

MULTI–PURPOSE COMPUTER CENTRE (MPCC)

FOR IT ENABLED SERVICES

1. INTRODUCTION

Computers have changed the entire 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, linked with internet. Through internet many commercial activities such as e-mail, web browsing, and e-commerce are possible. Personal computer is still out of reach of a common man in our country. In such a situation multi-purpose computer centres fulfil the need for data processing, document management and connectivity, and are offering various packages at affordable prices. Apart from the IT enabled services the project also envisages the use of computer centre for other computer related activities such as job-working and training activities for getting special customers. In general moderate start-up costs and quick returns are the big attraction of the project.

2. PRODUCT AND ITS APPLICATION

There is no physical product as such produced in this project. The multi-purpose computer centre (MPCC) will provide services and functions like DTP, Computer awareness training programs, Internet facility with email and browsing/uploading/downloading documents, scanning, copying, printing, binding, etc.

3. DESIRED QUALIFICATIONS FOR PROMOTER

Being an IT based project, it is important that the promoter has certain basic qualifications in computers and information processing. Following qualifications are recommended, though even people without these qualifications but with very good entrepreneurial qualities may also engage in these activities:-

- a) Any graduate in computer science / engineering
- b) Diploma in electronics / electrical / computer science
- c) Any graduate with a certification in hardware technology / software applications

Additionally, the entrepreneur can also obtain training and guidance from the National Institute of Electronics & Information Technology, and IIHT.

4. INDUSTRY OUTLOOK & TRENDS

The services sector is the fastest growing sector with an annual growth rate of 8-10% 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 120 lakh persons by 2020 with the projected earnings of \$ 150 billion. As such, computer training is the key factor for new required manpower. MPCC are therefore increasingly becoming popular day-by-day as new internet users are multiplying proportionately.

4. MARKET POTENTIAL& MARKETING ISSUES IF ANY

There is a growth in the trend of starting small and medium businesses. Also there is a growth in the people seeking additional academic qualifications for professional enhancements like Bachelors, Masters and Doctoral programs. All these require “office” and “document management” support, and IT enabled services like DTP, Computer awareness programs, Internet facility with email and browsing/uploading/downloading documents, scanning, copying(Xeroxing), printing, binding, etc.The DTP revolution led to an evolutionary transition that now involves many forms of publishing other than paper printing like websites, blogs, PDF files, smartphones, tablets and e-books. We now have labour and time-saving machines and software to help us complete desktop publishing and office automation functions. Considering the above factors, there is a good potential for setting up the MPCC in areas close to commercial establishments, offices, academic institutions, etc.

5. RAW MATERIAL REQUIREMENTS

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 programme which enable to store photographs and graphics some of the most basic programme need Internet explorer, Netscape, Navigation, Internet navigation programme, Eudora Microsoft, Outlook express, MSN messenger, etc.

6. MANUFACTURING PROCESS

There is no manufacturing process. For this profile it is assumed that the centre will be set up in small towns and villages. The activities of the MPCC are asunder:

- a) DTP activities such as designing and producing printed documents.
- b) Computer awareness courses like windows operation, internet, pagemaker, Microsoft excel etc. for Govt. employees, kids and other candidates.
- c) Short term certificate courses such as computer fundamentals, MS office, Internet, Web Designing etc.
- d) IT enabled services which use the internet such as browsing, e-mail communication, e-chatting, scanning and e-commerce and other e-activities.

7. MANPOWER REQUIREMENTS

Based on the qualifications and profile of the promoter, you may modify the manpower required.

Sr. No	Particulars	Monthly salary	Nos.	Salary per annum
1	Manager	15,000	1	1.80
2	Instructor	12,000	1	1.44
3	Assistant	6,000	1	0.72
	Total	33,000	3	3.96

8. IMPLEMENTATION SCHEDULE

The major activities in the implementation of the project have been listed and the average time for implementation of the project is estimated at 8-9 months:

Sr. No	Particulars	Period in Months
1.	Preparation of project report	1
2.	Registration and other formalities	1
3.	Sanction of loan by financial institutions	3
4.	Plant and Machinery:	
	(a) Placement of orders	1
	(b) Procurement	2
	(c) Power connection/ Electrification	2
	(d) Installation/Erection of machinery/Equipment	2

5.	Procurement of raw materials	2
6.	Recruitment of Manpower, etc.	2
7.	Commercial production	8-9 months (*)

(*)Notes

- a) Many of the above activities shall be initiated concurrently.
- b) Procurement of raw materials commences from the 6th month onwards.
- c) When imported plant and machinery are required, the implementation period of project may vary from 8 to 10 months.

9. COST OF PROJECT

Sr. No.	Particulars	₹ in Lacs
1	Land	-
2	Building	2.80
3	Plant & Machinery	5.35
4	Furniture, Electrical Installations	2.79
5	Other Assets including Preliminary / Pre-operative expenses	0.45
6	Margin for Working Capital	0.51
	Total	11.89

10. Means of Finance

Sr. No.	Particulars	₹ in Lacs
1	Promoter's contribution	5.06
2	Bank Finance	6.83
	Total	11.89

11. Working capital calculation

Sr. No.	Particulars	Gross Amt	Margin %	Margin Amt	Bank Finance
1	Inventories	0.06	25%	0.01	0.04

2	Receivables	0.11	25%	0.03	0.08
3	Overheads	1.92	25%	0.48	1.44
4	Creditors	-0.06	25%	-0.01	-0.04
	Total	2.03		0.51	1.52

12. LIST OF MACHINERY REQUIRED AND THEIR MANUFACTURERS

Sr. No	Particulars	Rs. In lakhs
1	Computer system with software	5.35

All the machines and equipments are available from local manufacturers. The entrepreneur needs to ensure proper selection of machines and accessories to have modern and flexible designs. Some of the machinery/equipments and accessories /tools suppliers are listed below:

- HP India Ltd., IBM Global systems, DELL Systems, WIPRO Limited, etc., who have offices across the country
- Other sources for supplies are CROMA, Retail Malls, Stationery suppliers, etc. at the appropriate local outlets.
- For UPS, local electrical retail outlets may be contacted.

NOTE:-

- Only some sample suppliers are indicated for reference. This is neither an exhaustive list nor are the suppliers recommended by the proposer.
- Entrepreneurs may do a due diligence of the suppliers and the appropriate applicable product quality checks before investing in them.
- The writer of the proposal undertakes no liability for any loss, damage, performance problems or claims.

13. PROFITABILITY CALCULATIONS

Sr. No.	Particulars	Year 1	Year 2	Year 3	Year 4	Year 5
1	Sales	14.93	17.07	19.2	19.2	19.2
2	Raw Materials & Other direct inputs	3.28	3.75	4.22	4.22	4.22
3	Gross Margin	11.65	13.31	14.98	14.98	14.98
4	Overheads except interest	7.17	8.19	9.22	9.22	9.22

6	Depreciation	0.85	0.97	1.09	1.09	1.09
5	Interest	0.71	0.6	0.45	0.3	0.15
7	Net Profit before tax	2.92	3.55	4.22	4.37	4.52

NOTES:

- i. The basis for calculation of production capacity has been taken on single shift basis on 75% efficiency.
- ii. The maximum capacity utilization on single shift basis for 300 days a year. During first year and second year of operations the capacity utilization is 60% and 80% respectively. The unit is expected to achieve full capacity utilization from the third year onwards.
- iii. The salaries and wages, cost of raw materials, utilities, rents, etc. are based on the assumed rates for calculation purposes. These cost factors are likely to vary with time and location.
- iv. Interest on term loan and working capital loan has been taken at the rate of 16% on an average. This rate may vary depending upon the policy of the financial institutions/agencies from time to time.
- v. The cost of machinery and equipments refer to generic make / model and are approximate.
- vi. The break-even point percentage indicated is of full capacity utilization.
- vii. The project preparation cost etc. whenever required could be considered under pre-operative expenses.
- viii. The essential production machinery and test equipment required for the project have been indicated. The unit may also utilize common test facilities available at Electronics Test and Development Centres (ETDCs) and Electronic Regional Test Laboratories (ERTLs) set up by the State Governments and STQC Directorate of the Department of Information Technology, Ministry of Communication and Information Technology, to manufacture products conforming to Bureau of Indian Standards.

14. BREAKEVEN ANALYSIS

Sr. No.	Particulars	UOM	Value
1	Sales Realization	₹. In Lacs	16.00
2	Variable costs	₹. In Lacs	3.52
3	Fixed costs incl. interest	₹. In Lacs	8.63

4	$BEP = FC/SR-VC \times 100 =$	% of sales	69.14%
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16. STATUTORY/ GOVERNMENT APPROVALS

There is no specific statutory requirement for making this product. However MSME & GST registration, IEC Code for Export of end products and local authority clearance may be required for Shops and Establishment, for Fire and Safety requirement and registration for ESI, PF and Labour laws may be required as applicable. Entrepreneur may contact State Pollution Control Board where ever it is applicable.

17. BACKWARD & FORWARD INTEGRATION

This is a stand-alone business. However, the entrepreneur may think of providing web publishing and content management, zeroxing and book binding services, starting training classes in computer aided design, etc.

18. TRAINING CENTERS / COURSES:

For computer hardware maintenance and network training, short term courses may be availed from National Institute of Electronics and Information Technology centres in the country. More over training and guidance are also provided by various centres of IIHT (Indian Institute for Hardware Training).

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

Entrepreneurship development programs help to run businesses successfully and are 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.