

# Chapter i

Technology, Internet



Chapter I PROJECT SUMMARY The objective of this document is to provide information regarding investment opportunity for setting up an Internet Cafe, with focus on product differentiation providing some unique services (Video/Audio Chat, Web Developing) which are not offered by a typical Internet Café. The business can be established in any of the major cities of the country. Name of the Firm " KYRIE INTERNET CAFE" is name of a proposed firm; KYRIE means Lord have mercy. The prayer is simultaneously a petition and a prayer of thanksgiving; an acknowledgment of what God has done what God is doing, and what God will continue to do; KYRIE being related to Kyrie Irving, a professional basketball player of NBA, who has an excellent speed. KYRIE is also short term for Katherine Aure. Location The business will be renting a space along hi-way near to schools and office, were our target customers are mainly students and nearby neighborhood especially those people whose relatives or loved ones are at abroad and find it very convenient communicating with them through chat and email. On our site survey we find out that the site has less than 5 competitors and it's a good sign of putting up the business. We choose the location at Purok 3 Brgy. Conchu Trece Martires City, front of Brgy. Hall. It's about 75 square meters. Most of the Internet shop located in the area is inside the subdivision and for that we are more capable of attracting customer's because we will offer more affordable rental fee in 20 pesos per hour. Descriptive Definition of Kyrie Internet Cafe Kyrie Internet Cafe is a place in which it provides internet access to the society with fee. The fee rates in each unit are charged based on time consumed by an individual. The business comes in style depends on proprietor's priority and social agenda in the business

itself. The business also reflects location of the business as well as its target customers in the area. If an Internet Cafe is near the school, obviously it targets students as main clients. It helps the society to meet demands for internet access for people who do not have units to have access in the web worldwide. Internet Cafe business is helpful to provide information to the society of all ages as well as giving basic know how to people around. Although this kind of business is very popular for those who are fun of playing games, it is also helpful with regards to communication accessibility around the country even globally. It is also a great help for education in accessing needed information molding great minds to help the country to be successful and better nation to live. The success of the business depends upon the quality of the service offer and delivering the service consistently. So a knowledgeable friendly and eager to please staff, the team will comprise knowledgeable and experienced individuals who have an experience in managing an Internet Cafe, the manager, Internet Cafe Attendant, Repairman and Accounts Clerk. Project Long-Range Objectives Kyrie Internet Cafe will offer the following services: Access to the resources of internet and other online services; Printing; Photocopy; Scanning; However or the sake of innovation and differentiation there would be a unique service of Video/Audio Chat. Just being a net cafe will not serve the purpose as business need to be more than a value addition process rather than a traditional net cafe, that is why after being operational for first two years there will be a facility added to the cart i. e. Web developing. It will not only be the value addition but also a business expansion tool. The Kyrie Internet Cafe expect to achieve in 10 years is also to develop marketing and sales

strategy that can fully satisfy the first 15% of the target market, to gain full control and satisfy the demands of a further 30% of the target market within 3 years and capital expansion that will subsequently make this service available in other areas within 5 years. Feasibility Criteria The following are the most important criteria by which almost every subject is being measured: 1. Raising Funds or Capital — this is the number one need of a business man in putting up a business. Whether he will produce the money by his own pocket or he will have a business loan in a bank. 2. Recognize profit from the business — the main reason of a person for going into business is profit. People tend to enter into this kind of business because of their expectation to earn money or have an income. 3. It helps the economic growth of the area — this business will give a job opportunity to the resident of Conchu. 4. Enhance the availability of the business — the firm will become stable if it has the ability to compete to his competitor and ability to continue operations yet there is expected risks in a business. Highlights of the Project Kyrie Internet Cafe is being promoted by a cohesive partners- Ms. Katherine Aure and Harvey Lee. The promoters of the company are well educated and command experience of the diversified areas in their projects. The company will be incorporate to provide internet service, printing, net etc.. Besides having technical and marketing set up, the promoters are financially sound to setup a project of this scale. All these factors combined together resulted into making this business a reality. It will take two and a half year to operate. The most important factor for the success of the project is the quality of service provided to the customer, which includes customer's privacy, speed of internet and the atmosphere in the café. THREATS Rapidly falling cost of

Internet access. The cost of access to the Internet for home users is dropping rapidly. Internet access may become so cheap and affordable that nobody will be willing to pay for access to it. Emerging local competitors. Additional competitors are on the horizon, and we need to be prepared for their entry into the market. A dependence on quickly changing technology. Internet Café is a place for people to experience the technology of the Internet. The technology that is the Internet changes rapidly. Major assumptions and summary of findings and conclusion Marketing aspect In marketing aspect, promoting business will use different strategies and techniques to attract probable customers. And offer promo's to attract customer like Computer to rent for cheap 50 for every 3 hours Membership- (the customers will be given a card to be stamped every visit and if they got 30 stamped there every 2 hours is 20% discounted) Contest for gamers (the winner will be free on their rental charge & to be held every Saturday from 3: 00 to 5: 00 pm only.) We create some marketing strategies like; we will print a thousand little half or quarter page fliers printed with the total cost of Php 908. 00 (500 pcs. on the small fliers that cost of Php. 220. 50 while the second fliers is also 500 pcs. with the cost of Php. 687. 50), a month before our opening and we will distribute the fliers, mailboxes or gate. If we get a lot of text and e-mail we know we already have a market. We will put tarpaulin on the place itself where our shop is standing, promoting the opening of our Internet café also one month before the opening. To let people know that there will be new Internet Shop on the vicinity. Tarpaulin size is 35" x 70", the streamers amount is Php340. 27 and another tarpaulin for the services with the size of 29" x 39" amounting of P157. 08 Price It is one of the considerations of the

customer that enhance them to rent computers. If the price is lower they will rent. Our services are the following: Amount Internet/ Games Php. 20. 00 / hour Printing black and white- Php. 1. 00 (short)Php. 2. 00 (long)Colored (depends on the size of the color) Php. 10. 00 (minimum) ex. Logos Photocopying Php. 1. 00 (short) Php. 2. 00 (long) Scanning Php. 10. 00 CD burnings Php. 35. 00 (max. 17 songs). Technical aspect In technical aspect it identifies whether the services rendered could be the highest possible quality level with minimum cost. In this aspect we will discuss the equipment and other computer application we use in the business. We purchase equipment as packages in order to lessen our expense. Hardware and Software is our much focus aspects. We did researching on how much the Hardware and software will cost us, through net surfing. The internet connection we used is Package plan of DSL Bayan tel amounting 4, 000. 00 with capacity for 21 computers and have a speed of 2 Mbps. In Hardware our target number of PC is 21 (monitor-flatscreen, keyboard, PS2 mouse and processor, webcam), The Internet connection is a package of Bayan tel DSL connected (cables) with the speed of 2mbps amounting 4, 000. 00, 3 in 1Printer, Scanner & Photocopier. In Software, we will installing original Operating System of Ms Office Professional 2007 likes MSWord, Excel, Power point, Access, Desktop Publishing and installing the popular on line games such World of warcraft , Counter Strike, Battle Realms, Dance Audition, Auto Jam, and we will be installing Norton 360 version 3. 0 premium for our anti-virus and anti-spyware. We offer other service to customers likes printing in black and white, DVD/CD burning, photocopying and scanners. Financial aspect Financial aspect conform the detailed computation of every financial

needs of the business to determine and evaluate the project requirements, possible sources, capital financing and also the limitation of the business such as terms and condition. Capital is the most important asset in the business; it must be available at least cost when it is needed and the most important aspect among others. It admits how the business is made possible and determines the profitability of the business. Major Assumption the initial capital will be Php 700, 000. 00. The projected financial statement will cover up to 10 yrs. Equipment will be depreciated for 5 yrs. Other Assets will also depreciated for 5 years Software will be amortize for 5 years Salaries will be increase 3% annually. Light expense will be increase 3% annually. Supplies will purchase annually. Additional equipment will purchase before the business year operate Division of net income is a bonus method (bonus after tax) to industrial partner will be 50% and 50% to capitalist partner for the following years within 10 years of operation. Socio-economic aspect Internet has created a virtual public sphere where the participants feel free. They feel a sense of democracy that they don't in the geopolitical space. So, we have more and more people blogging, using facebook, myspace, hi5 and other sites like these. It has attracted participation of many youth. So, Cyber Cafes have become a doorway to the world of virtual socialization. Many people spend their time on cyber cafés. They love spending their time on cyber rather than with peers. It has given a kind of freedom to people to do anything. They spend their time chatting or doing some important things. Going to cyber café has become a part of everyday routine for some people. So it has become like a junction where people meet everyday and has made people addicted to it. Management aspect Kyrie Internet Cafe, unlike a

typical cafe, will provide a unique forum for communication and entertainment through the medium of the Internet. It is the answer to an increasing demand. The public wants: (1) access to the methods of communication and volumes of information now available on the Internet, and (2) access at a cost they can afford and in such a way that they aren't socially, economically, or politically isolated. Kyrie Internet Cafe goal is to provide the community with a social, educational, entertaining, atmosphere for worldwide communication. Chapter II MARKET STUDY Internet popularity continues to grow at an exponential rate, easy and affordable access is quickly becoming a necessity of life. " Kyrie Internet Cafe" provides communities with the ability to access the Internet and share Internet experiences in a comfortable environment. People of all ages and backgrounds will come to enjoy the unique, up to date, and innovative environment that " Kyrie Internet Cafe" provides. Business Guidelines \* All malicious sites are blocked. \* We're not allowing inserting flash drive or any storage device without the consent of the shop staff. \* Eating and drinking in the gaming and typing area is not allowed, they are only allow to eat and drink in the waiting area. \* One person for one unit to maintain orderliness. Ambiance \* Not too dark and bright because we want the shop more encouraging to work and play. \* Our computer tables have a board between users for privacy purposes. \* All furniture is fully furnished and labor included. Price It is one of the considerations of the customer that enhance them to rent computers. If the price is lower they will rent. Our services are the following: | Amount | Internet/ Games | 20. 00/hour | Printing black and white (short) (long) | 1. 002. 00 | Colored Text | 3. 00 | Colored pictures



(small) (medium) | 7. 00 | 10. 00 | Photocopying (short) (long) | 1. 00 | 2. 00 | Scanning | 10. 00 | CD Burning | 35. 00 | Demand Analysis

A total of 300 respondents took part on the survey conducted by the proponents of this business. After gathering and recording all the data, it shows that 81. 67% of the respondents belong to the age bracket of 15-20 years old. The result also shows that 65% of the respondents are male while 35% are female. About 95% are single while the other 5% are married. With regards to their monthly income, most of the respondents belongs to the income/allowance bracket of P1, 000-3, 000. This also indicates that most of them are students who comprise about 90% of the sample size. About 51. 67% of the respondents are willing to spend up to 10% of their income/allowance for computer rentals for hands-on use, while 35. 67% are willing to spend the same portion of their income/allowance for internet use. A total of 144 respondents (48. 0%) are renting a computer on a once-a-week basis for hands-on use while 32. 67 % are renting a computer on a once-a-week basis for internet use. Among the services offered the use of the computer for hands-on and internet purpose have the highest percentage based on the survey results. Also the respondents consider the ambiance and the type of the computer hardware/software as the main factors in renting a computer. About 39. 67% of the respondents use the computer on hands-on basis for more than two hours while 42. 33% are using computers for internet use for at least two hours. With regards to their monthly income, most of the respondents belongs to the income/allowance bracket of 1, 000-3, 000 this also shows that most of our respondents were students who composes of about 90% of the total respondents. From the average income of the

respondents 51. 67% spends from 1-10% in renting a computer for hands-on use. 26. 67% of the total respondents spends from 1-10% in renting a computer unit for internet use. About 48% of the respondents are renting a computer once a week for hands-on use. Among the services offered, hands-on Internet use has the highest percent preferred by the respondents. Also the respondents consider the ambiance and the computer hardware/software as their main factors in renting.

**SUPPLY ANALYSIS** Based on the data gathered from the survey answered by owners of the computer Rentals and Internet Café, it shows that 46. 15% of the respondents initial capital belongs to the P300, 000-400, 000 bracket. About 69. 23% of them stated that the total demand increase from 1-10% annually. Most of the seller respondents give priority in providing quality service, affordable process and good advertising/production in order to stay competitive in the service market.

**MARKET PROGRAM** The marketing program is basically a program consists of the following: Product, price, place and promotion or sometimes called "MARKETING MIX".

**OBJECTIVES** The Objectives of the business are the following: To satisfy the needs of the customers by providing highly-quality service at a very reasonable price. To promote the use of the Internet to students and as well as to non-student. To determine the size of the potential target market in order to effectively meet the demand and supply gap of the market.

**PRODUCT STRATEGY** The proposed business offers renting of computer for hands-on where you can do your office works and school projects such as book report, thesis, assignments, and feasibility study. Internet use is also made available, so that the customers can do some research works, know different topics and articles, and even chat with

other friends. Computer games and audio video are also offered. PRICE STRATEGY Pricing is considered to be the most critical factor which most often time affect the marketability of the service offered by the business. Pricing will be based o cost plus reasonable mark up. The terms of payments will be on cash basis only. Rental fees are as follows:

Hands-on/Games/Internet use P 25. 00/hr. Printing Jobs Colored P 20/page

Laser/Deskjet text only P 5. 00 Photo P 75. 00 size is 8. 5"x11" PLACE OF

CHANNEL OF DISTRIBUTIN STRATEGY The place of distribution will be at

Romulo Boulevard, Tarlac City near Magic Star. The manner of distribution

will be from manufacturer to consumers. PROMOTION STRATEGY In

promoting the business, the researcher intends to do the following: Post

billboards and streamers along the streets to announce the opening of the

store weeks before the data of the opening. The posting of signboards that

state the services offered. Discount cards will be given to the first 50

customers. Fliers will be given outside the nearby school to attract possible

customers. Free 2 rental hours for the first 100 customers who will first

accumulate 50 hours or rental. DEMAND AND SUPLY QUANTUM DEMAND The

population (No. of students = 1, 287) Talac State University 579 Ecumenical

Christian College 321 College of the Holy Spirit 387 Less: 10% ) portion of

population on not included) 129 Net potential Market 1, 158 Multiply: Ave.

Annual Income/Allowance 2, 999. 50 Total Ave. Annual Income/Allowance of

net Potential Market 3, 473, 421 Multiply: Portion of Income/Allowance spent

On computer Rental, internet and other Computer related services 5% Total

amount spent on computer rentals, internet And other computer related

services 173, 671. 05 Multiply: twelve (12) months 12 2, 084, 052. 60 Divide:

Average selling price 25 Total Demand: 173, 671. 05 SUPPLY Ave. Annual Sales 7, 200 Multiply: Number of Present owner 15 Total Ave. Annual sales 108, 000 Divide: Ave. Selling Price 25 Total Qty. Supplied 4320 DEMAND AND SUPPLY GAP Demand 173, 671. 05 Supply 4320 169, 351. 05 FORECASTING TECHNIQUE Historical Demand for Computer Services Average Demand / yr. (5%) 2011 173, 671. 05 2010 164, 987. 49 2009 156, 738. 11 2008 148901. 20 2007 141, 456. 14 Computations using Arithmetic Straight line method Demand in 2007 173, 671. 05 Demand in 2011 141, 456. 14 Total Demand Gap (from 2011-2007) 32, 214. 91 Multiply: Rate of Increase in Demand 10% Total Increase in Demand 3, 221. 491 Demand Projections 2007: 141, 456. 14 + 3, 221. 491 = 144, 677. 631 2008: 144, 677. 631 + 3, 221. 491 = 147, 899. 122 2009: 147, 899. 122 + 3, 221. 491 = 151, 120. 613 2010: 151, 120. 613 + 3, 221. 491 = 154, 342. 104 2011 154, 342. 104 + 3, 221. 491 = 157563. 595 Supply Analysis Factors Affecting the Market \* Location — picking a good spot is an advantage for me. \* Competition — most business — minded people think of competition as a race to charge the lower prices in order to win the customers. \* Software Licensing — it's really important to have an original operating system, because pirated OS can eventually damage the system. \* Expected ROI — investing money in a business is a risk in my case the well tabulated if financial statement is my major concern Internet Connection The major cost of a computer shop is the internet connection. For providing better service, the proposed project will use a high band width connection for better speed as the project is going on to provide service of video chat. It is recommended that the internet connection should be taken from the best internet service provider. Recommended Connection

If the project is set up in area, where DSL Internet connection is available, it is recommended to use DSL Internet connection instead of any other Internet connection. This will improve the speed of internet, which will improve the performance of video chat and will also reduce the telephone expense.

Chapter III TECHNICAL STUDY The Services The following services of Kyrie Internet Cafe are listed below: \* Gaming \* Searching the net \* Printing/

Photocopying/Scanning \* Downloads \* Cd-burning Manufacturing Process

Kyrie Internet Café Product and Services Profit or Income Customer The “ Kyrie Internet Cafe” will provide the product and services to the customers,

and then the customer will give income or profit to Kyrie Internet Cafe in

return. The income or profit that the customer gave in return will used to

provide the product and services. Plant Location Plant Layout Plant schedule

| Opening | Closing | Operating hours | Monday | 7: 00 AM | 11: 00 PM | 16

hours | Tuesday | 7: 00 AM | 11: 00 PM | 16 hours | Wednesday | 7: 00 AM |

11: 00 PM | 16 hours | Thursday | 7: 00 AM | 11: 00 PM | 16 hours | Friday | 7:

00 AM | 11: 00 PM | 16 hours | Saturday | 7: 00 AM | 11: 00 PM | 16 hours |

Sunday | 7: 00 AM | 11: 00 PM | 16 hours | Total Operating Hours per Week | |

| 112 hours | Machinery and Equipment The proposed project is going to be

of 21 units of computer systems and the details of the equipment required

for the project is given below: List of Hardware | No. | Cost | Total | Package

PC's | 21 | 25000 | 525000 | Printer | 2 | 13100 | 26200 | Modem DSL | 1 |

4000 | 4000 | Webcam | 20 | 1000 | 20000 | Headset | 20 | 150 | 3000 | HUB |

1 | 6000 | 6000 | Routers and cables | 1 | 15000 | 15000 | UPS | 1 | 60000 |

60000 | Total | | | 659200 | Furniture and Fixtures FURNITURE & FIXTURE

DETAILS Description | Quantity | Cost | Total | Computer table & cabins | 21 |

5000 | 105000 | Chairs | 21 | 2000 | 40000 | Air conditioner | 2 | 25000 |  
50000 | Sofa | 4 | 4285 | 17140 | TV | 1 | 14000 | 14000 | Total | | | 226140 |

HUMAN RESOURCE REQUIREMENT Description | No. | Monthly Salary | Annual Salary | Attendant/ Accounts Clerk | 1 | 8, 000 | 96000 | Repairman | 1 | 4, 000 | 48000 | Total | | 1300 | 108000 |

5. 3 LAND & BUILDING REQUIREMENT Description | Area Required (sq. m) | Computer Area | 55. 74 | Sitting Area | 10 | Free space | 10 | Office | 10 | Total | 85. 74 |

5. 4 UTILITIES REQUIREMENTS \* Electricity | RENTAL COST DETAILS Description | Monthly Rent | Annual Rent | Rental Area 4, 000 | 16000 | 192000 |

Kyrie Internet Cafe can manage the waste disposal properly, because every, Monday and Thursday is the schedule in collecting all the garbage in Barangay Conchu

CLEANING MATERIALS Description | No. | Cost | Broom & Dust Pan | 1 | 105 | Trash Can | 1 | 100 | Mop | 1 | 250 | Soap | 6 | 60 | Air Freshener | 1 | 175 | Feather Duster | 2 | 60 | Total | | 750 |

Legal Requirements Description | Amount | Barangay Clearance | 150 | Mayor's Permit | 4, 000 | Business Tax | 950 | Business Plate | 100 | Sanitary Permit | 250 | Occupational Tax | 400 | Filling | 100 | Processing | 120 | Zoning | 350 | Electrical Inspection | 250 | Fire Inspection | 350 | BIR | 300 | DTI | 5, 750 | Inspection Fee | 500 | Total | 13, 570 |

Chapter IV FINANCIAL STUDY FINANCIAL ASPECT Financial aspect conform the detailed computation of every financial needs of the business to determine and evaluate the project requirements, possible sources, capital financing and also the limitation of the business such as terms and condition. Capital is the most important asset in the business; it must be available at least cost when it is needed and the most important aspect among others. It admits how the business is made possible and determines

the profitability of the business. Major Assumption

- o The Initial capital will be Php 700, 000. 00.
- o The projected financial statement will cover up to 5 yrs.
- o Equipment will be depreciated for 5 yrs.
- o Other Assets will also depreciated for 5 years
- o Software will be amortize for 5 years
- o Salaries will be increase 3% annually.
- o Light expense will be increase 3% annually.
- o Telephone bill/DSL increase 3% annually.
- o Supplies will purchase annually.
- o Additional equipment will purchase before the business year operate
- o Division of net income is a bonus method (bonus after tax) to industrial partner will be 40% and 60% to capitalist partner for the following years within 5 years of operation.
- o 60% of the net income is divided equally to the capitalist partner
- o Drawings will be 2. 5 % every month based on the net income which is 30 % for the whole year.

There are some objectives and guidelines to be met:

- o To make a safe, realistic and complete of operating revenues and costs.
- o To determined the liquidity, profitability and soundness of its financial position.
- o To determined the accumulated capital financing from partners.
- o To determined and ensure the necessary financial management of business will have monetary resources whenever necessary.
- o To make an accurate estimated total cost.

27 - Advertising and Marketing expense it will stated on the cash flow amounting P11, 377. 58 on the first year because it has an expense before the operation of the business. The computation of the expense are as follows-

- for the membership card (100pcs. X 100. 00) P10, 000. 00-
- stamp card for points (100pcs. X 10. 00) P1, 000. 00-
- small tarpaulin 157. 08-
- small fliers 220. 50

P11, 377. 58 x 2 (twice a year)

Advertising and Marketing Expense composed of membership card and stamp (11, 000. 00) tarpaulins, fliers Total Cost 22, 755. 16 for the

following year — Cleaning material expense was 1, 735. 00 which covered one year of operation. Brooms 120. 00 Soap 120. 00 Dust Pan 45. 00 Trash Can 100. 00 Feather Dust 50. 00 Mop 250. 00 Air Freshener 1, 050. 00

The projected income statement, partners equity, balance sheet and cash flow it's indicated what is the standard of the business will be. The Financial Analysis its indicate on how many percent is the return of the Current Assets and Investment. It also indicate the margin of safety of the business in order to avoid the net loss. Cost of Project The total outlay on the project works out to Rs. 918200 and the margin money for working capital required to be brought in is Rs. 192000. Thus, the total cost of project works out to Rs. 1110200, the details of which are given as under: - Capital Expenditure Total Cost (Rs) Equipment 659200 Furniture & Fixtures 231000 Pre — Operational Expense 28000 Total Capital Expenditure (A) 918200 Working Capital Up Front Insurance Payment 0 Up Front Building Rent 192000 Total Working Capital (B) 192000 Total Investment in Project (A + B) 1110200

The working of the various major components of the cost estimates are based upon quotations and estimates obtained from suppliers. The preliminary and pre-operative expenses are taken on estimated basis

STATEMENT	Sales   2013	2014	2015	2016	2017		Internet Sales
	1, 330, 560	1, 425, 600	1, 520, 640	1, 615, 650	1, 710, 720		Printing Revenue
	133, 056	142, 560	152, 064	161, 568	171, 072		Fax Revenue
	39, 917	42, 768	45, 619	48, 470	51, 322		Composing Revenue
	144, 000	180, 000	216, 000	252, 000	288, 000		Web Development Revenue
	50, 000	70, 000	90, 000				Total Revenue
	1, 647, 533	1, 790, 928	1, 984, 323	2, 147, 688	2, 311, 114		



Cost Of Goods Sold	Internet Connection Charges	Printing Charges	Composing Charges	Web Development	Fax Charges	Machine Maintenance	Direct Electricity	Total CGS	Gross Profit/Loss	Operating Expenses	Payroll Admin	Marketing And Selling	Amortization (Pre-Operations)	Depreciation	Total	Operating Profit/Loss	Non Operating Expenses	Financial Charges (S. T)	Financial Charges (L. T)	Building Rent	Total	Profit Before Tax	Tax	Profit After Tax	Retained Earning (Year Beginning)	Retained Earning (Year Ending)																																																																																			
300,000	297,000	294,030	291,090	288,179	66,528	71,280	76,032	80,784	85,536	72,000	90,000	108,000	126,000	144,000	25,000	35,000	45,000	19,958	21,384	22,810	24,235	25,661	26,611	28,512	30,413	32,314	34,214	237,553	219,766	229,217	238,668	248,118	722,651	727,942	785,501	828,090	870,708	924,882	1,062,986	1,198,822	1,319,628	1,440,405	158,400	174,240	191,664	210,830	26,611	28,512	30,413	32,314	34,214	5,600	5,600	5,600	5,600	178,040	178,040	178,040	178,040	178,040	178,040	354,251	370,552	388,293	407,618	428,684	570,631	692,434	810,529	912,011	1,011,721	26,880	32,341	34,800	37,554	40,533	35,291	29,952	23,866	16,927	9,017	192,000	211,200	232,320	255,552	281,107	254,171	273,493	290,986	310,033	330,657	63,292	83,788	103,909	120,396	136,193	253,168	335,152	415,635	481,582	544,770	253,168	588,320	1,003,955	1,485,537	253,168	588,320	1,003,956	1,485,

6. 4. 2 PROJECTED BALANCE SHEET							
Year	0	2013	2014	2015	2016	2017	
Assets							
Cash	400,678	875,997	1,425,712	2,034,436	2,698,437		
Upfront Insurance	17,804	14,243	10,682	7,122	3,561		
Upfront Building Rent	192,000	211,200	232,320	255,552	281,107	309,218	
Total Current Assets	192,000	629,682	1,122,560	1,691,946	2,322,664	3,011,216	
Gross Fix Asset	890,200	890,200	890,200	890,200	890,200	890,200	
Less: Accumulated Depreciation	178,040	356,080	534,120	712,160	890,200		
Net Fix Assets	890,200	712,160	534,120	356,080	178,040	0	
Pre Operational	28,000	22,400	16,800	11,200	5,600	0	
Total Intangible Assets	28,000	22,400	16,800	11,200	5,600	0	
Total Assets	1,110,200	1,364,242	1,673,480	2,059,226	2,506,304	3,011,216	
Liabilities							
Running Finance	192,000	231,010	248,570	268,242	290,238	314,789	
Long term Loan	252,080	213,944	170,470	120,909	64,409	0	
EQUITY	444,080	444,954	419,040	389,151	354,647	314,789	
Paid up Capital	666,120	666,120	666,120	666,120	666,120	666,120	
Retained Earnings	0	253,168	588,320	1,003,955	1,485,537	2,030,307	
Total	666,120	919,288	1,254,440	1,670,075	2,151,657	2,696,427	
Total Liability & Equity	1,110,200	1,364,242	1,673,480	2,059,226	2,506,304	3,011,216	
PROJECTED CASH STATEMENT							
Year	0	2013	2014	2015	2016	2017	
Operating Activities							
Net Profit		253,168	335,152	415,635	481,582	544,770	
Depreciation		178,040	178,040	178,040			

040	178, 040	178, 040	Insurance amortization	5, 600	5, 600	5, 600	5, 600	5, 600	5, 600	Upfront Insurance Payment	-17, 804	3, 561	3, 561	3, 561	3, 561	3, 561		Cash Provided By Operations	0	419, 004	522, 353	602, 836	668, 783	731, 917		Financing Activities			Long term Debt principle Payment	-38, 136	-43, 475	-49, 561	-56, 500	-64, 409	Building Rent Payment	-192, 000	-211, 200	-232, 320	-255, 552	-281, 107	-309, 218	Building Rent Expense	192, 000	211, 200	232, 320	255, 552	281, 107	Addition to Long term debt	252, 080		Addition to Short term Debt	192, 000	39, 010	17, 560	19, 672	21, 995	24, 551	Paid up Capital	666, 120		Cash Flow By Financing Activities	918, 200	-18, 326	-47, 034	-53, 121	-60, 059	-67, 969		Investing Activities		Capital expenditure	-918, 200		Cash Flow by Investing Activities	-918, 200			Net Cash	0	400, 678	475, 319	549, 715	608, 724	664, 002	Cash Balance brought Forward	0	0	400, 678	875, 997	1, 425, 712	2, 034, 436	Cash Balance	0	400, 678	875, 997	1, 425, 712	2, 034, 436	2, 698, 437		Cash carried Forward	0	400, 678	875, 997	1, 425, 712	2, 034, 436	2, 698, 437
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Chapter V SOCIO-ECONOMIC STUDY Helps the society in the area of information gathering and communication. its also create an employee opportunity for society. gives service for local students and young peoples add educ info and makes dem to use their tym properly E-Government should enable anyone visiting a city website to communicate and interact with city employees via the Internet with graphical user interfaces (GUI), instant-messaging (IM), audio/video presentations, and in any way more sophisticated than a simple email letter to the address

provided at the site"[3] and " the use of technology to enhance the access to and delivery of government services to benefit citizens, business partners and employees".[4] The focus should be on: \* The use of Information and communication technologies, and particularly the Internet, as a tool to achieve better government.[5] \* The use of information and communication technologies in all facets of the operations of a government organization. [6] [7] \* The continuous optimization of service delivery, constituency participation and governance by transforming internal and external relationships through technology, the Internet and new media.[8] Whilst e-Government has traditionally been understood as being centered around the operations of government, e-Governance is understood to extend the scope by including citizen engagement and participation in governance. As such, following in line with the OECD definition of e-Government, e-Governance can be defined as the use of ICTs as a tool to achieve better governance.

Chapter VI MANAGEMENT STUDY PRE-OPERATING PERIOD Prior to the actual business operation, it is part of the process to fulfill the necessary pre-operating requirements and the responsibilities such as hiring and training of persons or workers, providing different equipment and materials needed in accomplishing documents. The form of organization is partnership. The total initial capital agreed upon by the partners is 5, 000, 000. 00, where each partner will contribute P 250, 000. 00. The following are the names of the partners and their capital contribution

Partners	Contribution Amount
Mr. Y	Cash P250, 000. 00
Mr. X	Cash P250, 000. 00

PERSONS INVOLVED IN THE MANAGEMENT With the proposed business, Mr. Glen Ico will act as the manager. His duties cover management function such as planning,

organizing, staffing, directing and controlling. A bookkeeper/cashier will be in charge of the different accounting jobs. A computer assistant is in-charge of assisting the customer. A computer technician will be in-charge in maintaining the conditions of the computer. PROJECT SCHEDULE Business purpose or objectives are set to be accomplished. Realization of these objectives can be obtained through proper planning and scheduling of specific business activities to be undertaken. The preparation of a project schedule is very important. And the proponents to concretize the various process/sequences involved are a GANTT chart that will control and monitor the process. Areas of consideration: Feasibility Study Duration: From August — December 2007 The feasibility study will be completed within this period to which the researcher conducted a comprehensive study like interviews and surveys. Areas of consideration: Putting up of equity Duration: From January 1-15 2008 A collection of cash contribution from the proponents for the capitalization of the business will take place within this period. Areas of consideration: Registration Duration: From January 16-31 2008 Pre-operating Phase Articles of the partnership was prepared and signed by all partners which reflects the following: The partnership name The business address The partnership's goal/objectives The name and address of the partners Duration on when partnership will exist The amount of cash contributed by each partner Each partner will secure a share of profits based on the contribution plus all other compensation by way of income After agreeing with the terms and condition of the purpose, each of them needs to affix their signature in five(5) copies of the articles of partnership with the presence of the witness and the notary public. Operating Phase The procedure to be done in

registering with some agencies who have regulatory power over the business: For the registration of the business in the Security and exchange commission (SEC) certain procedures are to followed: Fill out all the file copies of information sheet receives from the office Verify the partnership names in the record section Once the partnership is approved go to information section for filling and payments of registration fees. Payment of filling fees to the cashier Receiving of the articles of partnership is to be made in the receiving section together witht the changes in the name of the partnership. SEC General Information sheet and affidavit of marital consent (if married) in five copies. Make a follow up as to when you will received the approved certificated of partnership The steps in registering in the Department of Trade and Industry are as follows: Get a DTI form for application of the business name from the DTI office and fill up the form. Pay to the cashier Fill out the form together with the certified copy of the approved articles of partnership from the Security and Exchange Commission After a week, get the certificate of registration for the DTI. The card certificate entitles the firm to have their business for five years which, it is subject to renewal. Certain procedures are to followed to the Bureau of Internal Revenue (BIR) The steps are to followed when registering to the BIR Get forms and fill-up then submit Payment of the registration fee to the cashier A privilege tax is to be paid. The applicant is required to pay the tax before \_\_\_ engaging in the business. Secure BIR authorization for the printing of the invoice and official receipt for the partnership Printing of the forms Bring the printed receipt to the bureau of Internal Revenue office along with the authorization to print stamping of the official receipt and invoice

booklets. Secure the books of account such as receipts or cash disbursement book, minutes book, ledger or journal from any bookstore and register it to the BIR. The procedure in getting the Mayor's Permit is as follows: Get an application for the city or municipal hall where the business is located and fill up the information Get certificates form the municipal office stating that the business is new Submit to the Mayor's Office the application for comments and approval A fee representing payments for the permit and license to the city treasury Have a follow-up of the Mayors permit and the municipal license. Usually, permits and license expire after a year from the date of the issuance unless it is specified. Members your business in Social Security System (SSS) Register to the SSS your Social Security System (SSS) number Be sure that your employees have their social security number deduction of the employees share in the SSS and Medicare is to be made from their monthly salary and remit the deduction's together with their employers share and the employees contribution to the SSS After securing the forms, register your place of business to the Department of labor Check with the Bureau of the standards for the rules and regulations if ever the partnership is engaged in manufacturing Areas of consideration: Renovation Duration: from February-March 2008 Romulo Blvd. Tarlac City is the best location for our business because university and other schools are near the place and it is very accessible to the public since it is the center for business and schools. The proponents will rent the place temporarily until the business is financial stable. Areas of consideration: Equipment and Supplies Duration: from March 1-30 2008 The partners will have to canvas the computer equipment, furniture and other supplies for the Internet business which aims to get the

lowest price but with high quality. The one who will give the better offer is the first priority. Areas of consideration: Orders and receipts of computer equipment and other supplies Duration: March 1-30 2008 Orders of computer and other supplies should be listed for the purpose of monitoring. Receipts should be issued to determine the mode of payment. Areas of consideration: Installation of computer equipment and other supplies Duration: March 2008 Delivery and installation of the equipment to be used by the business for giving a quality service should be done during this period. Areas of consideration: Hiring and training of personnel Duration: April 2008 During this period, the partners will train its employees/workers for the different jobs assigned. Areas of consideration: Start of the Operation Duration: May 2008 The business will start during this period. Its goal is to give quality service at the most affordable price possible. OPERATING PERIOD FORMS OF BUSINESS OWNERSHIP The form of business is partnership. The name of the business firm is " GSI Computer System". The proponents choose the form of partnership because of the following reasons. Advantages: As compared to a sole proprietorship, a greater amount of capital can be accumulated in a partnership because of the numbers of person involved. Better management will result in a partnership because of the concerted efforts and abilities of the partners. As compared to the corporation, a partnership is simpler and less expensive to organize, there being only few legal requirements. The partnership's unlimited liability will serve as protection for the partnership creditors thus the latter will not be discouraged to extend financial assistance. Disadvantages: Any personal rifts, deaths, withdrawal or incapacity of a partner may dissolve the partnership



Equal profit sharing despite unequal attention of time given by partners.

Because of numbers of person involved, conflicts and disagreement may arise and may easily affect the operation and success of the business.

**ORGANZATIONAL POLICIES** Working day and time Monday to Sunday 7: 00 an -10: 00 pm Payment of salaries/wages Payment of salary/wages will be on the 8th and 22nd day of every month

**INTERNAL ORGANIZATION MANPOWER REQUIRMENT/JOB ANALYSIS** The success of the business depends on the performance and attitude of its personnel and employees. This part of management aspect will discuss the following job analysis for each organization's personnel and employees with their corresponding qualification.

**Job Title: General Manager** Job Description: He shall implement good internal control of the business He shall be responsible to direct and lead his subordinates He shall assign his subordinates their respective tasks He shall plan the personnel policies, activities and programs directed towards meeting the goals of the business organization. Job Specification: He must a degree holder of any business course or related. He must be of a good character and must posses a good leadership skills With or without working experience He must be at least 23 years of age He must posses good communication skills

**Job Title: Bookkeeper/ Cashier** Job Description: He/she shall maintain all accounting records He/she shall maximize profit by the way of controlling asset, cost and expenses He/she must have the ability to manage the company's funds. He/she will be in-charge of the cash register He/she will be in-charge of supervising the profit of the company Job Specification: He/she must be a graduate of a degree course and has knowledge in accounting He/she must have enthusiasm in work With or

without working experience He must be a computer literate Proficient in Microsoft Application or related software Job Title: Customer Relation Job Description: He/she will be responsible in assuring good quality of service He/she will be responsible in the development of the service that we rendered to the customer Job Specification: Male or female He/she must have a good oral communication Highly proficient in various computer software and familiar with Internet Job Title: Computer Technician Job Description: He will be responsible in the maintenance of the computers and other equipment He will be assisting the CRO and the cashier Job Specification: Male He must be a graduate of any computer/technical course. Engineering graduate is an advantage He must have at least 2 years experience in trouble shooting and maintenance of micro computer

Management Strategies Maintain a focus on quality products with bottom-line growth through cost reduction and optimal performance. I also focus on technology and innovation to make sure our employees skills are up to standard with today's mode of production

CONCLUSION After making this report we have faced real environment stress in real business. This research work has enabled us to gather a lot of information about the café business and we have been able to apply our classroom knowledge to the practical life very effectively. In conclusion, from the above Projected Balance Sheet, Projected Income, Projected Cash Flow and other major financial ratio calculation it can be said that the project is very much feasible, having good profitability, conceived by the people already experienced in the similar field. Promoters are having expertise in marketing for decades. Individually each promoter is having a sound financial background. The group concerns are

also in profitable existence for a number of years. The financial and economic feasibility of the project is well established on the basis of estimates and projections. All the assumptions and basis of estimation are on the principle of conservatism and prudence. Therefore, it can be concluded that the business has a high potential