

PROJECT REPORT

Of

COMPUTER BUSINESS CENTRE

PURPOSE OF THE DOCUMENT

This particular pre-feasibility is regarding Computer Business Centre.

The objective of the pre-feasibility report is primarily to facilitate potential entrepreneurs in project identification for investment and in order to serve his objective; the document covers various aspects of the project concept development, start-up, marketing, finance and management.

[We can modify the project capacity and project cost as per your requirement. We can also prepare project report on any subject as per your requirement.]



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COMPUTER BUSINESS CENTRE

1. INTRODUCTION

A computer business centre is a place where services like word processing, data processing, accounting, fax facilities, internet café, photocopying, lamination, typing, scanning, binding, online registrations, digital passports, instant photo printing. With best location, this business can fetch revenues and profit. Students and small business owners can be regular customers who seek one or other service at centre.

2. SERVICE AND ITS APPLICATION

As already mention above, computer business centre with technical support and skills can be important and critical facilities provider. Preparing project materials, binding reports, data entries for small businesses, fax/scan & email, seeking certain online services like passport application, driving licence application, other govt/non govt applications etc. are some of particular services which can be provided by computer business centre.

3. INDUSTRY LOOK OUT AND TRENDS

The personal computer industry has had a global production network almost from its inception. In a rush to catch up with Apple in the early 1980s, IBM decided to standardize the basic components of the PC so they could be assembled in a modular fashion. IBM Then outsources most of those components to other suppliers. The common standards, modular design, and simple assembly of the PC made it possible to disaggregate the production process among the various components, outsource production and even assembly, and locate that work anywhere in the world. Some of the components for the original IBM PC came from Asian suppliers. Other components also began to be produced overseas, as IBM and other PC makers began locating their assembly operations overseas to gain access to foreign markets, and as their suppliers moved their operations abroad to reduce production costs.

4. MARKET POTENTIAL AND MARKETING ISSUES. IF ANY

Emerging technology makes new tools and services more affordable and allows companies to save on their staff payroll and office equipment. Because computers allow work to be done faster and more efficiently, it is possible for a company to hire fewer staff. In addition, with networked and relatively inexpensive computers, companies can store data more easily, saving on the cost of outside file storage, and can avoid having to purchase as many copiers, fax machines, typewriters, and other such items that were used before computers became popular. Correspondingly, potentially profitable businesses can be started with a smaller overhead cost. Email capabilities decrease postage costs; software applications reduce the need for large accounting departments, while videoconferencing reduces the need for travel. All resources saved will trickle down to the consumers, who are then provided with much more affordable products and service. Computers help speed up other business operations. The collecting of consumer feedback, ordering of raw materials, and inspection of products is made quicker through the use of computers, allowing companies to operate much faster and to produce better quality results.

5. RAW MATERIAL REQUIREMENT

1. Computers, Advanced Software & Technologies	2. Colour Printers, Photocopiers, Scanners
3. Office Furniture	4. Spiral Binding machine
5. Paper cutter	6. Laminating Machine
7. Air Conditioner	8. UPS/Inverter

6. SERVICE PROCESS OUTLINE

Setup of a computer business centre requires below steps to follow.

1. Decide a location for office
 - First and foremost is to finalize a place where it is suitable for an entrepreneur to operate this business. Things to keep in mind before deciding are locality of an entrepreneur's residence and easy access, nearby offices, traders, small business operators and most importantly colleges.

2. Decide on Services to be offered.

- Next thing is to decide list of services which can be offered to customers based on fixed capital investment and skills possessed.

3. Fixed Investment

- Preparing a required machines/items list from list of services which will be offered. Suppliers for these items needs to be decided based on technical and commercial offers and budget of an entrepreneur.

4. Advertising and Social Media marketing

- This is very crucial, as this centre cannot be easily seen/accessible to everyone near the place. Plus, there must be special packages for small business owners like accounting, data processing, tax returns preparation and that must be properly communicated to nearby business owners. For college going students, there must be various packages which offers spiral binding, project report preparation, binding, laminating, scanning/photocopying and most importantly that must be in-line with what college authority demands.

7. MANPOWER REQUIREMENT

1. Entrepreneur
2. Technical support – 1

8. COST OF PROJECT

Sr. No.	Particulars	Amount in Rs
1	Land	₹ 0.00
2	Building	₹ 0.00
3	Equipments/ Other fixed investment	₹ 3,31,700.00
4	Working Capital Margin (3 Months)	₹ 1,71,600.00
5	Total Cost of Project	₹ 5,03,300.00

(a) FIXED CAPITAL CALCULATION

Sr. No.	Description	Qty	Amount	Total
1	Computers, Advanced Software & Technologies	1	₹ 30,000.00	₹ 30,000.00
2	Licensed Accounting and Designing Software	--	₹ 50,000.00	₹ 50,000.00
3	Colour Printer cum Photocopier cum Scanner	1	₹ 1,55,000.00	₹ 1,55,000.00
4	Spiral Binding machine	1	₹ 4,500.00	₹ 4,500.00
5	Paper cutter	1	₹ 1,200.00	₹ 1,200.00
6	Laminating Machine	1	₹ 2,000.00	₹ 2,000.00
7	Inverter	1	₹ 6,000.00	₹ 6,000.00
8	Air Conditioner	1	₹ 28,000.00	₹ 28,000.00
	Sub Total			₹ 2,76,700.00
9	Internet Infrastructure and Electrification	--	₹ 5,000.00	₹ 5,000.00
10	Furniture	--	₹ 50,000.00	₹ 50,000.00
	Total			₹ 3,31,700.00

(b) WORKING CAPITAL CALCULATION

Sr. No.	Description	Total
1	Salary	₹ 20,000.00
1a	Entrepreneur	₹ 12,000.00
1b	Technical/Office Support	₹ 8,000.00
2	Raw Material	₹ 15,700.00
2a	Internet Connection Charges	₹ 700.00
2b	Yearly Subscription Renew	₹ 5,000.00
2c	Paper Ream	₹ 6500.00
2d	Film Roll for Lamination	₹ 2,000.00
2e	Ink cartridge refilling, Powder for toner refilling	₹ 1,500.00
3	Utilities	₹ 7,300.00
3a	Power	₹ 6,500.00
3b	Water	₹ 800.00
4	Other Expenses	₹ 4,200.00
4a	Advertising/Marketing/Social Media	₹ 800.00
4b	Stationery	₹ 500.00
4c	Telephone	₹ 700.00
4d	Repair and Maintenance	₹ 1,200.00

4e	Insurance	₹ 500.00
4f	Misc.	₹ 500.00
5	Rent	₹ 10,000.00
	<i>Total</i>	<i>₹ 57,200.00</i>

9. MEANS OF FINANCE

Sr. No.	Description	%age	Amount (Rs)
1	Promoter's Contribution	25%	₹ 1,25,825.00
2	Term Loan/Bank Finance	75%	₹ 3,77,475.00
	Total		₹ 5,03,300.00

(a) Cost of Operation

Sr. No.	Particulars	Amount in Rs
	<u>Variable Cost</u>	
1	Raw Material and Other direct inputs	₹ 19,900.00
2	Salary (60%)	₹ 12,000.00
3	Power (70%)	₹ 5,110.00
	Variable Cost 1 Month	₹ 37,010.00
	<i>Total Annual Variable Cost</i>	<i>₹ 4,44,120.00</i>
	<u>Fixed Cost</u>	
1	Overheads	₹ 10,000.00
2	Salary (40%)	₹ 8,000.00
3	Power (30%)	₹ 2,190.00
	<i>Sub Total</i>	₹ 20,190.00
	<i>Total for 12 Months</i>	₹ 2,42,280.00
4	Interest	₹ 45,297.00
5	Depreciation on Equipments @ 10%	₹ 22,670.00
6	Depreciation on Furniture @ 20 %	₹ 10,000.00
	<i>Total Fixed Cost</i>	<i>₹ 3,20,247.00</i>
	Total Cost of Production	₹ 7,64,367.00

(b) Turnover

Sr. No.	Description	Unit Price	Unit	Qty/Day	Revenue/Day	Monthly Amount (25 Working Days)
1	Printing Documents B/W	₹ 5	Pages	100	₹ 500	₹ 12,500.00
2	Printing Documents Colour	₹ 10	Pages	20	₹ 200	₹ 5,000.00
3	Photocopy	₹ 1	Pages	400	₹ 400	₹ 10,000.00
4	Scan	₹ 5	Pages	10	₹ 50	₹ 1,250.00
5	Lamination	₹ 15	Pages	10	₹ 150	₹ 3,750.00
6	Spiral Binding	₹ 25	Bind	5	₹ 125	₹ 3,125.00
7	Designing	₹ 500	Design	2	₹ 1000	₹ 25,000.00
8	Accounting and Data Entry	₹ 300	Hour	5	₹ 1500	₹ 37,500.00
			Monthly Gross Income			₹ 98,125.00
	Total		Yearly Gross Income			₹ 11,77,500.00

10. WORKING CAPITAL REQUIREMENTS

Sr. No.	Description	Total
1	Entrepreneur	₹ 12,000.00
2	Technical/Office Support	₹ 8,000.00
3	Internet Connection Charges	₹ 700.00
4	Yearly Subscription Renew	₹ 5,000.00
5	Paper Ream	₹ 6500.00
6	Film Roll for Lamination	₹ 2,000.00
7	Ink cartridge refilling, Powder for toner refilling	₹ 1,500.00

11. LIST OF MACHINARY REQUIRD

Sr. No.	Description	Qty	Amount	Total
1	Computers, Advanced Software & Technologies	1	₹ 30,000.00	₹ 30,000.00
2	Colour Printer cum Photocopier cum Scanner	1	₹ 1,55,000.00	₹ 1,55,000.00
3	Spiral Binding machine	1	₹ 4,500.00	₹ 4,500.00
4	Paper cutter	1	₹ 1,200.00	₹ 1,200.00
5	Laminating Machine	1	₹ 2,000.00	₹ 2,000.00
6	Inverter	1	₹ 6,000.00	₹ 6,000.00
7	Air Conditioner	1	₹ 28,000.00	₹ 28,000.00

12. PROFITABILITY CALCULATION

Net Profit (Turnover - Cost of Operation)	₹ 4,13,133.00
Net Profit Ratio (Net profit * 100/Turnover)	35.09%
Rate of Return (Net Profit * 100 / Total Cost of Project)	82.08%

(a) Profitability Projection

Sr. No.	Particulars	UOM	Year Wise estimates					At Full Capacity
			Year 1	Year 2	Year 3	Year 4	Year 5	
1	Capacity Utilization	%	30	40	50	60	70	100
2	Sales	Rs Lakhs	₹ 3.53	₹ 4.71	₹ 5.89	₹ 7.07	₹ 8.24	₹ 11.78
3	Raw Materials & Other Direct Inputs	Rs Lakhs	₹ 1.33	₹ 1.78	₹ 2.22	₹ 2.66	₹ 3.11	₹ 4.44
4	Gross Margin	Rs Lakhs	₹ 2.20	₹ 2.93	₹ 3.67	₹ 4.40	₹ 5.13	₹ 7.33
5	Overheads Except Interest	Rs Lakhs	₹ 2.42	₹ 2.42	₹ 2.42	₹ 2.42	₹ 2.42	₹ 2.42
6	Interest	Rs Lakhs	₹ 0.45	₹ 0.45	₹ 0.45	₹ 0.45	₹ 0.45	₹ 0.45
7	Depreciation	Rs Lakhs	₹ 0.33	₹ 0.33	₹ 0.33	₹ 0.33	₹ 0.33	₹ 0.33
8	Net Profit Before Tax	Rs Lakhs	-₹ 1.00	-₹ 0.27	₹ 0.46	₹ 1.20	₹ 1.93	₹ 4.13
9	Profit %		-28.37%	-5.71%	7.89%	16.95%	23.43%	35.09%

The basis of profitability calculation:

This unit will have capacity to print 36,000 document B/W and 7200 documents colored throughout a year. Unit can have 1, 44,000 photocopy and 3600 scan copy per year. Apart from this it can have services like spiral biding, lamination, designing and data-entry services.

The cost of printing B/W documents would be ₹ 5/page and for colored document it would be ₹ 10/page. (Costing for the bulk order can be acceptance.) Other services can have costing like photocopy - ₹1/page, scanning document - ₹10/page, spiral biding - ₹15/bind, lamination - ₹25/document, designing – 500/design and data entry - ₹300/hour.

Energy Costs are considered at Rs 7 per Kwh and fuel cost is considered at Rs. 65 per liter. The depreciation of plant is taken at 10-12 % and Interest costs are taken at 14 -15 % depending on type of industry.

13. BREAKEVEN ANALYSIS

Sr. No.	Particulars	UOM	Value
1	Sales at Full Capacity	Rs Lakhs	11.78
2	Variable Costs	Rs Lakhs	4.44
3	Fixed Cost incl. Interest	Rs Lakhs	3.20
4	Break Even Capacity BEP = $FC / (Sales - Variable Cost) * 100$	% of Installed Capacity	43.67

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