval Sheet _____	i
Abstract _____	ii
Acknowledgement _____	v
Dedication _____	vii
Table of Contents _____	xi
List of Appendices _____	xv
List of Tables _____	xvi
List of Figures _____	xvii
List of Exhibits _____	xviii
Chapter I INTRODUCTION	
Introduction _____	1
The Need _____	3
Objectives _____	4
Significance of the Study _____	5
Scope and Delimitations _____	6
Review of Related Literature _____	8
Theoretical Definition of Terms _____	10
Methodology _____	12
Treatment of Data _____	12
Chapter II. EXECUTIVE SUMMARY _____	.5

Chapter III ORGANIZATIONAL AND MANAGEMENT ASPECT

Form of Business Organization	18
Organizational Chart	19
Personnel Qualifications	20
Compensation and Benefits	24
Hiring of Personnel	26
Project Time Table	26

Chapter IV MARKETING ASPECT

Market Description	29
Analysis of Supply and Demand	30
Components of Demand	30
Historical Demand	31
Projected Demand	31
Components of Supply	32
Historical Supply	33
Projected Demand	34
Demand-Supply Gap	35
Market Share	36
Trade Practices	36
Marketing Program	37
Target Market	37
Sales Forecast	36
Pricing Policy	43
Chanel of Distribution	43
Advertising and Sales Promotion	44

Chapter V. TECHNICAL ASPECT

Product Description	45
Manufacturing Process	47
Location	56
Machinery and Equipment	60
Building Structures and Specifications	73
Raw Materials	76
Labor	77
Utilities	85
Waste Disposal	86

Chapter VI. FINANCIAL ASPECT

Total Project Cost	87
Financial Assumptions	87
Financial Statements	88
Projected Balance Sheet	88
Projected Income Statement	88
Projected Cash Flow Statement	89
Financial Analysis	96
Analysis of Liquidity	96
Analysis of Stability	97
Analysis of Profitability	97

Chapter VII. SOCIO-ECONOMIC ASPECT _____	98
Chapter VIII. POTENTIAL PROBLEMS _____	100
Chapter IX. CONCLUSIONS AND RECOMMENDATION _____	102
Chapter X. REFERENCES _____	104

APPENDICES

Appendix A Computation:Regression output-Demand_____	107
Appendix B Computation:Regression output-Supply_____	108
Appendix C Estimated prices on Services_____	111
Appendix D Benefits for each key personnel_____	112
Appendix E Establishments visited_____	113
Appendix F Articles of partnership_____	114
Appendix G List of companies in EPZ_____	120
Appendix H List of electroplating shops_____	123

LIST OF TABLES

Table 1. Proposed Salaries and Wages Distribution	25
Table 2. Historical Demand	31
Table 3. Projected Demand	31
Table 4. Historical Supply	33
Table 5. Projected Supply	34
Table 6. Demand-supply gap	35
Table 7. Market Share	36
Table 8. Sales Forecasts	9
Table 9. Machinery and equipment	63
Table 10. Tools	63
Table 11. Office equipment	73
Table 12. Raw materials	77
Table 13. Direct Labor	85

LIST OF FIGURES

Figure 1 Organizational Chart	19
Figure 2 Gantt Chart	28
Figure 3 Channel of Distribution	44
Figure 4 Process Flowchart	49
Figure 5 Schematic of the manual process of Brush electroplating	49-A
Figure 6 Provincial map	57
Figure 7 Municipality map	58
Figure 8 Vicinity map	59
Figure 9-11 Machinery and Equipment	64
Figure 12-17 Tools	67
Figure 18 Perspective view of building	74
Figure 19 Floorplan of unit	75
Figure 20-26 Raw materials	78

LIST OF EXHIBITS

Exhibit no. 1 Working Capital _____	126
Exhibit no. 2 Schedule of Purchases on Electroplating Solutions _____	124
Exhibit no. 3 Schedule of Inventory of Electroplating Solutions _____	124
Exhibit no. 4 Financial Ratios _____	128
Exhibit no. 5 Depreciation Schedule _____	131
Exhibit no. 6 Amortization/Payment Schedule _____	132