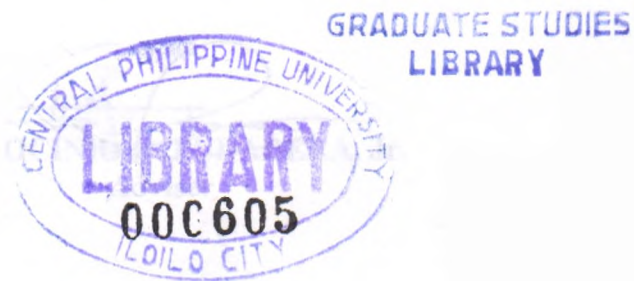


**A PROJECT FEASIBILITY STUDY ON PROPOSED  
CLIQUE @ NET INTERNET CAFE**

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**By**

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**ABSTRACT**

This study was conducted to determine the viability of an internet café specifically its marketing, management, technical, legal, taxation, socio – economic and financial aspects. Specifically it aims to: to determine a market niche for Clique @ Net Internet Café; to determine the degree of willingness of prospective clients for net surfing and on – line/ LAN games; to determine the number of hours prospective clients are willing to spend for net surfing and on – line/LAN games and their time preference; to determine the amount prospective clients are willing to spend for net surfing and gaming services; to present the form of business, organizational chart, job specification and description of workers, and compensation scheme; to present the site location, renovation cost estimate, floor layout, computer set-up and dimension, lighting and power lay – outs, facilities and equipments, project cost, and operational procedures; to determine the mandatory and statutory requirements needed for starting a business and for its continuous operation; to determine the corresponding tax dues and schedule of payment for a sole proprietorship; to present the contribution of the business to the community and

other stakeholders; and lastly, to determine the Net Present Value, Payback Period, Liquidity, Return on Investment and Financial Leverage of the project as a basis for financial analysis.

The descriptive method of research was used. Self – administered questionnaires were utilized to obtain data. The results of the two surveys conducted were analyzed using the frequency distribution and percentages.

### **Findings**

The first survey conducted concentrated mainly on the degree of acceptability of the proposed establishment of internet café in the area, demand for net surfing, gaming, and other services. Most college students of Filamer Christian College are in favor of the establishment of Clique @ Net Internet Café in the area. In general, eighty – six percent are in favor of its opening.

Seventy – five percent of the respondents are willing to spend one hour and above for net surfing and thirty – one percent prefer to net surf from 4 PM to 6 PM. On the other hand, thirty – nine percent are willing to spend for on-line gaming and twenty percent prefer to play games from 4 PM to 6 PM. When it comes to other services, the following are the top five services that respondents are willing to avail: computer typing jobs with seventy – two percent, scanning with sixty – four percent, photo printing with sixty – three percent, PC hands-on with sixty – one percent, and clear copy with fifty – six percent. The least of the services prospective clients are willing to avail is the production of business cards with only twenty – eight percent.

Most of the respondents in this study are female. Majority of the students are with ages between 17 to 20 years old.

On the second survey conducted, still, majority of the respondents are female. Most of the students are still within the age of 17 to 20 years old.

In this study, the average daily allowance of students is between twenty six pesos to fifty pesos, and seventy six pesos and over.

More than half of the students are willing to spend eleven to twenty pesos per hour for net surfing. While nearly three-fourths of the respondents are willing to spend only ten pesos or less for an hour of gaming use.

### **Conclusions**

1. The study was able to determine a market niche for Clique @ Net Internet Café.
  - a. Eighty six percent of the respondents said they are in – favor of the establishment of another Internet Café in the area. In particular, ninety four percent of the college students of Filamer Christian College represented a large portion of it.
  - b. One hour and above was the respondents’ preferred use per hour. Seventy five percent would prefer Net Surfing and thirty nine percent would go for Gaming.
  - c. On the two surveys conducted, students would prefer to spend twenty pesos for an hour of net surfing and ten pesos for an hour of gaming.
2. Out of the 363 respondents, eighty six percent of the prospective clients are in favor of the opening of the new internet café.
3. As to the number of hours prospective clients are willing to spend, seventy five percent of them are willing to spend 1 hour and above for net surfing and thirty nine percent preferred 1 hour and above for gaming. When it comes to time preference, thirty

one percent of the respondents preferred 4PM to 6PM net surfing and twenty percent preferred gaming from 4PM to 6PM.

4. Based on the distribution of respondents, 52.9% are willing to spend eleven to twenty pesos (P11.00 – P20.00) per hour for net surfing while 73.3% are willing to spend ten pesos (P10.00) only for an hour of gaming.

5. The business adopted a sole proprietorship type of business with three regular employees. The hiring requirements were presented for each position. The daily rate of P193.00 was based on the Wage Order No. RBVI – 15 Effective October 5, 2007 for businesses employing not more than 10 workers. In excess of the 8 hours work, an overtime pay was computed in compliance to the labor law.

6. The business location will be at Door 4 Chu Building, Roxas Avenue, Roxas City which is geographically feasible to its primary target market, Filamer Christian College. The project duration for the renovation of the lease – space is 45 days and amounts to P359,784.11. The space to be rented is accessible to transportation and there are available connections for electricity, water, and telephone. As for the lay – outs, a licensed civil engineer prepared the blue prints for floor lay – out and computer unit set-up and dimension. Computation for the schedule of loads of equipments and other facilities was prepared by a master electrician. The specification for internet and gaming computer units were almost the same except that they differ on the hard disk and memory capacities. The total project cost is P1,518,444.39. The business will utilize cybercafé management software in its logging in and out of clients. The cashier/receptionist will receive the payments and prepare the daily reports.

7. Application and registration forms, other pertinent documents for filing of reports and schedule of payments and contributions for the concerned government agencies were determined through their respective websites and inquiries from them. In compliance to the labor law, the business will register its employees with Social Security System, PhilHealth Insurance Corporation and Pag – Ibig Fund for economic security purposes.

8. Computation for the business tax is based on the schedule provided by the Business Permits and Licensing Division of Roxas City and will be paid annually. The business opted for 12% VAT for it expects its gross receipts to exceed P1,500,000.00 annually on its second to fifth years of operation. VAT will be paid monthly and quarterly while income tax will be paid quarterly and annually.

9. The business will create more investing opportunities for the owner. The employment of people in the community will help in the poverty reduction and the offering of part – time jobs to students will also benefit them financially. It will also possibly attract opening of other related businesses. The taxes that will be generated out of this business can be utilized by the government in its programs and projects' implementation.

10. The Net Present Value, Current and Quick Ratios, Payback Period, and Return on Investment are as follows:

a. The Net Present Value is P239,211.81 , which is positive; therefore, it is acceptable for it indicates good investment.

b. The current and quick ratios signify that the business has the ability to pay its short – term debts.

c. The Discounted Payback Period of investment is 4.37 years. This shows that investment can be recovered in less than five years which is not too long payback period.

d. The Average Return on Investment is 16.47% on its five years of operation. The annual return on investment is ranging from 3.09% on year 1 to 24.18% on year 5.

f. As to its Financial Leverage, the 1:1 ratio indicates that the capital invested is properly utilized in its operations.

### **Recommendations**

1. It is recommended to pursue the business based on analysis in proceeding paragraphs.

As part of future expansion plans, the following were highly recommended:

2. The business could possibly put up a snack bar/coffee shop inside its premise as an additional service.

3. A well – closed and sound – proofed cubicle like of that PLDT Pay Booth will also be an advantage especially for those who prefer a quiet place for net surfing, chatting, gaming, and away from sneak – peak of bystanders. However, a broader space is required for this undertaking considering that the proposed site has an area of 85 sq. m. only. The project may possibly look for a more expandable space area just like of what is currently constructed in front of Filamer Christian College.

4. The three (3) employees of the business were enough to cover up the workload. During peak season, part – time working students will be hired to assist in the operation. A free handycafe software will also be used in the logging in and out of the clients which speeds up the accommodation.

Based on the above recommendations, the researcher believes that the Internet Café will improve and be more feasible if also properly managed.