

BAHIR DAR UNIVERSITY

BAHIR DAR INSTITUTE OF TECHNOLOGY

FACULTY OF COMPUTING

SOFTWARE ENGINEERING DEPARTMENT

Course title: Entrepreneurship for Engineers

Project Title: Feasibility study for Tote bag production

Prepared by: Id No:

Bethemariam Asrat 1102834

Kidist Amsalu 1102029

Eyerusalem Gezahegne 1101909

Fikire Chane 1102163

Eden Haile 1102074

Yezbalem Amero 11

Instructor: Mr. Beleayn

**Acknowledgement**

With gratitude and respect, we thank the following people without whom the project would not have come to fruition. To our instructor, who supported this project and provided constant support during a challenging process. A special note of thanks also to Samuel, who was, so kind as to tell us basic information about computers writing skills and also to open the lab for us.

**TABLE OF CONTENT**

**Title**  **page**

**Objectives** --------------------------------------------------------------------------3

**Back ground**------------------------------------------------------------------------3

**1. Introduction** -----------------------------------------------------------------------5

**2. Project description**----------------------------------------------------------------5

**3. Feasibility Analysis**

**3.1. Technical analysis**-----------------------------------------------------------7

**3.2. Market analysis**--------------------------------------------------------------10

Enterprise description--------------------------------------------------------20

Enterprise competitiveness--------------------------------------------------24

Market potential--------------------------------------------------------------25

Sales projection---------------------------------------------------------------26

Channels of distribution-----------------------------------------------------26

**3.3. Financial analysis**-----------------------------------------------------------25

Total capital requirements---------------------------------------------------27

Means of financing -----------------------------------------------------------30

Expected costs and returns---------------------------------------------------31

Project sales revenue----------------------------------------------------------34

Break even analysis-----------------------------------------------------------35

Project income statement-----------------------------------------------------38

Project cash flow statement--------------------------------------------------39

Project balance sheet----------------------------------------------------------39

**4. Assumption reliability------------------------------------------------------------**40

**5. Organizational Feasibility**

Business structure--------------------------------------------------------------42

Lines of authority and decision making-------------------------------------42

**6. Key assumption**--------------------------------------------------------------------43

**7. Project schedule (Gant chart**) --------------------------------------------------45

**8. Conclusion**--------------------------------------------------------------------------46

1.Tote Bag

A tote bag is an incredibly useful accessory. It’s a simple product with huge versatility. In the most basic terms, a tote bag is defined as a mid-large sized bag which has two parallel handles. Tote bags are usually unfastened at the top and are bigger than most other handbags. Tote bags can be made from a range of different fabrics and come in multiple colors and patterns. They are often made from lightweight materials such as canvas and cotton or from woven fabrics like jute. However, Tote bags can also be made from more durable fabrics such as leather.

What is unique about tote bag?

A tote bag is one of the very few bags which manages to combine practicality with style effortlessly. With these qualities at the Centre of its design, a tote bag is a highly versatile product which can be used for several purposes. Tote bags are commonly used for carrying shopping. The tote bag’s bigger size makes it perfect for transporting essentials and for providing a comfortable and reusable alternative to plastic shopping bags. Because of their spacious capacity, tote bags also make fantastic work bags which look smart yet can hold everyday essentials. The stylish nature of tote bags means they may be used as simple fashion accessories which can be worn casually or used to make a statement on more formal occasions. Are tote bags good for business? Yes, because it is long-lasting and reusable. For all intents and purposes, tote bags are preferred as brand promotional items because they serve their owners longer further cementing the brand message and can go with any outfits.

Environmental Benefit

The perceived environmental benefit on the use of Eco-bags registered a mean score of 4.25. The result conspicuously confirmed that consumers highly recognized the environmental advantages and benefit of eco-friendly bags as an alternative of plastic bags used by supermarkets. It also appears that they showed commendable understanding on how to protect the environment. Environmental benefits typically an advantage of business firms in the purchase decision process of the consumers, but habitually value and quality are the main factors that will influence the consumers.

Price

Prices of eco/tote bags range from 350-600 birr depending on the size.

1. Description of the Business

* Outline the general business model (i.e. how the business will make money).
* List the type and quality of product(s) or service(s) to be marketed Include the technical processes, size, location, kind of inputs
* Technical processes
* After purchasing the fabric, the bag is sown according to the required size.
* Size – small, medium, large
* Specify the time horizon from the time the project is initiated until it is up and running at capacity.
* Economically tote bags are reusable so people don’t have to spend extra money on use and throw plastic bags.
* Socially people can be fashionable and follow new trends without spending money on other expensive bags.

2. **Market Feasibility**

The market feasibility of tote bags depends on various factors such as consumer demand, competition, target market, and product differentiation.

Currently, tote bags are a popular and practical item, especially among environmentally conscious consumers who are looking for reusable and sustainable alternatives to single-use plastic bags. This trend is likely to continue, and the market for tote bags is expected to grow.

The market feasibility of tote bags is likely to be positive, as they are a practical and environmentally friendly alternative to plastic bags. Tote bags have become increasingly popular in recent years due to growing concerns over plastic waste and its impact on the environment. Many consumers are looking for reusable and sustainable products, and tote bags fit that bill. Additionally, tote bags can be customized and branded for promotional purposes, making them popular for businesses and organizations as well. However, competition in the market can be high, and it's important to conduct thorough market research and assess consumer demand and competition in your target market before starting a business selling tote bags.

In conclusion, the market for tote bags is generally favorable, so our business focuses on providing customers choice in baggage industry.

**2.1. Enterprise description**.

Tote bags are a type of carrying bag with handles, designed for carrying items such as books, groceries, clothing, or personal belongings. They are usually made from durable materials such as canvas, nylon, or leather, and come in a variety of sizes, shapes, and colors. Tote bags are popular because they are practical, versatile, and easy to carry. They are often used as an eco-friendly alternative to single-use plastic bags, and many businesses now offer branded tote bags as a promotional item or corporate gift. Tote bags can be used for a variety of purposes, including shopping, commuting, or as a gym or beach bag.

Tote Bags Market Overview:

Tote bag is a category of women's handbag. Tote bags contain larger space as compared to other handbags and allow women to carry the maximum number of goods at the same time. Tote bags are perfect solutions for carrying large objects such as laptops, beauty products, etc. The global handbag market size was valued at USD 49.12 billion in 2021 and is projected to grow at a compound annual growth rate of 5.8% over the forecast period. In recent years, handbags have become one of the desired personal products worldwide. The accessibility, visibility, and desirability of various handbags have boosted their widespread recognition and strong performance. Made from various materials like mesh, leather, nylon, straw, canvas, vegan leather, and jute, handbags are used by everyone for various purposes in their day-to-day life. For instance, people usually prefer canvas handbags for shopping; people working in the corporate sector usually prefer leather bags, whereas, for parties or a night out, women tend to opt for clutches or wristlet handbags.

* future direction of the industry

-The Tote Bags Industry in the future will be working on exporting these bags to abroad.

- work on other type of bags such as suitcase and travel bags.

* the nature of the industry   
  the industry is going through rapid change and restructuring because of high demand on these types of bags.
* **2.2. Enterprise competitiveness**.
* The report provides information that will help stakeholders evaluate investment suitability and market players acquire opportunities for partnerships, collaboration, and agreements. Characteristics of pure competition

Multiple buyers and sellers. A pure competition market has many sellers and buyers. ...

Prices are comparable. ...

All products are similar. ...

Different product knowledge. ...

Product availability is similar. ...

Easy industry entrance. ...

Variations in profits. ...

Grocery stores:

* 1. **Investigate industry concentration** (few large producers or many small producers)
* This business plans to distribute bags starting from small shops to big stores.
  1. **Explore barriers/ease of entry of competitors into the market or industry.**
* Unable to find fabrics in different color.
* Unable to get recognition or acceptance from the public.
* Unable to find loyal customers who stick by the business during hardship.

**2.5. Access to market outlets**

To understand the target market for tote bags, we need to understand what attracts someone to a tote bag instead of another type of bag.

Once we understand people’s motivation behind a purchase, we can design products that can satisfy their needs and develop marketing strategies that can appeal to them.

Such a [needs-based segmentation](https://amplifyxl.com/needs-based-segmentation/) approach gives us the following customers segments for tote bags:

1. People who need to carry a lot of things.
2. People looking for a stylish bag.
3. People looking for an eco-friendly bag.
4. People looking for a durable bag.
5. Conferences and Trade Shows
6. Stores and Boutiques

Let’s review each of these segments in some detail.

**1. People who need to carry a lot of things**

A Tote bag is ideal for this target market segment since it can hold a lot more than a traditional purse.

This is especially true for larger tote bags which can be used for carrying books, laptops, and other heavy items.

People who buy a tote bag for carrying a lot of things are looking more for functionality over style.

They are often willing to sacrifice style for the sake of having a bag that’s practical enough to carry and can fit everything they need.

**2. People looking for a stylish bag**

The target market for tote bags isn’t limited to those looking for practicality. For many people, a bag – any bag – like a purse is a fashion statement. This means that the target market for tote bags also includes people who are looking for stylish bags.

Tote bags come in many different styles, from classic and sophisticated to trendy and chic.

This target market segment is usually willing to spend more on a tote bag that makes them look good.

They are also likely to be influenced by celebrities and influencers who are seen carrying tote bags.

**3. People looking for an eco-friendly bag**

With the growing awareness of environmental issues, an important segment of the target market for tote bags is [people who look for eco-friendly products](https://amplifyxl.com/target-market-for-green-products/).

Tote bags made from natural materials like cotton or jute are becoming increasingly popular.

This target market segment is also willing to pay more for a tote bag that is eco-friendly and sustainable.

**4. People looking for a durable bag**

When people who buy tote bags look for durability, they will often buy bags that are made from tough materials.

Leather tote bags are seen as being very sturdy and able to withstand a lot of wear and tear.

This segment of the target market for tote bags is often willing to invest in a good quality bag that can withstand wear and tear and will last for many years.

**5. Conferences and Trade Shows**

Tote bags are also popular promotional items at conferences and trade shows.

They are often given away for free with the hope that people will use them to carry conference materials or items they’ve bought from the trade show.

This is also a good way for the conference or trade show to get its brand name out there.

This segment of the target market for tote bags can be good customers because they will often order bags in bulk if you can customize them.

**3. Technical Feasibility**

A technical feasibility study helps organizations determine whether they have the technical resources to convert the idea into a fully functional and profitable working system.

3.1. Determine facility needs.

* Estimate the size and type of production facilities.
* Investigate the need for related buildings, equipment, rolling-stock

3.2. Suitability of production technology.

* Investigate and compare technology providers.

Totes, bags, & backpacks are a lucrative print-on-demand niche. For example, [the global tote bag market revenue](https://www.technavio.com/report/tote-bags-market-industry-analysis) is expected to increase by $5.85B during 2021-2025, according to TechNavio. In the case of [backpacks](https://dataintelo.com/report/backpacks-market/), the market is estimated to grow from $18B in 2019 to $22B in 2026.

1. Printful is one of the best and most popular [white-label print-on-demand suppliers](https://thecleverbusiness.com/private-label-white-label-print-on-demand/) on the internet. Its best feature is [Blind delivery](https://thecleverbusiness.com/blind-dropshipping/) worldwide within 15 business days via USPS, FedEx, DPD, and DHL. The problem with this is it take Up to 7 business days to print orders. Price is 15-16$ per bag and including delivery fee it is between 1000-1500 birr.
2. Contrado is a famous tote bag production company that Ship internationally within 3-15 business days via FedEx,UPS.it Support custom labels, printed tags, and other bespoke branding options. Only problem with purchasing this product is it is very expensive. It is up to 2000 birr.
3. Designer tote bags- even though they have great quality and can last a life time they are very expensive and difficult to find the original in Ethiopia.

Locally technology providers.

1. Zion tote bag

Tsion is fellow tote bag supplier. She supplies her bag with the money range of 600 to 800 birr.

* Determine reliability and competitiveness of technology (proven or unproven, state-of-the-art).
* Tote bags are very reliable and we can use them for carrying shopping. Bigger size tote bags make it perfect for transporting essentials and for providing a comfortable shopping bag. Because of their spacious capacity, tote bags also make fantastic work bags which look smart yet are able to hold everyday essentials. The stylish nature of tote bags means they may be used as simple fashion accessories which can be worn casually or used to make a statement on more formal occasions.
* The market for tote bags is becoming more and more competitive because the market needs it and people are concerned about the environment that is why they are in need of reusable bags instead of plastic bags which are hazardous to the ecosystem.
* Identify limitations or constraints of technology.

- accessing good quality leather for clients that demand leather products.

3.3. Availability and suitability of site

* Access to markets.
* We plan on delivering these bags to shops that sell all kind of bags.
* Deliver to people that made direct contact with us.
* Access to raw materials.
* accessing cotton fabrics won’t be a problem.
* Access to a qualified labor pool.
* Also Known as labor force, a **labor pool**is the available group or pool of individuals who are **qualified** to function in a specific employment situation.
* For this business people who can operate the sewing machine and who take some form of sewing classes can easily made this bags.
* production inputs
* Cotton fabric
* Canvas
* Jute
* Leather
* Thread
* Electric power for the sewing machine.
* Investigate emissions potential.
* **Emissions** are substances that are emitted; in an [energy](https://energyeducation.ca/encyclopedia/Energy) sense, these are most often [waste](https://energyeducation.ca/encyclopedia/Waste) products of a process aimed at obtaining useful [work](https://energyeducation.ca/encyclopedia/Work). The most common emissions from energy are associated with the generation of [electricity](https://energyeducation.ca/encyclopedia/Electricity) and the [transportation](https://energyeducation.ca/encyclopedia/Transportation) of people and goods. The specific chemical nature of the emissions depends on how those tasks were done.
* Clothing accounts for between 2 % and 10 % of the environmental impact of consumption. This impact is often felt in third countries, as most production takes place abroad. The production of raw materials, spinning them into fibres, weaving fabrics and dyeing require enormous amounts of water and chemicals, including pesticides for growing raw materials such as cotton. Consumer use also has a large environmental footprint due to the water, energy and chemicals used in washing, tumble drying and ironing, as well as to microplastics shed into the environment.
* Even though this sewing machines use electricity they also made it possible for people to mass-produce items, which led to an increase in trade and commerce. Overall, the sewing machine had a positive impact on the economy and helped to**improve the standard of living for many peoples in textile industry**
* It makes is for us to produce our bags and so without the sewing machine we would be still at the basics**.**it made clothing easier to make and cheaper. This is good because people will buy this reusable bag at a fair price than plastic bags that has a negative impact on the environment.
* environmental impact.
* Its impact on the environment is very visible because these bags are reusable unlike the other plastic bags that people through out once they done using them.
* People can wash it and reuse it.
* Identify regulatory requirements.
* **Regulatory** compliance essentially means following the rules. It shows that companies are satisfying external mandates. Regulatory requirements can help to level the playing field. Regulated industries. Almost every**worker or organisation will have to follow some form of regulatory requirement**
* **Some of the rules are**
* Do not use these restricted substances in any form because they are not good for health.
* Lead
* Cadmium
* Mercury
* Phthalates
* Explore economic development incentives.
* Economic incentives are financial motivations for people to take certain actions.
* Economic development incentives is a term that describes an array of**financial tools and technical resources available to government agencies, economic development organizations, and utilities, along with other similar entities.** These incentives can be utilized to support the recruitment and retention of businesses in U.S. communities in exchange for the job creation and financial investment that those businesses will bring.
* Explore community receptiveness to having the business located there

- the community is welcoming and supportive.

- people are trying to use these bags not only for market but also students are using them for classes.

3.4. Raw materials

* Estimate the amount of raw materials needed.

We will be using 1meter by 1meter cotton fabric just for producing only one bag.

* We can multiply the order we got with the
* Investigate the current and future availability and access to raw materials.
* Cotton fabric is currently available in our area but to produce leather tote bags it has to be imported from Addis Ababa.
* For the future we are hoping there will be a raw leather shop right here in Bahir Dar.
* Assess the quality and cost of raw materials and markets of easily substituted inputs.
* The quality and cost of these cotton fabrics are good.
* But when it comes to leather finding the best quality product with fair price is challenging.

**3.5. Other inputs.**

Small groups of individuals can create tote bags in a short amount of time because it is easy to make.

Skills for make tote bags**-**

* sewing skill
* pattern skill

**6.conclusion**

Tote bags can be used for a variety of purposes and by a variety of people. They are perfect for carrying items around, whether at the grocery store or on a day trip. They can also be used as a purse or for storage.

Tote bags come in a broad range of sizes, colors, and styles, so anyone can find the perfect one for their needs.

Tote bags are reusable and using reusable bags would reduce the effects of plastic bags because we would lower the amount of plastic being produced and disposed by simply using a reusable bag, Reusable bags are an alternative for plastic bags because they are environmentally friendly and can be used repeatedly to reduce waste. Something to keep in mind is that plastic bags are not only beneficial to the environment, but they are also benefits to the environment, but they are benefit us because we would be able to reuse them repeatedly.

* By paying taxes to the government so eventually our business can run legally.
* By having strong brand identity,
* By making loyal customer and loyal working stuff. Other barriers include the need for new companies to obtain licenses or regulatory clearance before operation.

1. Explore barriers/ease of entry of competitors into the market of tote bags