

Infrastructure Sector



PROJECT PROFILE FOR A TENT HOUSE

Introduction

This business idea is a service provider activity. It entails the hiring out of tents, utensils, plastic chairs and tables, tarpaulins mobile toilets stage mounting equipment etc. These items are stocked and hired to people organizing various functions such as weddings, birthday parties and public ceremonies. This is a business that is easy to run.

The project requires estimated fixed capital of US\$ 191,210 and operating costs of US\$ 62,843 generating revenue of US\$ 113,620 , with a net profit margin of 40% and a payback period of 1 year 7months.

Process and Capacity

The items are hired out and arrangements are such that they are delivered and tents are fixed for the functions and are picked after the functions. For success of this business cleanliness and time consciousness are taken very seriously. High ethical standards must be maintained to build a strong clientele and confidence.

Capital Investment Requirements in US\$

Capital Investment Item	Units	Qty	@	total
Tents(50-seater)	No	20	1,100	22,000
Tents(100-Seater)	No	20	1,640	32,800
Tents(150-Seater)	No	15	2,180	32,700
Tents(200-Seater)	No	10	3,080	30,800
Utensils	No	-	-	1,450
Plastic Chairs	No	1,000	44	44,000
Plastic Tables	No	20	48	960
Service Vehicle	No	2	-	26,000
Office Furniture	No	-	-	500
Total				191,210

Production and Operating Costs

(a)Direct Materials, Supplies and Costs

Operating Costs		Per yr
Rent	150	1,800
Labour	800	9,600
Selling and Distribution	600	7,200
Cleaning and Toiletries	100	1,200
Utilities	40	480
Miscellaneous	42	504
Depreciation	3,984	47,803
Total Operating Costs	5,237	68,587

1. Production costs assumed 365 days per year with daily capacity of hiring out 4 –times.
2. Depreciation (fixed asset write off) assumes 4-years life of assets written off at 25% per year for all assets.
3. Direct costs include materials, supplies and other costs that directly go into production of the product.
4. Total monthly days assumed are 26-days.
5. The valuation currency used is United States Dollars.

Market Analysis

There is a lot of potential in this area as many functions are organized almost daily ranging from wedding ceremonies to funeral vigils, get-together to graduation parties etc. Once the service is impressive the business potential is unlimited. People always expect to receive the best.

Project Product Costs and Price Structure

Service	Fcms/ wk	Fcms/ yr	Fcm hng cost	Optg cost/yr	Hiring- Chge	Total Rve
Tent Hiring						
Tents 50-Seater)	7	364	42	15,169	50	18,200
Tents (100-Seater)	6	312	35	10,920	60	18,720
Tents (150-Seater)	5	260	35	9,100	75	19,500
Tents (200-Seater)	4	208	35	7,280	100	20,800
Chairs	7	364	35	12,740	100	36,400
Total		1,508		55,209		113,620

Profitability Analysis Table

Profitability Item	Per day	Per Month	Per year
Revenue	364	9,468	113,620
Less: Production and Operating Costs	220	5,716	68,587
Profit	144	3,753	45,034

Government Incentive

The government maintains a liberalized trade and commerce policy which reduces encumbrances to the trading community. It encourages any entrepreneur who creates some form of employment.