

GUIDELINES FOR PREPARATION OF FEASIBILITY STUDIES/BUSINESS PLAN

Submission of a project feasibility study or a business plan is an important requirement for both Free Zones Investors and those investors seeking the Special Investment Status. The following is a **guide** to help applicants in the preparation of such plans or studies.

PRINCIPALS:

The name, history, growth and performance of the company *including* details of shareholding and directors

FOCUS OF PLAN:

Details of the purpose and nature of the proposed development plan including a description of the product(s) to be manufactured and an outline of the technical process involved.

COMMERCIAL LOGIC:

The plan should show clearly, how, given the industry and market trends, the company's strategy would achieve a competitive advantage when the plan is implemented. The following headings should be addressed:

Market Analysis

Market size in the countries to be served

Market growth rate

The factors determining demand

Degree and sources of competition *including market shares*

Nature of competitive advantage held by dominant competitor

Positioning of the product in the marketplace

Target market segments

Factors determining success in the market

Justification of the projected sales

Production /Operation

Description of process and operation

Product development

Process development

Advantage of the method

Competitive Forces

Existing competitors (advantages, size, spare capacity etc)

Product advantages/ disadvantages

Power of buyer and suppliers

Raw material sources advantages/ disadvantages

Marketing and Distribution

Please provide details on how the company will market and distribute the product in the target locations and what advantages the company will have in this area.

Marketing plan
 Pricing strategy
 Product strategy
 Promotion Strategy
 Place/ Distribution Strategy

Capital Structure

Please show total capital requirement, phased over the construction/ start-up period in terms of capital investment and working capital.

Production Plan
 Revenue Plan
 Projected Cash Flows
 Projected Profit & Loss accounts
 Balance Sheets for the proposed project for the first 5 years (could be more depending on the expected life of the project)

FINANCE: EVIDENCE OF FUNDING IS REQUIRED

Please show proposed funding as follows:

Share Capital
 Grant
 Company Loans
 Bank Loans

Audited accounts for the past three years including cash flows and Profit & Loss Account were appropriate

EMPLOYMENT BREAKDOWN:

Please give employment profile and gross emoluments along the following lines (change headings as necessary).

	Year 1	Year 2	Year 3	Year 4	Year 5
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Management (expatriate numbers)					
Production and Maintenance					
Marketing and Quality Control					
Finance and Administration					
Skilled laborers					
Unskilled Laborers					

EQUIPMENT:

Please supply itemized list of capital equipment and raw material to be used in the project (quantity, unit prices and value).