

MULTI PURPOSE COMPUTER CONTROL/ CYBER CAFE

1. INTRODUCTION:

Computers have changed complete global scenario of work and business. Today computers are widely used in each and every aspect of life. Apart from data processing, training and educational purpose computers have wide ranging commercial use coupled with internet. Through internet many commercial activities such as e-mail, browsing, web browsing, and e-commerce are possible. Personal computer is still out of reach of a common man in our country due to high cost. In such a situation cybercafés or multipurpose computer centers have recognized the need for the need of connectivity and are offering various packages at affordable prices. Apart from the IT enabled services the project also envisages the use of computer center for other computer related activities such as data processing job, design and drawing, account processing, banking and other government job, and training activities for getting special customers. In general low startup cost, quick returns is the big attraction of the project. Computers are widely used in this world of business and education. Web browsing, emails, on line applications, project preparation are some of activities which are still done through Cyber Café in locality. Also, some of business owners don't find any need of heavy infrastructure for computers and internet. They still find it economical to outsource such activities like data processing, accounting entries, taxation, application for government activities etc. For more benefits and special customers, job training activities and institute related work can be facilitated at this service center. Cyber cafe in real can add some extra activities of cafe, like tea and coffee,

2. PRODUCT & ITS APPLICATION:

Data processing, accounting entries, video conferencing, emails, web browsing, designing, project preparation, various govt. application like passport, driving license, job/software training to students are some of services which can be offered at this project.

3. DESIRED QUALIFICATIONS FOR PROMOTER:

There is no specific need in qualification for operating Cyber Café and Back Office Services. Technical team with qualification having IT background can be hired and trained easily and can be affordable.

Promoter must be hard working and calculative, innovative and perfect in work. As the industry asks for service and quality, one must have patient.

4. INDUSTRY LOOK OUT AND TRENDS

In today's world electronic communication is playing a big role in India. Due to fast growing of IT sector there is demand for these types of cyber cafés for sending communication for various destinations. These types of cafes can be set up in district headquarters and Block headquarters. This facility can be utilized by educated people, government offices, institutions etc.

5. MARKET POTENTIAL AND MARKETING ISSUES, IF ANY:

Cyber cafes are growing in the country with its users. The various trends, the growth and the different players in the market mark its prominence. Who said Cyber cafes are an endangered species? Look at this math: There is about 1, 80,000 Cyber cafés in India, which have seven PCs on an average, and these, are available for around 12 hours every single day. In fact they serve more than 72 million strong English speaking populations in the country. With the availability of tools that helps translate English language content into the local languages, the cyber cafés, in fact, are empowering the population in remote locations across the country. The services sector is the fastest growing sector with an annual growth rate of eight percent mostly aided by the information technology revolution. IT enabled services has become one of the most significant industries in the world and it has tremendous potential of growth since the information is the key to decision making. Similarly the IT industry which is already growing at a rapid pace is likely to employ around 70 lakh

persons by 2008 with the projected earnings of \$ 87 billion. As such the computer training is the key factor for new required manpower. Cybercafé are therefore increasingly becoming popular day-by-day as new internet users are multiplying proportionately.

6. RAW MATERIAL REQUIREMENTS:

Requirements – Material/Equipment and Manpower

Resources

1. Computers, with all accessories and web camera
2. Licensed Software – Accounting Software, Design Software, MS Office
3. All in one Printer, Scanner, Photocopy
4. Furniture – Desk, Chairs, Partitions
5. Air Conditioner
6. UPS/Inverter

7. MANUFACTURING PROCESS:

The hardware consists of the monitor, central processing unit, modem, hub, mouse, speakers and some other networking components. The software required covers a wide range right from the essential MS office set up to page maker and photo shop program which enable to store photographs and graphics some of the most basic program need Internet explorer, Chrome, Internet explorer, Microsoft Outlook express, messengers etc. The activities of the cyber café are as under: 1. DTP activities such as designing and producing printed matters. 2. Computer awareness courses like window operation, internet, page maker, Microsoft excel etc. For Government Employees, kids and other candidates. 3. Short term certificate courses such as compute fundamental, MS office, MS Dos, MS Window, Word Star, Internet, Web Designing etc. 4. IT enabled services which use the internet such as browsing, e-mail typing and sending, receiving, e-chatting, faxing and e-commerce and other e-activities. 5. e- payment, on line registration, e- booking. 6. Providing facilities to do meeting, conference, and business deals, with light refreshment.

8. MANPOWER REQUIREMENT:

The enterprise requires 17 employees as detailed below:

Sr. No.	Designation of Employees	Salary Per Person	Monthly Salary ₹	Number of employees required				
				Year-1	Year-2	Year-3	Year-4	Year-5
1	Computer Engineers	18000	36000	2	2	3	3	3
2	It Engineers	15000	30000	2	2	3	3	3
3	Skilled Workers	10000	20000	2	2	5	5	5
4	Administrative	15000	15000	1	1	1	1	1
5	Account/ Sales	12500	12500	1	1	1	1	1
6	Office Boy	9000	9000	1	1	1	1	1
	Total		115000	9	9	17	17	17

9. IMPLEMENTATION SCHEDULE:

The project can be implemented in 4 months' time as detailed below:

Sr. No.	Activity	Time Required (in months)
1	Acquisition of premises	1.00
2	Construction (if applicable)	1.00
3	Procurement & installation of Plant & Machinery	2.00
4	Arrangement of Finance	2.00
5	Recruitment of required manpower	1.00
	Total time required (some activities shall run concurrently)	4.00

10. COST OF PROJECT:

The project shall cost ₹ 45.75 lacs as detailed below:

Sr. No.	Particulars	₹ in Lacs
1	Land 500 sq. mtrs @ 1000	10.00
2	Building	10.00
3	Plant & Machinery	12.50
4	Furniture, Electrical Installations	2.00
5	Other Assets including Preliminary / Pre-operative expenses	1.25
6	Working Capital	10.00
	Total	45.75

11. MEANS OF FINANCE:

Bank term loans are assumed @ 75 % of fixed assets.

Sr. No.	Particulars	₹ in Lacs
1	Promoter's contribution	11.44
2	Bank Finance	34.31
	Total	45.75

12. WORKING CAPITAL CALCULATION:

Sr. No.	Particulars	Gross Amt	Margin %	Margin Amt	Bank Finance
1	Inventories	5.00	0.25	1.25	3.75
2	Receivables	2.50	0.25	0.63	1.88
3	Overheads	2.50	100%	2.50	0.00
4	Creditors	-		0.00	0.00
	Total	10.00		4.38	5.63

13. LIST OF MACHINERY REQUIRED:

A detail of important machinery is given below: Power Requirement: 5 HP

Sr. No.	Particulars	UOM	Qty	Rate (₹)	Value
					(₹ in Lacs)
	Plant & Machinery / Equipment				
a)	Main Machinery				
i.	Computers	NOS.	8	70000	5.60
ii.	Software's	Nos	5	50000	2.50
iii.	Zero, Printers, Lamination,	Nos	1	100000	1.00
IV	Tea Coffee, Cold Drink, Refreshment Vendor M/C			200,000	2.00
V	Taxes And Transportation			140000	1.40
	<i>Sub-Total Plant & Machinery</i>				12.50
	Furniture / Electrical Installations				
a)	Office Furniture	LS	1	50000	0.50
b)	Stores Cupboards	LS	1	0	0.00
c)	Air Condition And Other Infrastructure	L. S.	1	150000	1.50
	<i>Sub Total</i>				2.00
	Other Assets				
a)	Preliminary And Preoperative				1.25
	<i>Sub-Total Other Assets</i>				1.25
	Total				15.75

All the Computers, its peripherals and other equipments are available from local manufacturers. The entrepreneur needs to ensure proper selection of product mix and proper type of equipments and accessories to have modern and flexible designs. Some of the suppliers of computers and accessories are as below:

1. Impressive Computers

Hasan Ali House No. 4/41-A,

Noor Baug, Umerkhadi,
Mumbai - 400009,
Maharashtra, India

2. Computer Planet
Shop No. 1, Shaniwar Peth-53,
Opposite Amruteshwar Mandir,
Amruteshwar Co Operative Housing Society,
Near Shaniwar Wada,
Pune – 411030,
Maharashtra, India
3. Visicube Technologies Private limited
Door No. 1-8-315,
Begumpet, Opposite US Consulate,
Hyderabad - 500016,
Telangana, India
4. Micon Automation Systems Private Limited
A-814, Siddhi Vinayak Towers,
Behind DCP Office, Makarba,
Ahmedabad - 380051,
Gujarat, India
5. Adaptek Automation Technology
No. 13, F- 3, 2nd Floor,
Main Road, Adyar Nehru Nagar,
Near H.D.F.C. Bank A.T.M.,
Chennai - 600020,
Tamil Nadu, India.

14. PROFITABILITY CALCULATIONS:

Sr. No.	Particulars	UOM	Year-1	Year-2	Year-3	Year-4	Year-5
1	Capacity Utilization	%	60%	70%	80%	90%	100%
2	Sales	₹. In Lacs	30.00	35.00	40.00	45.00	50.00
3	Raw Materials & Other direct inputs	₹. In Lacs	20.23	23.60	26.98	30.35	33.72
4	Gross Margin	₹. In Lacs	9.77	11.40	13.02	14.65	16.28
5	Overheads except interest	₹. In Lacs	5.98	6.36	7.11	7.33	7.48
6	Interest	₹. In Lacs	3.43	3.43	2.29	1.72	1.37
7	Depreciation	₹. In Lacs	8.75	6.25	4.38	3.13	2.81
8	Net Profit before tax	₹. In Lacs	-8.40	-4.64	-0.74	2.48	4.61

The basis of profitability calculation:

The growth of selling capacity will be increased 10% per year. (This is assumed by various analysis and study; it can be increased according to the selling strategy.)

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

15. BREAK EVEN ANALYSIS:

The project shall reach cash break-even at **54.38%** of projected capacity as detailed below:

Sr. No.	Particulars	UOM	Value
1	Sales at full capacity	₹. In Lacs	50.00
2	Variable costs	₹. In Lacs	33.72
3	Fixed costs incl. interest	₹. In Lacs	8.85
4	$BEP = FC/(SR-VC) \times 100 =$	% of capacity	54.38%

16. STATUTORY / GOVERNMENT APPROVALS

Bureau of Indian Standards (BIS) is operating Compulsory Registration Scheme (CRS) for Electronics & IT Goods as per the provision of Chapter IVA of THE BUREAU OF INDIAN STANDARDS RULES, 1987 for the product categories notified by MeitY. Visit official government website (Bureau of Indian Standards) for notice about products on: <http://crsbis.in/BIS/>

Entrepreneur may contact State Pollution Control Board where ever it is applicable.

17. BACKWARD AND FORWARD INTEGRATIONS

It is assumed that the unit will be viable at 75% efficiency on single shift basis considering 5 working days or as per demand of area per week.

The rate of interest in the scheme is taken at 11.5 % for both fixed and working capital. Due to liberalization and competition among banks, lower rate of interest is possible in future.

The prices of machinery and equipment are approximate which are ruling locally at the time of preparation of the project. When a tailor-cut project is prepared the necessary changes are to be made at the local level.

The cost of staff and labour is approximate which is ruling locally at the time of preparation of the profile. When a tailor-cut project is prepared the necessary changes are to be made.

18. TRAINING CENTERS AND COURSES

There is no specific course in repairing and assembling services, but the most authorized center is government authorized "ITI" available in all the cities across the country.

India Training institute of computer technology conducts various technical courses in different cities to enable students to make a bright career. Most of our vocational programs

are job-oriented with which students can start earning the day they finish their training or can learn them as a hobby. Students can join for any of these in vacations as all these are short-term certificate courses.

Udyamimitra portal (link : www.udyamimitra.in) can also be accessed for hand-holding services viz. application filling / project report preparation, EDP, financial Training, Skill Development, mentoring etc.

Entrepreneurship program helps to run business successfully is also available from Institutes like Entrepreneurship Development Institute of India (EDII) and its affiliates all over India.

Disclaimer:

Only few machine manufacturers are mentioned in the profile, although many machine manufacturers are available in the market. The addresses given for machinery manufacturers have been taken from reliable sources, to the best of knowledge and contacts. However, no responsibility is admitted, in case any inadvertent error or incorrectness is noticed therein. Further the same have been given by way of information only and do not carry any recommendation.