

A FEASIBILITY STUDY ON MANDAYAN DELI CORNER AT BARANGAY POBLACION, CATEEL, DAVAO ORIENTAL

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EXECUTIVE SUMMARY

There are numerous considerations to determine the viability of a specific project. During a health crisis, it is best to take into account the establishment of a business that provides the community with healthier snacks and is income-generating to people. Mandayan Deli Corner is a manufacturing type of business that involves the production of native Filipino snacks, locally known as "kakanin," being considered in the study. The business will serve the market with the finest native snacks that suit the Filipino culture and collaborate with the small-scale producers of crops (cassava, sticky rice, coconut, and the like) in business production to ensure sustainability and strengthen the local economy. The business will be in the form of a partnership where partners make an initial investment of 350,000 to finance and meet the requirements for its establishment.

To acquire relevant information in the study, proponents conducted a survey using a random sampling method to determine the preferences of customers and the business's marketability in the proposed location. In determining the sample population, the researcher used Slovin's formula with 10% marginal error from the population of Brgy. Poblacion who have buying powers. To ensure the accuracy of their response, the researchers have provided the respondents with flyers containing descriptions of the products being offered, especially those unfamiliar to them, to guide and help them with their choices. The feasibility of this study was determined by the high ROI, ROA, good NPM, and short payback period.

Keyword: Kakanin, Strategic tools, Financial Statements, Financial Ratios

1. INTRODUCTION-1

The COVID-19 pandemic and geopolitical turmoil increased the prices of essential commodities, driving Filipino families to prioritize food over non-food items. According to the 2021 consumer finance survey by the Bangko Sentral ng Pilipinas (BSP)^[1], 72% of the total consumer expenditure was spent on food, accounting for the largest share.

A significant study conducted by Quirino State University on food consumption habits of consumers in the Philippines amidst COVID-19 in 2021^[7] has shown that organic desire continues to grow; it is expected to grow more as people prioritize health and be more selective in their food choices. The study further showed that health, quality, and safety are increasingly being considered in the essential aspects of food choice. COVID-19 shifted food intake habits to healthier, influencing even the preference for the consumed food (Tariga et al., 2021).

This unexpected turn of events can be a perfect opportunity to do business that provides the necessity of the community, generates employment, and supports the economy while profiting from the venture. The Philippines is

abundant in natural resources, used to produce healthy, acceptable goods introduced to the community that can essentially be an economic livelihood and a source of income. The availability of raw materials and the perceived demand for healthier snacks made the proponents believe that establishing a native delicacy shop is worth considering.

In addition, Cateel, Davao Oriental, where the proponents intend to establish the proposed business, lacks shops specializing in producing native delicacies, thus, less competition. Although there are perceptible homemade native snacks available, they are limited and inaccessible. Hence, Mandayan Deli Corner was studied and thoroughly assessed to ascertain its viability in all areas—Market, Technical, Economic, and Financial

1.1 Objectives of the Study

The study's general objective is to determine Mandayan Deli Corner's viability in Poblacion, Cateel, Davao Oriental. It aims explicitly the following:

- To determine the target market
- To determine the strategic location
- To conduct a market survey
- To identify promotional strategies
- To identify the distribution channel
- To identify personnel requirements
- To formulate a business model
- To determine the capital requirements of the business
- To project financial statements
- To compute financial ratios (ROI, payback period, ROA, Net Profit Margin)
- To draw conclusions and recommendations

1.2 Product Description

Mandayan Deli Corner offers various kakanin items not limited to kakanin, traditionally known in Cateel. MDC also introduces other types of delicacies known in different areas of the country that satisfy the Cateeleños' love for native snacks/kakanin, products made from root crops, and primary production by farmers. These delicacies remind us of simpler times and are surprisingly perfect with our favorite coffee or drinks. Apparently, “wants” are influenced by culture. As Filipinos, we love to eat between meals that are just comforting and nutritious. The following products are undeniably present in every Filipino celebration and occasion.

Puto Bumbong

Puto Bumbong is prepared from dark purple to almost black glutinous rice, known as pirurutong (or tapol). Pirurutong is combined with a larger ration of white glutinous rice. Malagkit can also be substituted with plain white rice to make the snacks less chewy.

Kalamay

In many parts of the Philippines, notably in the province of Bohol, kalamay, a sticky, sweet treat, is a favorite. It is produced with pulverized glutinous rice, brown sugar, and coconut milk. Margarine, peanut butter, or vanilla is added to flavor it.

Cassava cake

This is a fudgy and yummy dessert made of grated fresh cassava, eggs, coconut milk, and condensed milk originating in Lucban, Quezon. This is usually with macapuno, cheese, or custard toppings.

Sapin-Sapin

The unique sticky rice cake, sapin-sapin, comes from a northern province called Abra in the Philippines. Each layer in this mouthwatering Sapin-sapin recipe has a distinct flavor and color. Typically, sapin-sapin is made out of 3 layers: The flavor of ripe jackfruit can be detected in the yellow bottom layer; the center layer is white and has the kind of young coconut or plain coconut milk; The most prominent layer is purple and tastes like a purple yam.

Bibingka

This typically refers to a type of baked rice cake from the Philippines that is typically served for breakfast or as a merienda, particularly around Christmas. It is traditionally baked in a terracotta oven lined with banana leaves.

Maja Blanca

Maja Blanca, a coconut pudding, is a Filipino dessert made primarily from coconut milk, cornstarch, and sugar and has a gelatin-like consistency.

1.3 Technology

Technology is a crucial requirement in every operation as it contributes to the efficiency and accuracy of the production process. Table 1 presents the tools and equipment needed to produce food and to entire business operations. These will be acquired before the start of the operation.

Table-1: Production Tools and Equipment

Equipment	Functions
Stove	An apparatus used for heating or cooking native snacks and flavoring mixture.
Oven	This is a thermally insulated chamber kitchen apparatus typically used for heating, baking, or drying a substance used to bake the bibingka.
Cassava grater	This tool converts peeled cassava tubers into cassava mash in making cassava cake.
Coconut grater	A coconut grater/grinder grates the coconut into fine pieces.
Chiller	Chiller is used to keep perishable and dairy products and other essential ingredients used in food processing to preserve them.
Cellular phone	A cellular phone is used as a means for advertising, communication, and recording of transactions.
Food processor	This is used to grind and blend the jackfruit in the sapin-sapin recipe.
Rice Grinder	Used for grinding grains (either wet or dry) such as rice (for kakanin).
Food warmer	The food warmer holds steam food pans and round insets to keep the food display safe and warm throughout service times.
Steamer	A kitchen tool that uses steam heat to cook food by containing it in a closed vessel to prevent steam escape.
Measuring cup/spoon/glass	When cooking, measuring cups/spoons/glasses are used to measure ingredients, dry or liquid. This will ascertain the exact measurement of ingredients used in a recipe.
Mixing bowl	A large bowl that is particularly well suited for mixing the ingredients.
Knife	It is used to cut anything into the desired shape.
Wooden ladle	This is generally used in those recipes that require vigorous mixing and stirring, incredibly thick, sturdy, or heavy mixtures.
Baking pan	Baking pans hold runny batters, such as cassava cake batter, Maja Blanca mixture, and sapin-sapin.
Whisk	This is used to beat dry and liquid ingredients.
Cheesecloth	An effective tool for straining liquid mixtures and netting solids in various recipes.
Baking tray/sheet	A baking tray is a flat, rectangular metal sheet that holds baking pans/molds in an oven or hot, newly cooked dishes.
Cooking pot	They are used for simmering or boiling liquids that cover the ingredients entirely so they can be cooked from all sides.
Saucepan	They are used for cooking methods such as browning, sautéing, searing, or frying.
Bibingka mold	Mold made of baking tin is used to shape the bibingka mixture.
Kalamay mold	A holder is utilized to shape the completed kalamay dish.

1.4 Intended Market

Mandayan Deli Corner will offer delectable native food products mainly to all residents of Brgy. Poblacion, Cateel, Davao Oriental that has a population of 9,064, as determined by the 2020 census. It also intends to sell and promote the business to tourists and people in the neighboring barangays by utilizing online platforms, marketing materials, and consignments to reach this market segment. The kakanin products will be made available for all ages.

1.5 Environment

Mandayan Deli Corner is required to produce and distribute products that comply with all applicable local environmental regulations. The business will conform to the Ecological Solid Waste Management Act (RA 9003), which aims to minimize the quantity of solid waste disposed of on land. Mandayan Deli Corner will generally use

ecological materials in its production and distribution, such as banana leaves, cartons, and paper bags, to lessen the solid waste produced by the store. These materials can be disposed of quickly in the compost pit, are beneficial for plant growth, and can effectively be used as fertilizers.

Additionally, the company will use the 3R initiative to ensure proper waste disposal, particularly for waste that is harmful to the environment (disinfectants, cleaning products, etc.), and it will ensure proper sanitation in the cooking facility by securing a sanitation certificate from the concerned agency. The 3R Initiative seeks to promote the "3Rs" (reduce, reuse, and recycle) to create a society with a sound material cycle through the efficient use of resources and materials. Reducing minimizes the quantity of trash generated by using items carefully. Reusing is the process of repeatedly using objects or components of objects that still have usable components. Recycling is the practice of using waste materials as resources. By concentrating mainly on the first of the 3 R's, "reduce," then "reuse," and finally "recycle," waste may be minimized effectively.

1.6 Competition

Competition in the food business is no exception. Mandayan Deli Corner will obtain a competitive edge over its rival by developing strategic approaches to its production and distribution. Mandayan Deli Corner will ensure that products stay in trend regarding insta-worthy look and, most preferably, their taste and price. Different forms of food businesses are present in the markets. However, they are not considered direct competitors like bakeries, cake shops, snack houses, and street foods.

Opportunely, the business has no serious competition in offering native delicacies, which gives the business the confidence to gain significant market shares in kakanin consumption.

Table-2: Estimated Business Market Share

Competitors	Products	Market Share
Competitor 1	Banana cue	20%
Competitor 2	Homemade Kakanin	30%
Competitor 3	Bakeries (Cassava cake)	8%
Mandayan Deli Corner	Kalamay, Cassava cake, Maja, Bibingka, Puto Bumbong	42%
Total		100%

1.7 Industry

Davao Region is touted as Mindanao's center for trade and investments, home to several multinational companies that opted to establish their hubs and branches in the island region. The region's sustainable economic landscape can be attributed to its vast natural resources, reliable facilities, conducive business environment, and competitive human resources. Aside from its investment potential, the region's islands to highlands tourism destinations are among the other reasons that make it one of the top must-visit places in the country.

Agricultural production is a significant economic activity in Davao Oriental. Dominating industries in the province include coconut, banana, mango, abaca, and coffee, which account for about 35.3 percent of the region's total coconut production. In addition, retail trade, allied services, food processing, agriculture, and real estate are the five major playing sectors captured thru the business name registration of DTI-Davao Oriental.

Davao Oriental's tourism industry is anchored on agro-industrial and eco-tourism development. More areas of the province are increasingly shifting to an eco-tourism direction of development, with products ranging from Culture, Adventure, and Nature, also known as the CAN package.

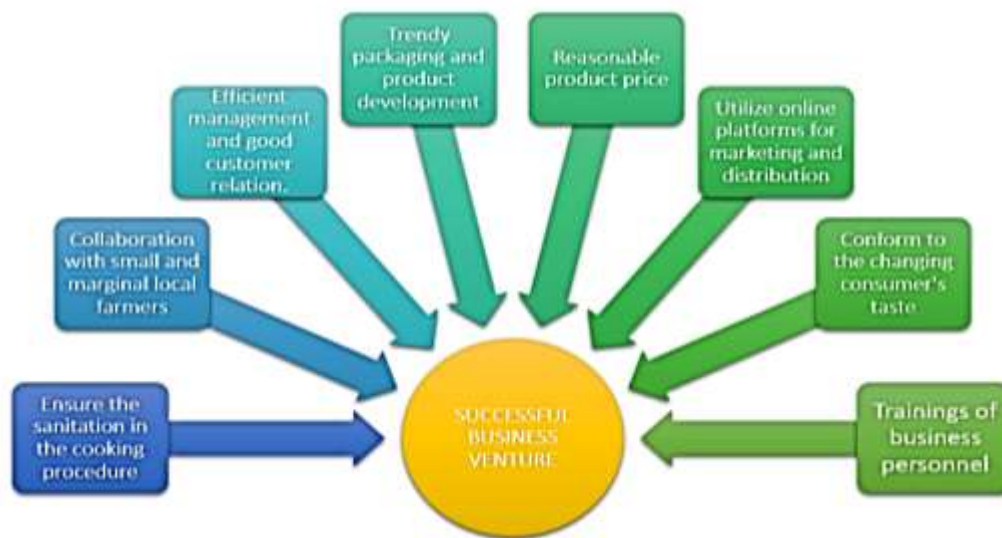
1.8 Business Model

A successful business must have all essential factors in place. One must have a strong concept, a favorable location accessible to prospective customers, an efficient supply chain, a good value proposal (food quality in relation to price), enough cash and inventory controls, and competitive advantages to compete with the established players in the industry. These are all equally important to understand the trends in the market (Masigan, 2019).

Mandayan Deli Corner will offer the market nutritious and delicious snacks (kakanin) for those who love local products. The essential goal of the business is to complement the taste of the Cateeleños and conform to trends of today's generation with the desire to serve the kakanin in an attractive way with an eye-enticing presentation worthy for Instagram and gift for their loved ones.

The business will recognize the importance of technology and social media in promoting the business. Facebook page will be created to be an official business social media address. Customers may visit the shop to buy readily available kakanin or order online. Pre-orders for customers who intend to include native delicacies in their planned occasions or celebrations will be catered. Cooks employed in the business will undergo special training to enhance their cooking skills and improve product quality continuously.

Moreover, MDC aims to collaborate with local producers of crops (cassava, sticky rice, coconut, etc.) in production for a more stable chain of supply, uphold a sound management approach in running the business and maintain good customer relations to flourish in a competitive market environment. \



2. MARKET ANALYSIS-2

It is essential to know the demand for the products in order to answer the customers' needs and wants. Knowing the demand will help the business determine the trend for the products. Analyzing the demand thoroughly will give the projection of the total quantity of each product produced daily, weekly, monthly, and annually.

2.1 Marketing and Sales Strategy

Food has been a subject of nutritional and domestic interest; therefore, the business proponents will significantly acclimate to the consumer's preference in terms of food consumption.

4p's in Marketing

Product

Anything that can be sold to a market and fulfill a demand qualifies as a product. It might be physical or abstract. Mandayan Deli Corner will offer tangible products that satisfy customers' cravings for healthy snacks. Native delicacies such as Puto Bumbong, Kalamay, Sapin-Sapin, Cassava Cake, Maja Blanca, and Bibingka will be available to all potential customers.

Product Benefits

Quality and nutritive value have always been the consideration of many consumers in choosing food for themselves and their families. Even before the pandemic, people give prime importance to health and wellness. Native delicacies provide many health benefits that support weight loss, heart health, and blood circulation; it has more zinc, vitamin A, and calcium. Consuming local products also strengthens cultural capacity and well-being.

MDC Environmental and Economic Benefit

Supporting locals by creating a business immensely helps the local economy, primarily by purchasing locally grown agri-products. The resource spent with local farmers and growers circulates within the home and is reinvested back to provide services to the community.

Aside from supporting the economy, local food also benefits the environment. The farmland and green open spaces in the community are maintained by purchasing locally grown commodities. Furthermore, local foods promote a safer food supply, unlike food produced outside of town. The more steps between the consumer and the source, the more chances there are for food contamination. Food grown in distant locations has more food safety issues, particularly in harvesting, washing, shipping, and distribution.

Product Shelf-Life

Every variety of kakanin has a different shelf-life per the ingredients that compose them. The period they last will differ when kept at room temperature and in a refrigerator. The table shows the storage life of each kakanin product:

Table 3: Product Storage-Life

Kakanin	Room Temperature	Refrigerator
Puto Bumbong	2 days	5 days
Kalamay	2 weeks	4 weeks
Sapin-Sapin	5 days	1 week
Cassava Cake	1 day	5 days
Maja Blanca	1 day	5 days
Bibingka	3 Days	2 Weeks

Place

A good location is as important as the product. Place refers to the location where the product can be bought. Place decisions are associated with the distribution needed to get products to consumers.

Mandayan Deli Corner will be at Castro Avenue, Poblacion, Cateel, Davao Oriental. This area is very accessible to residents and also to students because it borders different shopping centers, offices, and schools.

Distribution Strategy

Shown in the figure below, the business will be catering to the customers' demands around the business area while simultaneously distributing products to business consignees. The consignment will be employed to consider the distance of customers from the shop and the accessibility of tourists visiting beautiful spots in Cateel.

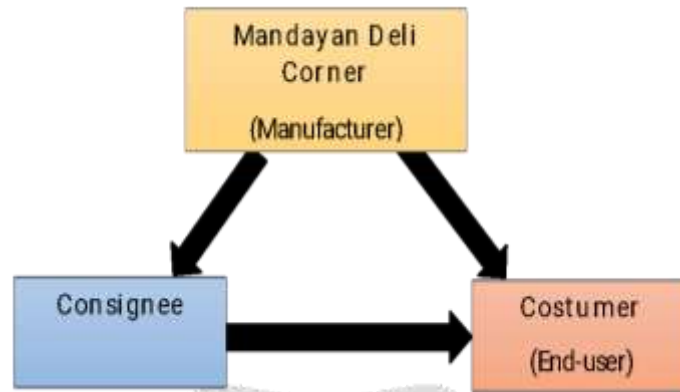


Figure 2: Channel of Distribution

Promotion

In today’s social media-driven environment, one of the most important means to be utilized by the business in promoting its product is social media posts and advertisements. Mandayan Deli Corner will have daily Facebook posts about the kakanin available at the store for the knowledge of potential customers. This enhances the business engagement with the market.

Moreover, considering that only some have a social media account, the business will also display posters around the Poblacion area and park signage in front of the shop containing the business's name.

Price

Price is defined as the cost of the product that indicates its value. It is the amount of money that the consumer pays to own a product. Mandayan Deli Corner will utilize the cost-based approach as a pricing strategy. The business will consider the fixed and variable costs in the production, the amount the potential customers can afford, and their willingness to pay.

Products will be sold per pack/set, and each set has its corresponding prices after the cost of ingredients and other costs incurred in manufacturing is determined. The prices for each of the kakanin are even for less complicated pricing. They will only differ in the sizes of slices to cope with the cost of the ingredients. The illustration below shows the product pricing employed by the business:

<i>PRICE/SET</i>	
₱100	12 PIECES
₱200	25 PIECES
₱300	40 PIECES
₱500	60 PIECES ASSORTED
INDIVIDUAL PRICE	₱10.00 EACH

Figure 3: Product Pricing

3. OPERATION ANALYSIS-3

The Mandayan Deli Corner, located at Castro Avenue, Poblacion, Cateel, will open its shop Mondays to Saturdays from 5:00 am-4:00 pm. The product will be prepared at night (if possible) after the shop closes while cooking and packaging will be done within that specified time range. The schedule may be altered for pre-orders.

The business will accept orders for any occasion three (3) days before the event date to avoid customer dissatisfaction. The customer is required to pay 50% of the price of the product they ordered to avoid the cancellation of orders. The pick-up schedule will be upon the time wished by the customer. Online payments through Gcash, a widely used online payment app, will also be accepted.

The business will also consider delivery service around Poblacion as preferred by 85% of the survey respondents.

3.1 Process Description

Mandayan Deli Corner will ensure the sanitation of its production process, considering the proper handling of products. The following is the process of making native delicacies as well as the raw materials needed in the production:

Puto Bumbong

Ingredients:

- Glutinous Rice Flour
- Ube Powder
- Water
- Ube Purple Yam Flavor
- Fresh Coconut Grated
- Sugar
- Grated cheese
- Buttercream (Softened)

Procedure:

1. Combine ube powder and glutinous rice flour.
2. Water should be added gradually while mixing until dough is formed.
3. Mix the purple yam with the remaining water until it dissolves.
4. Continue adding more colored water until the desired consistency is reached.
5. It should be moist enough for the dough.
6. To make the dough easier to handle, shape it into little balls.
7. Prepare banana leaves and spread buttercream that has been softened to prevent sticking.
8. add the Puto Bumbong mixture to the desired size using a scoop.
9. Spread it into a thin log, then stitch your banana leaves together.
10. Set up on your steamer, then steam for ten minutes.
11. Place Puto Bumbong on your serving plate once it is prepared.
12. Buttercream should be applied while still warm.
13. Add sugar, cheese, and freshly grated coconut as garnishes.
14. Serve hot.

Bibingka

Ingredients:

- Rice Flour
- Glutinous Rice Flour

- Sugar
- Baking Powder
- Salt
- Coconut Milk
- Water
- Eggs
- Butter

Procedures:

1. Blend thoroughly with a whisk— rice flour, glutinous rice flour, sugar, baking soda, and salt in a large bowl.
2. Add the butter, water, coconut milk, and eggs. Blend and smooth out the mixture by stirring until done.
3. Cover the batter and refrigerate overnight.
4. Clean the banana leaves by rinsing them in warm water. Trim any protruding edges with scissors, then make circles big enough to cover the bottom and sides of the pan.
5. The banana leaves should be quickly heated over the stove's flames until soft. Check the leaves for damage and tears before lining the pans
6. Fill the prepared pans with batter 3/4 full and place on a single baking sheet.
7. Bake for 20-25 minutes. Make sure that it is placed on the lower rack of the oven
8. Place the baking sheet on the top rack and continue to bake for 3 to 5 minutes or until lightly brown.
9. Remove from heat. Apply toppings.

Kalamay

Ingredients

- Coconut milk
- Grated purple yam ube
- Purple ube flavoring
- Glutinous rice flour
- Granulated white sugar
- Latik
- Coconut oil
- Condense milk

Procedures:

1. 2 cups of coconut milk, water, and glutinous rice flour should all be combined in a bowl—wire whisk to thoroughly combine. Place aside.
2. In a cooking pot, heat. Dispense coconut milk. Allow to boil.
3. Add purple yam shreds—3 minutes of stirring and cooking at medium heat.
4. Fill the cooking pot with the glutinous rice flour mixture. Stir all the ingredients together thoroughly.
5. Add the sugar gradually while stirring. Cook the mixture further until it turns pretty thick.
6. Brush coconut oil into a mold. In the mold, place the cooked ube kalamay. Cover the mold with it. The remaining coconut oil should be applied to the ube kalamay. Use a spoon to flatten the top and apply latik on top.
7. Allow the kalamay to cool. Serve.

Cassava cake

Ingredients

- Fresh Cassava
- Coconut Milk
- Eggs
- Butter
- Evaporated Milk
- Condensed Milk

For Toppings

- Coconut Milk
- Eggs (Or 2 Egg Yolks)
- Grated Cheese
- Condensed Milk

Procedure:

1. Peel the fresh cassava and remove the root part.
2. Using a fine grater, grate the washed cassava for a smoother texture.
3. Use cheesecloth or fine sieve to squeeze some of the excess juice. Do not squeeze too tight. Just enough to remove extra juice.
4. Preheat the oven to 175 C or 350 F.
5. Mix until well-combined the grated cassava, coconut milk, eggs, evaporated milk, condensed milk, and melted butter in a large bowl.
6. Grease the baking pan and pour some mixture on it.
7. Bake for around 45 to 60 minutes at 175 C.
8. For toppings, combine the coconut milk, condensed milk, and egg. Set aside after it was well-blended.
9. Get the cassava cake from the oven. Spread the toppings on the top of it and add grated cheese.

Sapin-Sapin

Ingredients:

- Glutinous rice flour
- Coconut milk
- Granulated white sugar
- Condensed milk
- Ripe jackfruit
- Mashed purple yam
- Vanilla extract
- Ube extract
- Cooking oil or coconut oil
- Violet food coloring
- Yellow food coloring
- latik

Procedure:

1. Combine the sugar and glutinous rice flour in a large mixing bowl. Blend well.
2. Pour in the dense milk, coconut milk, and vanilla concentrate. Mix until the consistency is smooth.
3. Split the mixture into three portions.
4. In the first part, incorporate the violet food coloring with the mashed purple yam and ube extract. Mix entirely and afterward put away.
5. In a food processor, shred the jackfruit without the seed. Thoroughly mix the yellow coloring and the processed jackfruit in the second part. Place aside. Place the steamer on your stovetop and add approximately one gallon of water. Switch on the intensity and let the water bubble.
6. Oil a round baking container by brushing cooking oil or coconut oil.
7. Place the first portion, which is purple, in the greased baking pan. Ensure that the combination settles. Cover the baking pan with cheesecloth after steaming for 12 to 16 minutes. Remove the baking pan and then pour in the white mixture. Use a spatula to spread it on top of the violet mixture. Remove excess water from the cheesecloth by squeezing it. Put it back on the baking pan—steam for another 12 to 16 minutes.
8. Remove the baking skillet from the liner, and pour in the yellow blend afterward. Using a spatula, spread the mixture over the next one. Put the cloth back on the baking pan after trying to remove any remaining water—steam for one to two hours.
9. Place a fresh banana leaf on top of a large serving plate. On the leaf, apply coconut oil or cooking oil. To prevent the mixture from sticking, lightly run it down the side of the baking pan with an oil-brushed spatula. Let the cooked sapin-sapin fall from the baking pan by turning it over the banana leaf.
10. Apply oil to the sapin-sapin, ensuring the violet part is on top. Apply some latik.

Maja Blanca**Ingredient:**

- Coconut milk
- Condensed Milk
- Cream Corn
- White Sugar
- Evaporated Milk
- Cornstarch
- Cheese Grated

Procedure:

1. In a saucepan, coconut milk, condensed milk, sweet corn, and sugar are combined to make the first mixture.
2. Over medium heat, the first mixture will be brought to a gentle boil, stirring occasionally until sugar is dissolved.
3. Cornstarch and evaporated milk are mixed together in a small bowl until completely smooth. Slowly the first mixture is added, whisking vigorously to prevent lumps.
4. The mixture will be continuously stirred until the mixture thickens to a smooth paste consistency.
5. Thickened Maja Blanca mixture will be transferred to a lightly greased pan.
6. The pudding is allowed to cool for a few minutes. Add grated cheese as toppings.

Kitchen Cleaning Process

All equipment used in the production will be adequately cleaned with a damp cloth, surfaces will be disinfected, and all tools used will be sterilized to eliminate microorganisms. These will be observed to ensure the safety and cleanliness of the cooking facility.

3.2 Management and Personnel Requirements

The proposed business will not be made possible if there are no workers who will be managing and operating the business. Organization and management is an essential element in the business that entails careful planning and complex decision-making.

Table 4. Management and Personnel Requirements

Position	Job Description	Job Qualifications
General Manager/ Owner	<ul style="list-style-type: none"> Establish and develop systems and processes to raise the standard and effectiveness of operations. Monitor trends and competitors in the packaging industry and adjacent fields. Oversee the manufacturing process Supervise and train employees. Implement policies and protocols that will maintain store operations 	<ul style="list-style-type: none"> Male/female Age over 20 years old Has Bachelor's Degree in Business Administration or a related field Must be of good character Must have strong work ethic and a desire to improve and succeed Has excellent interpersonal and communication skills
Associate manager	<ul style="list-style-type: none"> Plan and oversee each employee's shifts. Conduct an inventory audit for raw materials, suppliers, and product availability. Take customer orders and enter the choices into the receipts. Address consumer complaints and concerns. 	<ul style="list-style-type: none"> Male or female Must be a business administration graduate or any related courses Must have a good moral character Must have good customer service skills. In good health
Cook	<ul style="list-style-type: none"> Ensure safety and sanitation in the kitchen Check the freshness of food and ingredients Make sure the availability of raw materials and supplies Cook the native delicacies 	<ul style="list-style-type: none"> Male or female At least 18 years old and above Physically fit and healthy Has the Ability to follow sanitation procedures Has cooking skills
Cook assistant	<ul style="list-style-type: none"> Clean the kitchen after work Pack the finished product Assist the cook in the kitchen 	<ul style="list-style-type: none"> Male or female At least 18 years old and above Physically fit and healthy
Delivery Incharge	<ul style="list-style-type: none"> Responsible for the delivery of kakanin to customers Run checks on inventory to ensure they are within the minimum and maximum levels. 	<ul style="list-style-type: none"> Male Must be of legal age Has a driver's license

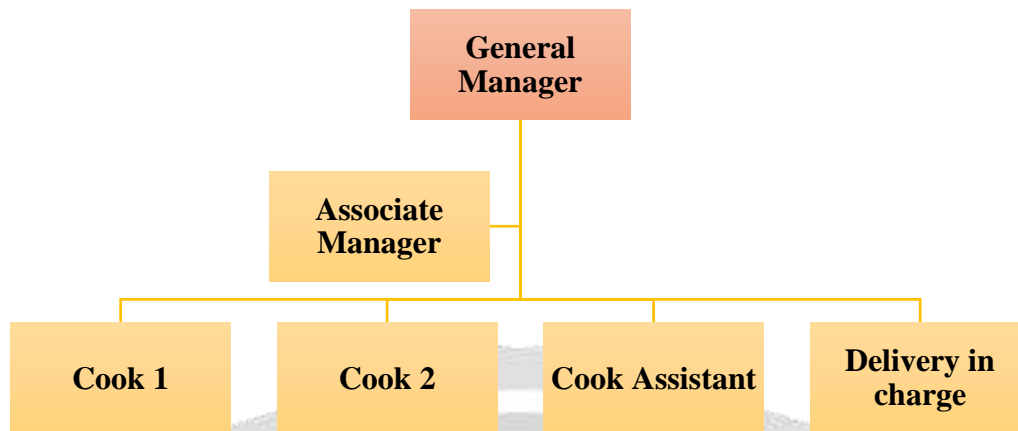


Figure 4. Organizational Chart

The topmost level of the business organization will be occupied by a general manager responsible for the general operation of the business. The associate manager will fill the middle level who assists the general manager in managing the entire operation. The bottom level will be filled by the partners' employed cooks in charge of handling and preparing kakanin to be assisted by a cook assistant. Likewise, delivery in charge will be employed to take charge of the delivery transactions of the business.

3.3 Legal Requirements to Operate

Partnership business must be registered with the securities exchange commission, Local Government Unit, and Bureau of Internal Revenue for the legality of the business.

In registering, the following documents and information are required:

- Name Verification Slip (Can be obtained on SEC's website)
- Articles of Partnership
- Registration of data-sheet
- Certificate of Bank Deposit
- Name of the partnership
- Principal office address
- The contact number of the partner
- Name, citizenship, address, birthday, and Taxpayer Identification Number (TIN) of the partners
- Capital contribution of the partners
- Purpose of the partnership
- Endorsement of clearance

3.4 SWOT Analysis

Business awareness of personal strengths and weaknesses, as well as recognizing the external factors as to an opportunity or threats that bring changes to the business venture, are indispensable elements that help the business to formulate significant decisions and strategic plans.

Table 5: SWOT Analysis of the Business

Strengths	Weaknesses
<ul style="list-style-type: none"> ● The nutritional benefits of the products ● Easy to move ● Proper business management ● Healthy relationships with suppliers and customers ● Small initial financial requirements ● Accessibility of location ● Ease in communication ● Up-to-date production process 	<ul style="list-style-type: none"> ● New in the market ● Production inefficiencies ● Unfamiliar brand image ● Products' short shelf-life
Opportunities	Threats
<ul style="list-style-type: none"> ● Events and occasions ● Easy to enter the market ● Expansion opportunities ● Fewer competitors in the market that offer the same products ● Abundance of agri-products ● Government training opportunities. 	<ul style="list-style-type: none"> ● New entrants offering the same product line ● Inflation ● Changes in consumers' tastes ● Natural calamities affecting supplies of raw materials ● Partnership dissolution

Strengths

One of the remarkable strengths of the proposed business is the nutritional benefits of the products offered that would capture the health-conscious market segment and can significantly establish a good business image. Moreover, the business has low initial capital requirements. It requires no heavy machinery, which means easy to establish and move from one place to another. Upholding good business management is an essential strength of the business that contributes to the proper functioning of the organization and reduces failure rates. Healthy relationships with customers engender customer loyalty, that gives the power to gain an advantage over rivals. Accessibility of location effectively supports business success as it leads the customer to the products and services being rendered.

The use of technology in business is considered to be an excellent strength for every type of business. Technology has immense uses in communication and in working and saving data files. Using technology, the business can effectively communicate with suppliers and potential customers, market products, and save important information about business transactions. These usages can contribute to business efficiency, work accuracy, and labor ease. Furthermore, up-to-date production is attainable because of the accessibility of raw materials in agri-areas. For pre-orders, up-to-date production prevents the disappointment and dissatisfaction of customers.

Weaknesses

The business cannot operate at its optimum level if it is new in the market and with an unfamiliar brand name. The business must establish its name first in the community before it can utilize its full potential. Another

noted weakness is the perishable nature of native delicacies and the production inefficiencies that can be accounted for by the absence of advanced and expensive equipment to be used in the production.

Opportunities

Firstly, an opportunity that the business can benefit from is the events and occasions that potential customers use to celebrate. This is an excellent opportunity to cater to a high-volume demand, thus increasing income. Secondly, the area where the business intends to operate in an open market; therefore, the barriers to entry are fewer, unlike other market areas. Thirdly, there are many expansion opportunities to areas like tourist spots and vicinity with good market potential. Lastly, since business requires skills in cookery, training provided by the government and seminars give the business privileges to effectively develop the skills of the employed cook and improve managerial proficiencies. If exploited efficiently, opportunities such as those mentioned will immensely contribute to the business progress.

Threats

The first threat to business is the entrance of new competitors as it lessens the market share, thus reducing income. Changes on consumer's taste can also be a threat because the customers may shift to another product substitute. As an important economic factor, inflation immensely affects the prices of materials that increase costs and expenses. In addition, natural calamities affect supplies of raw materials that delay production, especially since most calamities bring extreme damage to agricultural produce. Impending threat for any partnership forms of businesses is the possibility of partnership dissolution. This happens when there is dissociation between partners that leads to the termination of business operations.

3.5 Porter's Five Forces

An industry's competitiveness and profitability are assessed by examining the company's operational environment. Porter's Five Forces is a crucial strategic tool for assessing the industry's potential and prospects and potential dangers that might restrict the sector's allure and dissuade new entrants from joining the struggle for market share. It provides key insights to organizations for developing and carrying out both long-term and short-term strategic plans.

Bargaining Power of the Buyers (Low-Moderate)

Corresponding to preference, those who love kakanin will buy even how much the price is, given the best food quality. However, not everyone prefers to buy native snacks or desserts during parties; on that account, the business must significantly base or at least consider the price of pastries available in the market.

Bargaining Powers of Suppliers (Low)

In an agricultural community, the choices of suppliers that produce agri-products used in the production are ample. Aside from the number of local suppliers, natural products are also available in the neighboring municipalities.

Threats of New Entrants (High)

In the food processing industry, especially in an open market where entry barriers are lower, the threat of having new entrants is high. This line of business has low start-up costs, and access to suppliers and distribution channels is easy to obtain. Moreover, a single business's (e.g. Madayan Deli Corner) economy of scale is hard to obtain because of financial limitations and technology. This makes it easy for new businesses to start competing in the market.

The threat of Substitute Products (High)

A threat of substitutes for food products is always present since most businesses are creating new products that are most needed in the community. Several establishments offer food products in the market, making the threat of substitutes relatively high. Snack houses, bakeries, and homemade delicacies are the most accessible substitute for the business. Hence, the business will ensure the availability of products and raw materials to prevent customers from shifting to the nearest substitute.

Rivalry among Existing Competitors (Moderate)

Competition among indirect and direct competitors is quite a challenge. For that reason, the business will focus on price adjustment, product differentiation, and development, use creative distribution channels and strengthen customer relations.

3.6 PEST Analysis

PEST Analysis is a tool used to understand strategic risk and identifies the changes and the effects of the external macro environment on a firm's competitive position.

Political Factors

The political context of the proposed business environment is an essential factor, as this can provide both opportunities and threats to its success. Local environmental regulations can affect the business positively and, at the same, incurs cost. Environmental regulations suggest that the local environment is concerned with sanitation. Thus, regular garbage collection, proper sewage, and safety are expected. Government regulations like requirements of permits and licenses and levying taxes incur additional costs yet benefit the business to be recognized locally, and the given taxes will be poured into government projects that improve the community where the business is established. In addition, government support for SMEs is considered a perfect opportunity for businesses to thrive and flourish in a highly competitive market environment. Furthermore, it can be noted that there is low labor standards in provinces, meaning the expense is lower than those with high labor standards.

Economic Factors

A high employment rate and the growing disposable income of the economy is an opportunity for the business because an increase in employee earnings leads to a higher rate of consumer spending, increasing consumer sales. Moreover, economic stability enables other macroeconomic objectives to be achieved, such as stable prices and stable and sustainable growth. Rising labor cost following the price increase is a threat that can reduce business productivity.

Social Factors

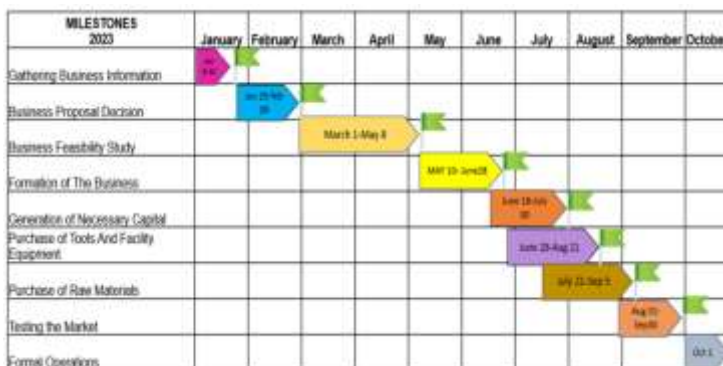
Increasing emphasis on a healthy lifestyle amidst the health crisis increases the chance of the business to increase its sales. The increasing literacy rate is likewise an opportunity for businesses to grow as it contributes to economic growth, lesser crime, a healthier population, and increased civic engagement. In addition, increasing cultural diversity, associated with an increase in literacy rate and an increasing number of tourists, is deemed advantageous. Lifestyle in the community, such as people's dietary habits and the love for social gatherings that include native food, is a perfect opportunity to improve business position.

Technological factors

Increasing automation in business improves the efficiency of the business's service, production, and transactions. Also, an opportunity presented by technology and an increase in mobile usage relevantly aid in work ease, quick dissemination of information, keeping information and helps advertisement reach potential customers.

4. Financial Analysis

This presents all the financing information. This includes the projected financial statements, assumptions, analysis, and start-up schedule.



4.1 Start-up Schedule

Fig- 5: Start-Up Schedule Gantt Chart

4.2 Financial Projection

The financial feasibility of the proposed business may help the proponents identify the movements of the business and determine if it is profitable or not. It shows all the vital accounting documents like the statement of financial position, income statement, and the statement of cash flow, which was the basis for measuring the business's liquidity, profitability, and solvency.

Table- 6: Sales Forecast

Product Item	Price	Weekly Demand	Monthly sales	Annual Sales
Bibingka	100	44	17,600.00	211,200.00
	200	10	8,000.00	96,000.00
	300	1	1,200.00	14,400.00
	500	0	-	-
Maja Blanca	100	50	20,000.00	240,000.00
	200	10	8,000.00	96,000.00
	300	0	-	-
	500	0	-	-
Sapin-Sapin	100	36	14,400.00	172,800.00
	200	8	6,400.00	76,800.00
	300	0	-	-
	500	0	-	-
Cassava Cake	100	58	23,200.00	278,400.00
	200	14	11,200.00	134,400.00
	300	0	-	-
	500	2	4,000.00	48,000.00
Kalamay	100	40	16,000.00	192,000.00
	200	9	7,200.00	86,400.00
	300	0	-	-
	500	0	-	-
Puto Bumbong	100	36	14,400.00	172,800.00
	200	8	6,400.00	76,800.00
	300	0	-	-

	500	0	-	-
Total				<u>1,896,000.00</u>

Assumption: Sales will increase by 5% each year.

**Frequency employed in the forecast is "once a week," which has a 49% rate based on survey results. Daily, twice and thrice a week frequency rate is rounded off to once a week.*

Table -7: Capital Requirements

Particulars	Amount Needed
Assets	187,896.00
Working capital	52,435.00
Leasehold improvement	20,000.00
Initial purchases	59,281.37
Total	<u>319,612.37</u>

Assumption: Partners will provide Php350,000 to cover the initial requirements of establishing the business.

Table-8: Salaries and Benefits

Position	Basic	SSS and PHIC Deduction	Net pay	SSS	PHIC	Monthly cost	Annual cost
Cook 1	8,000.00	540	7,460.00	760	180	8,400.00	100,800.00
Cook 2	8,000.00	540	7,460.00	760	180	8,400.00	100,800.00
Assistant Cook	6,000.00	405	5,595.00	570	135	6,300.00	75,600.00
Delivery Incharge	3,000.00	202.5	2,797.50	285	67.5	3,150.00	37,800.00
Total	25,000.00	1,687.50	23,312.50	2,375.00	562.5	26,250.00	<u>315,000.00</u>

Assumption: Salaries and benefits will increase by 2% every year.

Table-9: Promotional Expense

Particulars	Cost	Quantity	Annual Cost
Tarpaulin	200.00	3.00	600.00
Signage	800.00	1.00	800.00
Total			<u>1,400.00</u>

Assumptions: Promotional expenses will be incurred during the first and fourth year of operation.

Table-10: Utility Expense

Particulars	Monthly	Annual
Electric Bill	3,000.00	36,000.00
Internet Bill	1,200.00	14,400.00
Total		<u>50,400.00</u>

Assumptions: Utility expenses will increase by 1% every year.

Table-11: Rent Expense

Monthly	Annual
10,000.00	120,000.00
Total	<u>120,000.00</u>
<i>Assumptions: Annual rental will remain the same for five years.</i>	

Table-12: Packaging Expense

Particulars	Quantity/Month	Unit Cost	Monthly Cost	Annual Cost
Paper Bags	100	18.00	1,800.00	21,600.00
Pastry Boxes	50	12.00	600.00	7,200.00
Styrofoam/Cling Wrap	100	130.00	13,000.00	156,000.00
Total			<u>184,800.00</u>	
<i>Assumptions: Packaging expenses will increase by 3% each year.</i>				

Table-13: Purchases

ITEMS	QUANTITY		PRICE PER UNIT	ANNUAL COST
	MONTHLY	YEARLY		
Coconut	500 pcs	6000 pcs	5.00	30,000.00
Condensed Milk	100 pcs	1200 pcs	30.00	36,000.00
Glutinous Rice	75 kg	18 sacks	50.00	45,000.00
Rice Flour	75 kg	18 sacks	32.00	28,800.00
Ube Powder	3kg	26 kg	30.00	780.00
Brown Sugar	3 sacks	36 sacks	3,500.00	126,000.00
Grated Cheese	1kg	12 kg	143.84/200g	8,630.40
Buttercream	2 kg	24kg	350	8,400.00
Baking Powder	500g	6 kg	60.00	360.00
Salt	1kg	12 kg	8.00	96.00
Eggs	100 trays	1200 trays	200.00	240,000.00
Purple Yam	20 kl	240 kl	300.00	72,000.00
Flavoring	500ml	6L	225.00	1,350.00
Oil	1kg	12 kl	65.00	780.00
Cassava	30t	360t	100.00	36,000.00
Evaporated Milk	100 pcs	1200 pcs	25.00	30,000.00
Jackfruit	4 pcs	36 pcs	35.00	1,260.00
Vanilla	500ml	6 L	40.00	1,600.00
Ube Extract	500ml	6L	55.00	2,200.00
Cornstarch	1 sack	12 sacks	3,000.00	36,000.00
Corn Kernel	25kl	6 sacks	750.00	4,500.00
Food Coloring	200g	2.4 g	125.00	1,620.00
Total				<u>711,376.40</u>
<i>Assumption: Purchases will increase by 3% each year</i>				

Table-14: Supplies Expense

Item	Quantity	Unit Cost	Monthly	Annual
Scotch Tape	1.00	25.00	25.00	300.00
Ribbon	20.00	7.00	140.00	1,680.00
Ball Pen	3.00	30.00	90.00	1,080.00
Record Book	1.00	50.00	50.00	600.00
Order Slip	2.00	40.00	80.00	960.00
Cleaning supplies				3,000.00
Total				7,620.00

Assumptions: Supplies expense will increase by 1% during its third year of operation and incur another increase of the same in its fifth year.

Table-15: Transportation Expense

Particulars	2023	2024	2025	2026	2027
Freight In	18,000.00	18,000.00	18,000.00	18,000.00	18,000.00
Fuel Expense	6,000.00	6,120.00	6,242.40	6,367.25	6,494.59
Total	<u>24,000.00</u>	<u>24,120.00</u>	<u>24,242.40</u>	<u>24,367.25</u>	<u>24,494.59</u>

Assumptions: Delivery expenses will increase by 2% every year. Freight will remain the same for 5 years.

Table-16: Inventory

Particulars	2023	2024	2025	2026	2027
Inventory Beg	-	71,137.64	73,271.77	75,469.92	77,734.02
Add: Purchases	711,376.40	732,717.69	754,699.22	777,340.20	800,660.41
Less: Cost of Goods Sold	640,238.76	730,583.56	752,501.07	775,076.10	98,328.38
Inventory, End	<u>71,137.64</u>	<u>73,271.77</u>	<u>75,469.92</u>	<u>77,734.02</u>	<u>80,066.04</u>

Assumptions: Ending inventory is 10% of the total purchases.

Table-17: Miscellaneous Expense

Particulars	Monthly	Annual
Miscellaneous expense	500.00	6,000
Total		6,000.00

Assumption: Miscellaneous expense is constant for 5 years.

Table-18: Deferred income

Particulars	2023	2024	2025	2026	2027
Cash payment of customers	<u>18,960.00</u>	<u>19,908.00</u>	<u>20,903.40</u>	<u>21,948.57</u>	<u>23,046.00</u>

Assumption: MDC's advance payment received from customers is 1% of the annual sales.

Table-19: Equipment

Item	Quantity	Unit Cost	Total
Stove	4	2,500.00	5,000.00
Oven	1	9,790.00	9,790.00
Cassava grater	1	12,000.00	12,000.00
Coconut grater	1	2,499.00	2,499.00
Chiller	2	7,000/24000	31,000.00
Cellular phone	1	7,500.00	7,500.00
Food processor	1	700.00	700.00

LPG Tank	1	3,500.00	21,000.00
Rice Grinder	1	2,499.00	2,499.00
Food warmer	2	6,999.00	13,998.00
Steamer	2	4,150.00	8,300.00
Total			114,286.00

Table-20: Furniture and Fixture

Item	Quantity	Unit Cost	Total Cost
Plastic Chair	5.00	350.00	1,750.00
Working Table	2.00	2,500.00	5,000.00
Desk Counter	1.00	2,000.00	2,000.00
Total			8,750.00

Table-21: Tools

Item	Quantity	Unit Cost	Total cost
Measuring cup/spoon	20.00	103.00	206.00
Measuring glass	10.00	55.00	550.00
Mixing bowl	10.00	150.00	1,500.00
Knife	5.00	149.00	745.00
Wooden ladle	6.00	80.00	480.00
Baking pan	20.00	115.00	2,300.00
Whisk	5.00	50.00	250.00
Cheesecloth/sifter	2.00	92.00	184.00
Baking tray/sheet	15.00	45.00	675.00
Cooking pot	15.00	500.00	7,500.00
Saucepan	15.00	310.00	4,650.00
Bibingka mold	20.00	115.00	2,300.00
Total			21,340.00

Table-22: Permits and Licenses

Particulars	Quarterly	Annual
Permits and licenses	3,000.00	12,000.00
Total		12,000.00
<i>Assumption: Permits and licenses will increase by 2% every year.</i>		

Table-23: Depreciation

Depreciation Equipment	Unit Cost	Useful Life	Amount
Stove	5,000.00	5	1,000.00
Oven	9,790.00	10	979.00
Cassava Grater	12,000.00	5	2,400.00
Coconut Grater	2,499.00	5	499.80
Chiller	31,000.00	5	6,200.00
Cellular Phone	7,500.00	5	1,500.00
Food Processor	700.00	5	140.00

LPG Tank	21,000.00	20	1,050.00
Rice Grinder	2,499.00	10	249.90
Food Warmer	13,998.00	5	2,799.60
Steamer	8,300.00	5	1,660.00
Furniture			
Plastic Chair	1,750.00	8	218.75
Working Table	5,000.00	10	500.00
Desk Counter	2,000.00	10	200.00
Tools			
Measuring Cup/Spoon/Glass	206.00	5	41.20
Measuring Glass	550.00	5	110.00
Mixing Bowl	1,500.00	5	300.00
Knife	745.00	5	149.00
Wooden Ladle	480.00	5	96.00
Baking Pan	2,300.00	5	460.00
Whisk	250.00	5	50.00
Cheesecloth/Sifter	184.00	5	36.80
Baking Tray/Sheet	675.00	5	135.00
Cooking Pot	7,500.00	5	1,500.00
Sauce Pan	4,650.00	5	930.00
Bibingka Mold	2,300.00	5	460.00
Motor Vehicle	43,520.00	15	2,901.33
Total			26,566.38

4.3 Projected Income Statement

An income statement shows the business' revenues, expenses, and profits or losses over a specific period of time. It provides valuable insights into the Mandayan Deli Corner's financial performance and profitability for the years 2023-2027.

Mandayan Deli Corner Forecasted Income Statement For the Years 2023, 2024, 2025, 2026, and 2027

Particulars	2023	2024	2025	2026	2027
Sales	1,896,000.00	1,990,800.00	2,090,340.00	2,194,857.00	2,304,599.85
Beginning Inventory	-	71,137.64	73,271.77	75,469.92	77,734.02
Purchases	711,376.40	732,717.69	754,699.22	777,340.20	800,660.41
Ending Inventory	71,137.64	73,271.77	75,469.92	77,734.02	80,066.04
Cost of Goods Sold	640,238.76	730,583.56	752,501.07	775,076.10	798,328.38
Gross Profit	1,255,761.24	1,260,216.44	1,337,838.93	1,419,780.90	1,506,271.47
Less: Operating Expenses					
Permits and Licenses	12,000.00	12,240.00	12,484.80	12,734.50	12,989.19
Salaries Expense	279,750.00	285,345.00	291,051.90	296,872.94	302,810.40
SSS and PHIC	35,250.00	35,955.00	36,674.10	37,407.58	38,155.73
Promotional Expense	1,400.00			1,400.00	
Utilities Expense	50,400.00	50,904.00	51,413.04	51,927.17	52,446.44
Supplies Expense	7,620.00	7,620.00	7,696.20	7,696.20	7,773.16

Transportation Expense	24,000.00	24,120.00	24,242.40	24,367.25	24,494.59
Miscellaneous Expense	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
Depreciation Expense	26,566.38	26,566.38	26,566.38	26,566.38	26,566.38
Packaging Expense	184,800.00	190,344.00	196,054.32	201,935.95	207,994.03
Rent Expense	120,000.00	120,000.00	120,000.00	120,000.00	120,000.00
Total Operation Expense	747,786.38	759,094.38	772,183.14	786,907.97	799,229.92
Income before tax	507,974.86	501,122.05	565,655.79	632,872.93	707,041.54
Less: Income Tax 32%	162,551.95	160,359.06	181,009.85	202,519.34	226,253.29
Net Income	<u>345,422.90</u>	<u>340,763.00</u>	<u>384,645.94</u>	<u>430,353.59</u>	<u>480,788.25</u>

4.4 Projected Cash Flow Statement

Cash flow statement provides a comprehensive summary of the business' cash inflows and outflows during the period 2023-2027. It is divided into three main sections: operating activities, investing activities and financing activities. This document essentially provides valuable insights into its financial health and operational efficiency.

Mandayan Deli Corner
Forecasted Cash Flow Statement
For the Years 2023, 2024, 2025, 2026, and 2027

Particulars	2023	2024	2025	2026	2027
Cash Flow from Operating Activities					
Cash Receive from Customers	1,896,000.00	1,990,800.00	2,090,340.00	2,194,857.00	2,304,599.85
Cash Paid to Suppliers	(711,376.40)	(732,717.69)	(754,699.22)	(777,340.20)	(800,660.41)
Cash Paid to Operating Expenses	(721,220.00)	(732,528.00)	(745,616.76)	(760,341.58)	(772,663.54)
Advance Payment from Customers	18,960.00	19,908.00	20,903.40	21,948.57	23,046.00
Cash Provision for Income Tax	(162,551.95)	(160,359.06)	(181,009.85)	(202,519.34)	(226,253.29)
Net Cash Provided by Operating Activities	<u>319,811.65</u>	<u>385,103.25</u>	<u>429,917.57</u>	<u>476,604.45</u>	<u>528,068.61</u>
Cash Flow from Investing Activities					
Acquisition of Property Plant and Equipment	114,286.00				
Acquisition of Furniture and Fixture	8,750.00				
Acquisition of Tools	21,340.00				
Leasehold Improvement	20,000.00				
Acquisition of motor vehicle	43,520.00				
Net Cash Used in Investing Activities	<u>(207,896.00)</u>				
Cash Flow from Financing Activities					

Initial Investments	350,000.00				
Accounts payable		(18,960.00)	(19,908.00)	(20,903.40)	(21,948.57)
Owner's drawing				(50,000.00)	(170,000.00)
Net Cash Used by Financing Activities	<u>350,000.00</u>	<u>(18,960.00)</u>	<u>(19,908.00)</u>	<u>(70,903.40)</u>	<u>(191,948.57)</u>
Net Change in Cash	461,915.65	366,143.25	410,009.57	405,701.05	336,120.04
Cash Beginning	-	461,915.65	828,058.90	1,238,068.46	1,643,769.51
Cash End	<u>461,915.65</u>	<u>828,058.90</u>	<u>1,238,068.46</u>	<u>1,643,769.51</u>	<u>1,979,889.55</u>

4.5 Projected Balance Sheet

The balance sheet provides a clear overview of the business financial position as of years 2023-2027. It presents the business assets, liabilities, and partner's equity. This is essential in evaluating the business' liquidity, solvency, and working capital management.

Mandayan Deli Corner
Forecasted Balance Sheet
As of Years 2023, 2024, 2025, 2026, and 2027

Particulars	2023	2024	2025	2026	2027
Assets					
Current Assets					
Cash	461,915.65	828,058.90	1,238,068.46	1,643,769.51	1,979,889.55
Merchandise Inventory	71,137.64	73,271.77	75,469.92	77,734.02	80,066.04
Total Current Assets	533,053.29	901,330.67	1,313,538.38	1,721,503.53	2,059,955.59
Non-current assets					
Equipments	114,286.00	114,286.00	114,286.00	114,286.00	114,286.00
Less: Accumulated Depreciation	18,478.30	36,956.60	55,434.90	73,913.20	92,391.50
Furniture and Fixture	8,750.00	8,750.00	8,750.00	8,750.00	8,750.00
Less: Accumulated Depreciation	918.75	1,837.50	2,756.25	3,675.00	4,593.75
Tools	21,340.00	21,340.00	21,340.00	21,340.00	21,340.00
Less: Accumulated Depreciation	4,268.00	8,536.00	12,804.00	17,072.00	21,340.00
Motor Vehicle	43,520.00	43,520.00	43,520.00	43,520.00	43,520.00
Less: Accumulated Depreciation	2,901.33	5,802.67	8,704.00	11,605.33	14,506.67
Leasehold Improvement	20,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Total Non-Current Assets	181,329.62	154,763.23	128,196.85	101,630.47	75,064.08
Total Assets	<u>714,382.90</u>	<u>1,056,093.90</u>	<u>1,441,735.23</u>	<u>1,823,134.00</u>	<u>2,135,019.67</u>
Liabilities and Partners Equity					
Deferred income	18,960.00	19,908.00	20,903.40	21,948.57	23,046.00
Total liabilities	18,960.00	19,908.00	20,903.40	21,948.57	23,046.00
Partners Equity					
Avellanos, Capital	347,711.45	518,092.95	710,415.92	900,592.71	1,055,986.84
Bagumba, Capital	347,711.45	518,092.95	710,415.92	900,592.71	1,055,986.84
Total Partners Equity	695,422.90	1,036,185.90	1,420,831.83	1,801,185.43	2,111,973.67
Total Liabilities and Partners Equity	<u>714,382.90</u>	<u>1,056,093.90</u>	<u>1,441,735.23</u>	<u>1,823,134.00</u>	<u>2,135,019.67</u>

4.6 Projected Partner's Equity

This document reflects the financial stake of each partner in the partnership. It also serves as a measure of partnership's financial health and the business's ability to generate profit for the partners. Changes in partner's equity over time can indicate the performance of the partnership and impact of various financial transactions, such as profits, losses, additional capital investments, or partners withdrawals.

Mandayan Deli Corner
Forecasted Partner's Equity
For the Years 2023, 2024, 2025, 2026, and 2027

	2023	
Particulars	Avellanosa	Bagumba
Partner's Beg. Balance	175,000.00	175,000.00
Add: share in net income	172,711.45	172,711.45
Sub -Total	347,711.45	347,711.45
Less: Withdrawals	-	-
Partner's Equity	<u>347,711.45</u>	<u>347,711.45</u>
	2024	
Particulars	Avellanosa	Bagumba
Partner's Beg. Balance	347,711.45	347,711.45
Add: share in net income	170,381.50	170,381.50
Sub -Total	518,092.95	518,092.95
Less: Withdrawals	-	-
Partner's Equity	<u>518,092.95</u>	<u>518,092.95</u>
	2025	
Particulars	Avellanosa	Bagumba
Partner's Beg. Balance	518,092.95	518,092.95
Add: share in net income	192,322.97	192,322.97
Sub -Total	710,415.92	710,415.92
Less: Withdrawals		
Partner's Equity	<u>710,415.92</u>	<u>710,415.92</u>
	2026	
Particulars	Avellanosa	Bagumba
Partner's Beg. Balance	710,415.92	710,415.92
Add: share in net income	215,176.80	215,176.80
Sub -Total	925,592.71	925,592.71
Less: Withdrawals	25,000.00	25,000.00
Partner's Equity	<u>900,592.71</u>	<u>900,592.71</u>
	2027	
Particulars	Avellanosa	Bagumba
Partner's Beg. Balance	900,592.71	900,592.71
Add: share in net income	240,394.12	240,394.12
Sub -Total	1,140,986.84	1,140,986.84
Less: Withdrawals	85,000.00	85,000.00
Partner's Equity	<u>1,055,986.84</u>	<u>1,055,986.84</u>

4.7 Financial Ratio Analysis

Analyzing financial ratios provides the business with valuable insights into the business's financial position, liquidity, profitability, risk, solvency, and efficiency. It is highly relevant for various stakeholders, including investors, creditors, management, and analysts. It involves calculation and interpretation of ratios based on financial statements to gain insights into the business financial performance and position.

A. Return on Investments (ROI)

$$ROI = \frac{\text{Net Income}}{\text{Initial Investments}}$$

Table-24: Computation for Return on Investments

	2023	2024	2025	2026	2027
Net Income	345,422.90	340,763.00	384,645.94	430,353.59	480,788.25
Initial Investments	350,000.00	350,000.00	350,000.00	350,000.00	350,000.00
Return on Investments	<u>0.99</u>	<u>0.97</u>	<u>1.10</u>	<u>1.23</u>	<u>1.37</u>

The return on investments measures the yield of the initial investments. As shown in table 24, the ROI of the proposed business is 0.99 or 99%, which then emphasizes that for every ₱1.00, the owner receives ₱0.99. It signifies a highly profitable and successful investment, as it indicates that the investment has nearly doubled in value. Such a significant ROI suggests effective investment strategies and outperformance of market averages.

B. Net Profit Margin

$$NPM = \text{Net Income/Revenue}$$

	2023	2024	2025	2026	2027
Net Income	345,422.90	340,763.00	384,645.94	430,353.59	480,788.25
Sales	1,896,000.00	1,990,800.00	2,090,340.00	2,194,857.00	2,304,599.85
Net profit margin	<u>0.18</u>	<u>0.17</u>	<u>0.18</u>	<u>0.20</u>	<u>0.21</u>

Table-25: Computation for net profit margin

Table 25 shows that for every ₱ 1.00 of sales revenue generated, it contributed a net profit of Php 0.18, 0.17, 0.18, 0.20, and 0.21, respectively, in five consecutive years.

C. Return on Asset

$$\text{Return on Asset} = \text{Net Income/Total Asset}$$

Table-26: Computation for Return on Assets

	2023	2024	2025	2026	2027
Net income	345,422.90	340,763.00	384,645.94	430,353.59	480,788.25
Total asset	714,382.90	1,056,093.90	1,441,735.23	1,823,134.00	2,135,019.67
Return on asset	<u>0.48</u>	<u>0.32</u>	<u>0.27</u>	<u>0.24</u>	<u>0.23</u>

Table 26 indicates that for every ₱ 1.00 asset used by the business to generate revenue yielded Php 0.48, 0.32, 0.27, 0.24, and 0.23 of net income, respectively.

D. Payback Period

$$\text{Payback Period} = \text{Investments/annual net cash flow}$$

Table-27: Computation for the payback period

Initial Investments	350,000.00
Net cash flow	461,915.65
Payback Period	<u>0.76</u>

Table 27 presents that an investment is expected to recoup its initial cost in approximately 10 months of business operation.

5. CONCLUSION

Mandayan Deli Corner's nature is to provide the community with essential goods that cater demands of people in Cateel with buying capacity, which will be strategically situated at Poblacion, Cateel Davao Oriental—the center of town. MDC will use the lead provided by social media to spread business information to potential customers and use marketing materials such as tarpaulins and signage in its introductory stage. Distribution is through direct sales and consignments to span distribution channels. Since the business will involve toilsome work to serve the market best, this will be operated by six people who will take on specific responsibilities and tasks. MDC will prioritize the relationship of the people working in the business, including the business suppliers, and the health of the customers and its workers. Projected financial statements were presented to display what to expect in the business's future performance based on realistic and reasonable assumptions. ROI, ROA, NPM, and Payback Period were calculated to provide valuable insights into the business's profitability, liquidity, and efficiency. These ratios help the business visualize how the business will perform over a given period.

5.1 Findings

The study on the feasibility of establishing Mandayan Deli Corner at Poblacion, Cateel, Davao Oriental, showed that the business is feasible. The proposed business will generate enough profit to justify the partner's investment of 350,000.00. As indicated, ROI is 99%, which implies that for every Php1.00 investment made, it generates Php 0.99 return to partners, which is considered a good return for investors. A good ROA indicates that the business is efficient and productive at managing its balance sheet to generate profits. Furthermore, as shown in Table 4.26, the 0.76 payback ratio has a favorable impact on making a snap judgment about the investment venture. This indicates that the initial investment will be recovered within 10 months of operation. The short payback period makes it desirable to establish.

5.2 Recommendations

After bearing all the significant factors in the study that we conducted, such as the marketing, technical, financial, and management factors, the researchers recommend that:

1. Mandayan Deli Corner can be pursued. The business is attainable as it only requires low initial capital to establish, and the materials needed to create product items are locally accessible. In addition, business management is simple, and operators will not have to go through complex business processes.
2. Adding more variety of kakanin to establish diverse offerings and provide numerous choices that suit every customer's preference must be considered.
3. MDC should consider expansion of the business to increase income.
4. MDC must also consider purchasing advanced technology and machines to ease work and expedite production.

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