

# Feasibility study of a laundry business essay sample

[Business](#)



**ASSIGN  
BUSTER**

The Filipinos are keen when it comes to cleanliness. Almost every day households do particular routines of cleaning up in order to avoid diseases brought by dirt. Most housewives do the chores at home including washing of laundry. Due to becoming preoccupied with work and home chores, washing of clothes become a burden to many. The resort is to utilize laundry services for a fast and easy way of cleaning dirty clothes and linens. Laundry chore was first done in water courses, letting the water carry away the materials which could cause stains and smells. Laundry is still done this way in some less industrialized areas and rural regions of the world. Agitation helps remove the dirt, so the laundry is often rubbed, twisted, or slapped against flat rocks. Wooden bats or clubs could be used to help with beating the dirt out.

These were often called washing beetles or bats and could be used by the waterside on a rock (a beetling-stone), on a block (battling-block), or on a board. They were once common across Europe and were also used by settlers in North America. Similar techniques have also been identified in Japan. When no watercourses were available, laundry was done in water-tight vats or vessels. Sometimes large metal cauldrons were filled with fresh water and heated over a fire; boiling water was even more effective than cold in removing dirt.

Wooden or stone scrubbing surfaces set up near a water supply or portable washboards, including factory-made corrugated metal ones, gradually replaced rocks as a surface for loosening soil. Once clean, the clothes were wrung out — twisted to remove most of the water. Then they were hung up on poles or clotheslines to air dry, or sometimes just spread out on clean  
<https://assignbuster.com/feasibility-study-of-a-laundry-business-essay-sample/>

grass. With the technological advancements of laundry machines (commonly called washing machines), the laundry chores has become a convenience in every household.

The Filipinos are keen when it comes to cleanliness. Almost every day households do particular routines of cleaning up in order to avoid diseases brought by dirt. Most housewives do the chores at home including washing of laundry. Due to becoming preoccupied with work and home chores, washing of clothes become a burden to many.

The resort is to utilize laundry services for a fast and easy way of cleaning dirty clothes and linens. Particularly in Tanjay City, Negros Oriental, the “City of Professionals” as it is dubbed local folks, people used to wash clothes every weekend after a weeklong of work. Instead of using weekend as leisure and family bonding time, members of the family wash their dirty clothes as part of their routines and keenness to have a clean house. The laundry business is one of the growing trends in the retail industry today.

#### Theoretical Background

The study involves the establishment of a laundry shop in Tanjay City. Thus, the establishment will become a viable support to the uplifting of the standard of life of the local folks. In terms of economic stability, the business establishment will be bringing revenues to the government. It will also help other business entities to cut cost for laundry washing expenses.

This proposal will also employ several constituents in various areas of operations. Solution to a dirty and unclean household laundry is readily

available within Tanjay City at any given time of the day. With the compelling drive of the local government to uplift every Tanjayanon's life, the government supports business entities that will put up sustainable and innovative solutions to the necessities of the people. As time goes by, many people will fluctuate to the growing city and more dirty clothes need to be cleaned since the fluctuation is caused by high employment rate of the city, thus people becomes busy all the time. The business services industry is a new market strategy for economic development that will strengthen the local economic programs of Tanjay City. The sustainability of this project will be given prior attention and emphasis for further opening of creative markets that will also contribute to the economic development of the city.

## Review of Related Literature

### A. Human Services

According to Darr, " A firm's work force is by far its most important resource." If employees are positively and effectively motivated, if their morale is high, and if they are able and willing to personally identify with the affairs of the company in a positive manner, then accomplishment becomes unlimited. There can be no doubt that " man is a wanting animal". Man wants and wants: his wants are insatiable. Satisfied needs do not motivate behavior' rather, it is ungratified needs which exert a compelling influence on behavior. Wants array in a hierarchy of importance and wants on a lower level are gratified, those on the next higher level will emerge and demand gratification. The hierarchy of needs can best be arranged in a five-level pyramid from physiological needs, to safety needs, to social needs, to

<https://assignbuster.com/feasibility-study-of-a-laundry-business-essay-sample/>

esteem needs and to self-realization according to Maslow's Theory. (John W. Darr, 1999) B. Making Money by Providing Laundry Pick-up and Delivery Services a.

A Laundry Pick-up/Delivery Service Business Right at Home “ Yes, you can set up the business home-based by allocating a corner or a small room as your home-office. You can even use your home's telephone and/or fax machine and personal mobile phones to contact clients, as well as your vehicle for pick-up and delivery. A laundry pick-up/delivery service business requires you to apply for and obtain permits and licenses to lawfully operate it. License fees could start from at least \$50 per vehicle, depending on the city or state where you get them. Inquire from your local government office on the exact amounts of license and permit fees and other pertinent payables to start up the business. You also need to have a driver's license to run your pick-up/delivery vehicle. Other costs may include fuel, vehicle insurance and maintenance/depreciation, office maintenance, and salaries. To set up a laundry pick-up/delivery service business, you may actually need around \$5, 000 to \$10, 000, excluding the purchase of a vehicle.”

b. Your Laundry Pick-up/Delivery Service Business Clients and Rivals “ You have the option to partner with laundry operators as a subcontractor handling the pick-up and delivery services for them. In this case, the end-clients (those who own the garments) are your indirect customers because you get paid by the laundry operators. End-clients may also pay you directly by having you pick-up their garments, deliver them to nearby washers, and then deliver the washed garments back to the end-clients. Here, end-clients

give you money to pay to the washers and money to pay for you pick-up/delivery service. Some business and institutions especially the small-times like restos, clinics, prep schools, and small offices do not have their own in-house laundry station. They require having their laundries done by another party.

You may also service residents of boarding houses, dormitories, and temporary shelters. Laundry operators with their own pick-up/delivery vehicles are your strongest competitors as some customers desire streamlined service. Also watch out for those who run laundry pick-up/delivery service businesses within the area. Running a laundry business is one of the simplest transportation ventures around. You don't need to have intermediate business knowledge and skills in order to pull off. Bank on your strong desire to engage in and grow the business, couple that with a viable market and ample source of capital/funds, and you are sure to fare well." ([http://www.startupbizhub.com/How\\_to\\_Start\\_a\\_Laundry\\_Pickup\\_and\\_Delivery\\_Service\\_Business.htm](http://www.startupbizhub.com/How_to_Start_a_Laundry_Pickup_and_Delivery_Service_Business.htm))

## B. Franchising Laundromat / laundry business

### a. Growing demand for laundry service

For Engr. Fred Lumabas of Kalinisan Laundry, the growth of the Philippine's personal laundry services is proving to be a boon for the business. " People are becoming more aware kung ano ang tunay na laundry," he said, " which in turn, increases the demand for the service." Lumabas also cited the

tourism boom and the difficulty of looking for laundrywomen as other factors that make laundry business feasible. b. Starting the business

It is advisable that one should start with a feasibility study because initial capital can run up to millions of pesos. “ Make a study of whom you’re going to serve,” Lumabas suggested. “ Consider, too, the availability of good quality water and your accessibility to target customers.” With that, he related how Kalinisan Laundry started. “ You see, we have this chain of hotels in Manila. We had our laundry done by one company.

But the quality was not going up and up. So we did a study. In that study, we found out that it was then viable to start a laundry business. After that, I started buying second hand laundry equipment from the United States. With five machines, we started doing our own laundry in a small place in Makati in 1985. Each machine did 600 kilos for one-and-a-half-hours. With such capacity, we started doing the laundry of other hotels, restaurants, and fitness clubs, too. Later, we also washed export garments. Nang naging expensive ang lot sa Makati, we moved to Bagong Bayan, Quezon City two years after.”

#### c. Equipment

“ Well, we started with second-hand washer extractors - eto ang mga machines nanaglalaba, tapos nagpipiga,” he said. “ Through the years, nang lumaki na ang volume ng laundry, nagging modernized na kami. We have now the most modern laundry equipment which we call the tunnel washers. “ Computer-controlled ito from loading of dirty linens hanggang sa paglabas,

dried na. Ang capacity nito, one ton (1, 000 kilos) per hour.” Lumabas advised against using washing machined designed for homes. “ Hindi pupuwede ang mga washing machines na intended for domestic use since maliit lang ang capacity nito. Hindi pang-commercial laundry. Whereas, sa commercial laundry, limang chemicals ang ginagamit.”

d. Financing and profitability

“ If you’re starting with personal laundry, you will need a minimum of P5 million, covering investments in equipment, business area, and operating costs,” he said, adding that for institutional laundry, startup financing requires a much larger amount. Lumabas disclosed that an entrepreneur may opt for franchising. “ Pag franchised na laundry business, mas liberal ang terms; meaning, hulugan for so many years.” Although both have proven to be profitable, personal and institutional laundry services differ in pricing, he explained. “ Pag institutional, mura lang ang singil pero malaki and profitability kung malaki rin ang volume.” Unlike sa personal laundry which is high margin, pero high risk. At saka, ang mga tao merong mga needs na dapat imi-meet ng personal laundry business. “ For example, kailangan mabilis, kailangan walang damit ng iba na nakahalo . . . that’s why personal laundry charges higher.”

e. Environmental impact

Before going into the business, the entrepreneur should think about being environmentally friendly. “ Don’t think only about earning big profits,” Lumabas advised. “ Think of your responsibility to the environment. You have to treat every liter of water you throw out.” “ In Kalinisan Laundry, we

<https://assignbuster.com/feasibility-study-of-a-laundry-business-essay-sample/>



were able to put up our own water treatment plant since it was viable for us. Lahat ng pinaglabahan tini-treat naming, para paglabas sa canal, tama ang temperature, tama ang acidity, wala ng amoy, walang dumi, clear ang color.

” If at the start, an entrepreneur does not have enough to invest in a water treatment plant, Lumabas suggested that it would be more feasible to have the linens of restaurants and hotels contracted outside. “ Mag concentrate ka na lang sa mga damit. That way, maliit lang ang water treatment nakakailanganin mo diyan.” ( [www.philippinestoday.net/Philippine\\_Franchise\\_Business\\_Investment\\_Franchising](http://www.philippinestoday.net/Philippine_Franchise_Business_Investment_Franchising))

Medium-Term Philippine Development Plan (MTPDP), 2004-2010

The research is about building a livelihood business in Tanjay City and the business entity deserves government support through the Medium-Term Philippine Development Plan (MTPDP), 2004- 2010. The goal of this plan “ is to fight poverty by building prosperity for the greatest number of the Filipino People”. The development in this plan involves economic prosperity in a free and open market. “ The country must open up economic opportunities, maintain sociopolitical stability, and promote good stewardship—all to ensure better quality of life of its citizens. The country will focus on strategic measures and activities, which will spur economic growth and create jobs. This can only be done with a common purpose to put the economic house back in working order”.

The action plan on entrepreneurship focuses on the significant roles of micro, small and medium enterprises (MSME’s) in the country’s growth. It was mentioned that in 2001, MSME’s totaled for about 99. 6 percent of the total

<https://assignbuster.com/feasibility-study-of-a-laundry-business-essay-sample/>

business enterprise and contributed a 69.1 percent share of employment. The government plans to “ provide credit, technology and marketing support for three million MSME’s and 2 empower existing SMEs to generate additional employment through increased lending and promotion of Big-Small Brother program. This development plan shall be fully applied and the strategy on credit terms and product improvement will be practiced. The plan also develops a financial leverage program to MSMEs through the SULONG PROGRAM. The government will impose the mandatory lending quota to SMEs of private financial institutions to promote and comply with the SULONG PROGRAM.

The establishment of a laundry shop becomes more in demand because of the relative support to the fashion garments (wearables) as stated in the MDTDP. “ The government will encourage investments in fashion garments to accelerate development of Philippine brands, franchising networks, fashion trend products and fashion forecast centers. The vertical specialization and vertical integration of manufacturing and service facilities between existing garment manufacturer and textile milling companies will be accelerated by providing financing assistance, management services, skills training and enabling legislation. The customer base shall be expanded through leveraged selling missions and business matching facilities.”

Unemployment is being addressed in the development plan which holds, “ Unemployment remained persistently high in 2001-2003, averaging 11.3 percent over this period. Despite the modest growth in GDP for the same period, growth was not enough to produce ample employment opportunities

for the Filipinos as the country's rapid increase in population during the 60s to the 90s resulted in a large increase in the working age population. The labor force also expanded by an average of 3.78 percent or about 1.752 million compared to the net jobs generation of 1.058 million. Employment opportunities are scarce for those who live in the urban areas, for the youth who are unskilled and inexperienced, and for those whose education does not match industry needs."

The government is commits itself to find decent and productive employment in the country. In the plan, it addresses that it supports efforts on creating job, issuing of administrative guidelines, employment enhancement, propose legislative amendments to the Labor Code to recognize flexible work arrangements in business process outsourcing and cooperatives and preserve employment.

Employment in the MTPDP involves " harmonious worker-employer relationship and maintaining existing jobs with remunerative terms and conditions. Industrial peace, which significantly contribute to the preservation of employment, shall be achieved through freedom of association and free collective bargaining, continuing social dialogue, mediation and voluntary arbitration of conflict and shared decision making mechanisms at the firm, industry, sector and national levels. By developing mutual trust and confidence among the parties, the industrial relations paradigm will shift from one based on confrontation to one based on cooperation resulting to productivity and competitiveness."

#### Microenterprise Development

<https://assignbuster.com/feasibility-study-of-a-laundry-business-essay-sample/>

“ In a recent report from the Department of Trade and Industry, microenterprises comprise around 91.6 percent of the country’s businesses (Figure 12). The strengthening of this sector would positively affect the country’s economy. In addition, microfinance is one of the main strategies and has proven to be an effective tool in alleviating poverty. In view of this, there is a need to prioritize initiatives towards microenterprise development: diversification of products and skills, improvement of productivity, increase in value-added output, and greater access to market to bridge the very wide gap between microenterprises and SMEs” (Medium Term Philippine Development Plan 2004-2010)

## Related Studies

### A. Innovativeness

In view of the fact that the Philippines at present is experiencing dire economic straits, “ a large number of Filipinos tackle the problem by becoming deeply involved in small-scale business ventures”, Catacutan (2003: 12). The Filipinos gifted with character-trait which makes them adapt naturally to any kind of situation, be it a calamitous one. “ This character holds them in good stead when crisis occurs. Indeed many Filipinos’ inventiveness have made them come up with personal solutions in making both ends meet by engaging in worthwhile projects with the intention of adding a little income to their meager earnings”. (Vidala B. Catacutan, 2003)

### Laundry Green House

Feasibility Study of Investment Project Laundry Green House was carried out, aimed at performing feasibility analysis of investment in Green House

<https://assignbuster.com/feasibility-study-of-a-laundry-business-essay-sample/>

Laundry, 2008- 2009. The variables used were data estimate of income from the Laundry asseted the Green House. Tool analyses using the Payback Period Method, to analyses Net Present Value, Profitability Index, and Internal Rate Return. The results analyses, it was found was one Year 9 Months, and 19 Days, Net Present Value positive, at Rp. 1, 786, 352, Internal rate return value at 24. 31%, was greater than that of the required rate at 17%. Based on the Laundry examined, the study concluded that the business will be feasible and profitable to be continued, as investment analyses indicated positive result. (Indra Hermawan, 2009)

## THE PROBLEM

### Statement of the Problem

This study was conducted to determine the feasibility of establishing a laundry shop at Poblacion, Tanjay City, Negros Oriental, Philippines.

Specifically, this study seeks to answer the following questions: 1. Will the proposed project be feasible from, management aspects point of view. 2. Will the proposed project be feasible from, marketing aspects point of view. 3. Will the proposed project be feasible from, technical aspects point of view. 4. Will the proposed project be feasible from, financial aspects point of view. 5. Will the proposed project be feasible from, socio-economic aspects point of view. Significance of the study

This research will benefit directly the proponents of this research because in their course of education in college, they are trained to be critical thinkers.

The research is a very tiring process and this will teach them the value of patience and perseverance. The proponents can get information from this

<https://assignbuster.com/feasibility-study-of-a-laundry-business-essay-sample/>

research for their further pursuit of intellectual perfection. Many entrepreneurs wanted to try a profitable business with low-cost start-up and maintenance. This research will serve as a guide and reference for these individuals in their pursuit to success. This study will benefit the Tanjayanons (Tanhayanons) largely when it comes to ease and convenience, the employees of business firms in Tanjay, schools, lodges and pension houses, and those households in Tanjay and nearby communities.

The business will enhance the welfare of the community since it becomes an opener for other competitors to enter the world of laundry services. This business is in-demand nowadays and competition is not tight because of a large available market. Consumers will have better choices in selecting which among available laundry shops provide the standards that they desire especially with quality and quantity. Many Tanjayanons with a busy lifestyle will be provided with the easiest way of cleaning their weekly laundry at their own place, at their own time. This will empower women because housewives could prefer to utilize commercial laundry services and save their time to do other household or recreational activities. Also, since many professionals dwell in the city, they can comfortably rest after a weeklong of work because they have a good choice of using services rendered by the laundry shop.

This is also a help to the income-generating activities of the Local Government of Tanjay since the business could only be operational through permits, licenses and income taxes that will be paid by the proponents to the government. Scope and Limitations of the Study

This study will determine the feasibility and sustainability of operating a laundry business in Tanjay City. The analysis is limited to 1(one) year operations period and takes into consideration existing laundry shops and dry cleaning services in Tanjay City. Included in the study are the management, marketing, technical, financial and socio-economic aspects.

The laundry business is offering the following services: wash dry and fold, wash dry and press, hand wash, dry and folds, hand wash, dry and fold, with free delivery service. The business is serving to all clients with all the types of clothes and cloths used. The honored types of fabrics include: acrylic, calico, cotton, synthetic cotton, synthetic fiber, canvass, cashmere, wool, chintz, knit fabric, lace, linen, carpets, bed sheet, rug, quilt, satin, silk, tartan.

### Research Methodology

This part of the study will include the capitalization, research design, research environment, research instruments, respondents, data gathering procedures and treatment of data.

### Capitalization

To set up a laundry pick-up/delivery service business, PHP 150, 000 TO PHP 200, 000, excluding the purchase of a vehicle would be incurred which will include 2 washer extractors that will wash and dry cloths with a capacity of 500 kilos per hour. This also includes fabric conditioners and soaps for one month use excluding water and electricity.

## Research Design

This study will use the feasibility study method of research in determining the feasibility and viability of establishing a laundry shop in Tanjay City, Negros Oriental. The method is ideal for the study because it deals with business start-up concerns in areas of marketing, production, management, legal, socio-economic and finance.

## Research Environment

The project will be located at Tanjay City, Negros Oriental, Philippines, 31 kilometers away from the provincial capital, Dumaguete City. The total land area to be used in building the outlet is about 20 square meters. The area is accessible for transportation and consumers. The location is a former eatery owned by one of the proponents beside the public market of Tanjay City.

## City Profile

Tanjay City is a 4th class city in the province of Negros Oriental, Philippines. It was created by virtue of Republic Act 9026 otherwise known as “ An act converting the Municipality of Tanjay, province of Negros Oriental into a component city to be known as the City of Tanjay”. The Act was approved and signed by President Gloria Macapagal Arroyo March 5, 2001. This Act, which is a consolidation of House Bill No. 8880 and Senate Bill No. 2256, was finally passed by the House of Representatives and the Senate on February 8, 2001. Tanjay was finally proclaimed a component city on April 1, 2001 after a plebiscite was conducted for the purpose.



According to the 2004 census, it has a population of 72, 995 people in 14, 158 households or an average household size of 5. 0. It has a land area of 478. 30 km<sup>2</sup>. The city is part of the 2nd Congressional District of the Negros Oriental and is located 30 kilometers north of Dumaguete City. It is bounded on the north by Bais City, on the south by the Municipality of Amlan, on the east by the Tanon Strait and west by the Municipality of Pamplona.

## History

The first map of the island, dated 1572 and chartered by Diego Lopez de Povedano identified it as Buglas , the native reference derived from the tall cane-like grass which ranged thick and persistent over the island. Here, in much earlier times, lived men whose relics and artifacts, dating back to 200-500 AD and the 12th century Sung Dynasty have turned up in recent excavations were said to have ventured perhaps in the area we now know as Tampi in Amlan. Here, in 1565, Eteban Rodriguez of the Legazpi expedition, caught by storm on his way back to Cebu from Bohol, sought refuge in the eastern shore of the island and came upon squat negroid inhabitants called ata, agta, or ati. His report upon returning to Cebu prompted Fray Andres de Urdaneta to visit the island, landing in what is now Escalante in .

In the same year, Capitan Mateo de Cadiz led a small expedition which reached an area near Tanjay. Kapitan Migeul de Loarca followed with a bigger expedition and force and proceeded to lay claim to what the Spaniards now call Negros. Both Diego Lopez de Povedano and Capitan Manuel de Loarca pointed to the Tanjay - Dumaguete area as the most densely-populated in the eastern half of the island. Tanjay, considered the

more important settlement, was made the Administrative Capital of Oriental Negros. It however, remained under the jurisdiction of the province of Cebu. It was the first archdeacon of Cebu, Fray Diego Ferreira, who sent Fray Gabriel Sanchez and other Augustinian friars to the new territory. Thus on June 11, 1580, the mission of Tanjay was founded. It became the center of religious supervision for Dumaguete, Marabago, Siaton and Manalongon.

### Geography and Climate

Tanjay's land area is 27, 605 hectares and is utilized for agricultural, residential, commercial, industrial, educational, forestal and other purposes. It is the only city in Negros Oriental with a very wide flat lowland, although mountainous and rolling hills are found in the hinterland barangays of Sto. Niño and Pal-ew. Rugged areas can also be found in Barangays Bahi-an and Sta. Cruz Nuevo. Tanjay City is politically subdivided into 24 barangays, 9 of which are located within the poblacion. \* Azagra \* Bahi-an \* Luca \* Manipis \* Novallas \* Obogon \* Pal-ew \* Poblacion I (Barangay 1) \* Poblacion II (Barangay 2) \* Poblacion III (Barangay 3) \* Poblacion IV (Barangay 4) \* Poblacion V (Barangay 5) | \* Poblacion VI (Barangay 6) \* Poblacion VII (Barangay 7) \* Poblacion VIII (Barangay 8) \* Poblacion IX (Barangay 9) \* Polo \* San Isidro \* San Jose \* San Miguel \* Santa Cruz Nuevo \* Santa Cruz Viejo \* Santo Niño \* Tugas | Tanjay City is blessed with a moderate and pleasant climate. It is characterized by a relatively wet season from May to February and dry season from March to April. Rainfall occurs throughout the year with the heaviest volume during the months of July and August. The months of March and April are the hottest months and the coldest is December. January

<https://assignbuster.com/feasibility-study-of-a-laundry-business-essay-sample/>

is the humid month while April is the least humid period. The months of November and December have the strongest wind velocities throughout the year.

## Tourism

Tanjay City is also known for its Tourism Program which started in the late 1980s. Through a recent Sangguniang Panglunsod Resolution, the city is now dubbed as the City of Festivals. The major tourist attractions are:

- \* Children's Festival (January)
- \* Festival of Hearts (February)
- \* Sinulog de Tanjay (July)
- \* Paaway sa Kabayo (July)
- \* Pasko sa Tanjay (December)
- \* Budbod Festival (December)
- \* Park Cafe (Fridays)
- \* Sugbaanay sa Parque (Saturdays)

There are also potential tourist attractions waiting to be debuted to the public as well:

- \* Tionson Ancestral Home (Poblacion)
- \* Luparan Falls and caves (Bulon, Sta. Cruz Nuevo)
- \* Rice Terraces (Canque, Pal-ew)
- \* Mambulong Lakes (Pal-ew)
- \* Mainit Hot Springs (San Isidro)
- \* Red Land Scenic Views (Bulon, Sta. Cruz Nuevo)
- \* Casa de las Dueñas, Hacienda Santa Escolástica (San José, Tanjay)

- \* La Residencia de Tanjay
- \* Restaurante Don Atilano (Tanjay branch)
- \* A. S. Pensionne House
- \* Mejares Pensionne House
- \* Scooby's Supermarket and Fast Food
- \* B. Y. the Boulevard
- \* Jayson's Place
- \* Melania's Garden Resort & Hotel
- \* Cafe de Tanjay
- \* My Place Bar
- \* Cafe Antonio
- \* My Check's Place

#### Research Respondents

The respondent of this study caters to the needs of the people of Tanjay City which is group as: Lower Class, Middle Class and Upper Class Income levels and business enterprises in the Commercial Area of Tanjay.

The target market and customers are those living within Tanjay City. With a population density of 152. 6/km<sup>2</sup>, the laundry business maintains a promising market.

#### Research Instruments

The researchers will use a survey questionnaire as the primary instrument in data gathering. A random interview will supplement the data collected through the survey questionnaire. The proponents will be using

questionnaires because the proposal must answer a certain need of the market who are the people in Tanjay and will be asked about their need of laundry services, what form of laundry services they want to enjoy, their preference of an existence of a laundry shop in Tanjay and their possible patronage, etc.

Included in their questionnaire is the query about their average monthly income to know if their expenses still can cover laundry services fee. They will also be asked about what form of laundry service they need in order to know the equipment needed to answer their concerns. From all their answers to the survey questions, the proponents will have a knowledge of the marketability of a laundry shop and if the shop will be feasible for a long time in Tanjay.

#### Statistical Treatment of Data

The statistical and financial tools to be used in data analysis are the following: 1. Frequency distribution will be used to identify profile respondents. 2. Property, plant Equipment (Fixed Assets) will be depreciated over the estimated useful life by the straight line method. 3. The following ratios will be used to determine the financial viability of the proposed business.

##### a. Current Ratio:

Current Assets

Current Liabilities

This measures the ability of the firm to pay short-term debt in a given time.

## b. Net Income Ratio:

Net Income after Tax

Net Sales

This measures how much is the mark-up on the services rendered by the firm and the over-all profitability of the operations. c. Return on Investment Ratio:

Net Income

Equity

This measures the return of owners' investment at a given time.

Data gathered from household and business enterprises respondents and other useful information will be analyzed thoroughly with the utmost precision to secure reliable and consistent results. The researchers will use the stratified random sampling in selecting the respondents within the poblacion area. A sample size will be selected from the statistical population where each stratum has an equal chance of being represented. The formula in getting the sample size is: N

$$n = \frac{N}{1 + N(e)^2}$$

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n= sample size

N= total number of households

e= 5% margin of error

The researcher's respondents will be taken from the households of the Brgy. Poblacion 1-9 of Tanjay City.

### Definition of Terms

Laundry shop- means a washing and ironing commercial establishment in a building, where clothes and linen can be washed and ironed. Services of such include washing of dirty fabric, drying them through machine and/or ironing/folding them. Marketing Aspect- refers to the feasibility laundry business in the aspect of consumer preference and patronage. Management Aspect- refers to the managerial capacities of the owners of the business to do properly managerial functions to sustain the laundry business. Technical Aspect- refers to the technical know-how and capacities of employees in running the business particularly in manipulating washing machines. Financial Aspect- refers to the viability of the business in terms of internal funding and utilizing scarce funds for daily operations of the business and its capacity to survive with the available financial supply. Socio-economic Aspect- refers to the external factors that affect the feasibility of a laundry business like existing laws, ordinances, economic status, customs, traditions and social behavior of the chosen market. |

|

### Organization of the Study

This study is organized into three chapters:

a. Chapter I- deals with the introduction, theoretical background, review of related literature and studies, statement of problem, significance of the

<https://assignbuster.com/feasibility-study-of-a-laundry-business-essay-sample/>

study, its scope, and limitations, methodology which is composed of research design, research respondents, research environment, research instruments, data gathering procedure and statistical treatment of data, and maps and definition of terms. b. Chapter 2- discusses the presentation, analysis and interpretation of gathered data. c. Chapter 3- presents the summary of findings, conclusion and recommendation derived from the results of the study.