Economic Feasibility

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022 | 2023 | 2024 | 2025 | Total |
| Total benefits |  | 2,501,920$ | 5,002,880$ | 15,003,840$ | 22,508,640$ |
| Total costs | 660,158$ | 188,134$ | 198,230$ | 248,326$ | 1,294,848$ |
| Net benefits | (660,158$) | 2,313,786$ | 4,804,650$ | 14,755,514$ | 21,213,792$ |
| Cumulative net cash flow | (660,158$) | 1,653,628$ | 6,458,278$ | 21,213,792$ |  |

Return on Investment (ROI) =

Break-Even Point (BEP) = 0 +

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2022 | 2023 | 2024 | 2025 | Total |
| Total benefits |  | 2,501,920$ | 5,002,880$ | 15,003,840$ |  |
| PV of total benefits |  | 2,156,827$ | 3,849,553$ | 10,127,164$ | 16,133,544$ |
| Total costs | 660,158$ | 188,134$ | 198,230$ | 248,326$ |  |
| PV of total costs | 660,158$ | 165,029$ | 152,531$ | 167,613$ | 1,145,331$ |

**Net Present Value (NPV)** = 16,133,544 – 1,145,331 = 14,988,213$ **(NPV > 0 so our project is acceptable)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  | 2022 | 2023 | 2024 | 2025 | Total |
| **Benefits** | | | | | |
| Increased sales |  | 2,500,000$ | 5,000,000$ | 15,000,000$ | 22,500,000$ |
| advertisements |  | 1920$ | 2880$ | 3840$ | 8640$ |
| Total benefits |  | 2,501,920$ | 5,002,880$ | 15,003,840$ | 22,508,640$ |
| **Present Value Total Benefits** |  | 2,156,827$ | 3,849,553$ | 10,127,164$ | 16,133,544$ |
| Development costs |  |  |  |  |  |
| 3 servers | 345,000$ | 0 | 0 | 0 | 345,000$ |
| Server software | 13,375$ | 0 | 0 | 0 | 13,375$ |
| System AI | 300,000$ | 0 | 0 | 0 | 300,000$ |
| Android devices | 1783$ | 0 | 0 | 0 | 1783$ |
| Total development costs | 660,158$ | 0 | 0 | 0 | 660,158$ |
| Operational costs |  |  |  |  |  |
| Software license |  | 52,417$ | 52,417$ | 52,417$ | 157251$ |
| Salaries |  | 35,500$ | 35,500$ | 35,500$ | 106500$ |
| Technical support for AI system |  | 36,000$ | 36,000$ | 36,000$ | 108000$ |
| Debug fixing & updates |  | 24,000$ | 24,000$ | 24,000$ | 72000$ |
| Account for play store |  | 25$ | 25$ | 25$ | 75$ |
| PayPal |  | 40,192$ | 50,288$ | 100,384$ | 190,864$ |
| Total operational costs |  | 188,134$ | 198,230$ | 248,326$ | 634,690$ |
| Total costs | 660,158$ | 188,134$ | 198,230$ | 248,326$ | 1,294,848$ |
| Net benefits | (660,158$) | 2,313,786$ | 4,804,650$ | 14,755,514$ | 21,213,792$ |
| Cumulative net cash flow | (660,158$) | 1,653,628$ | 6,458,278$ | 21,213,792$ |  |
| Return on investment |  |  |  |  |  |
| Breakeven point |  |  |  |  |  |
| **PV total costs** | 660,158$ | 165,029$ | 152,531$ | 167,613$ | 1,145,331$ |
| **NPV (PV total benefits – PV total costs)** |  |  |  |  | 14,988,213$ |

**Costs and benefits for economic feasibility**

|  |  |
| --- | --- |
| **Development costs** | **Operational costs** |
| * 3 servers * Server software * System AI * 5 Android devices ( Samsung,oppo,Xiaomi,Realme,+1) * Purchase software license * Consultant fees * Development team salaries * Fees of account for google play | * Software licensing fees * Operational team salaries * Technical support for AI system * Debugging fixing and updates * Pay Pall fees |

**Tangible and Intangible Benefits**

|  |  |
| --- | --- |
| **Tangible Benefits** | **Intangible Benefits** |
| * Increased sales * Better supplier prices * Reductions in IT costs | * Increased market share * Higher-quality service * Better supplier relations * Improved customer service |