

Infrastructure Sector



COMPOUND DESIGNING

Introduction

Compound designing is an upcoming lucrative business in this era. Many developers are now interested in having well designed compounds that are be- fitting to their modern homesteads. This can be done for Universities, homes, Schools recreation centers, hospitals, camping sites, estates, hotels etc. and it is on very big demand and is highly marketable. Project cost is US\$ 21,864 collecting revenue of US\$49,920 annually form 312 compounds done per year. The project is estimated to yield a net profit margin of 56% and the payback period of 1year 9 month.

Processes, Capacity and Technologies

The process starts as the premises near completion or when civil works are in the final stages. Leveling of the compound commences, black soil is mixed with composite and planting of grass, flower, trees, hedges etc. follows. Pavements, pavers and any arches are all put in place. Constant irrigation or watering is done to speed up growth. The placing of lights are identified and if procured are fixed.

Capital Investment Requirement in US \$

Item	Units	Qty	Cost	Total
Cutters/ mowers	No	5	1,200	6,000
slashers	No	5	5	25
Hoes ,level, dustbin, rake Spade	No	1	130	130
Motor bikes	No	2	1,100	2,200
scissor	No	5	15	75
Horse pipes	No	5	40	200
carrier basin	No	5	2	10
tape measures	No	5	10	50
watering cans	No	5	20	100
wheelbarrow	No	5	100	500
TC of Machinery & Tools				9,290

1. Production costs assumed are for 312 days per year with daily capacity of 1 compound.
2. Depreciation (fixed asset write off) assumes 4 year life of assets written off at 25% per year for all assets.
3. Direct costs include materials, supplies and all other costs that directly go into production of a product.
4. A production month is assumed to have 26 work days.
5. Currency used is US Dollars.

Production and Operating costs in US\$

(a) Direct materials, supplies and costs

Cost Item	Units	@	Qty/ day	Pdn cost/day	Pdn cost/ mth	Pdn cost/yr
Direct Costs						
String (blade)	Meter	1.5	3	4.5	117	1404
Fuel	Litres	1.8	20	36	936	11232
Sub-total				41	1053	12636

General Costs (Overheads)

Labour	350	4200
Selling & distribution	150	1800
Utilities (Water, power)	20	240

Rent	40	480
Miscellaneous expenses	30	360
Depreciation	194	2323
Sub-total	769	9403
Total Operating Costs	1,822	22039

Project service costs and Price structure in

Service	Comps Design /day	Design comp/ yr	Comp design cost	Comp design cost/yr	Comp design Price	TR
designing	2	624	57	17,815	80	49,920

Profitability Analysis in US\$

Profitability Item	Per day	Per month	Per year
Revenue	160	4,160	49,920
Less: Production and operating costs	70	1,822	21,864
Profit	90	2,338	28,056

Marketing

Compound designing is a new development that has come up with modernization that is sweeping society. It eventually includes the maintenance and the demand is immense. The market potential includes: the affluent, Institutions and recreation centers among others. This is a lucrative business venture.

Source of Equipment and Materials

The equipment and materials can all be sourced locally and at relatively cheaper rates. Tonet Ltd, Kanyanya Gayaza Rd, John Lugendo & co Ltd

Ndeeba

Masaka Rd, email lugendojohn07@yahoo.com can fabricate machines.

Government Incentives

Deductible annual allowances on all locomotives, equipment and machinery