

FISHING MADE EASY: A FEASIBILITY STUDY OF ESTABLISHING THE ORIENT'S FISHING SHOP AT BARANGAY SANTA FILOMENA, CATEEL, DAVAO ORIENTAL

Joanna Marie Lumor, Irish S. Tuvilla, JR A. Mantog

Department of Bachelor of Science in Business Administration - Major in Financial Management, Davao Oriental State University - Cateel Extension Campus, Cateel, Davao Oriental, Philippines, 8205

1. INTRODUCTION

Fishing has always been an important food source for humankind. Fishing is a rich and diverse activity that combines skill, patience, and appreciation for nature. Whether pursued for relaxation, sport, or sustenance, fishing offers a unique connection to the natural world and an opportunity to immerse oneself in the wonders of aquatic environments. With a long-standing history and a multitude of fishing techniques and equipment, fishing continues to captivate individuals and provide a rewarding and enjoyable experience for people of all ages.

The sustainable utilization of fisheries and aquatic resources is crucial for meeting the nutritional, economic, and social needs of a growing global population. These resources are renewable but not unlimited, emphasizing the importance of responsible management. To ensure their long-term availability, it is essential to utilize these resources in a manner that supports the well-being of communities and promotes their sustainable development. In recent times, the global fishing industry has experienced significant growth and has become a rapidly evolving sector in the food industry. Many countries have capitalized on new advancements, such as modern fishing vessels, to meet the increasing demand for fish and seafood products. Fishing has always been a crucial livelihood for Filipinos, with fish being a staple food in the country, second only to rice. The Philippines is one of the world's most significant fish producers. In 2016, it ranked 10th among the top fish-producing countries, producing 1.87 million metric tons of fish, crustaceans, mollusks and aquatic plants including seaweed (FAO, 2018).

Fishing has been a beloved recreational activity and sport for countless years. Whether seeking to procure food or enjoy yourself, having the appropriate equipment is essential. Fishing involves using a fishing rod, a fishing hook, and other necessary items. The angler casts their line and hooks into the water, patiently waiting for a fish to bite before reeling it once securely hooked. Successful fishing demands patience, quick reflexes, and understanding the fish species present in the area and their preferred bait.

Conversely, some individuals find joy in keeping pet fish. Not only do pet fish add beauty to your home, but they also serve as delightful companions, particularly during your leisure time. Aquarium fish are popular decorative elements in households, available in various sizes. When proper care is provided, these vibrantly coloured fish become even more captivating. Ensuring the well-being of pet fish enhances their visual appeal and contributes to their overall attractiveness as companions.

The fishing industry has emerged as a promising source of livelihood in Barangay Santa Filomena, Cateel, Davao Oriental. The success of fishermen in catching a bountiful harvest relies on the availability of high-quality fishing supplies, including fishing nets, lures, and other essential equipment. The significance of fishing gear must be considered when engaging in fishing activities. Regardless of a fisherman's skill level, having the appropriate fishing equipment is indispensable for a fruitful fishing expedition.

As a result, the business partners have conceived the idea of establishing Orient's Fishing Shop, catering to the needs of fishermen and households involved in the fishing industry. Orient's Fishing Shop is a specialized store or designated area that provides a wide range of fishing equipment and recreational gear for fishermen, fish keepers

and fish pet lovers. While there may be existing fishing supplies in the local market, they need to meet the fishermen and other households' total demand. These establishments offer only a limited selection of items required for the fishing industry of Cateel.

1.1 Objectives of the Study

The general objective of this study is to determine the viability of Orient's Fishing Shop. The specific objectives are the following:

- To determine the target market
- To determine the strategic location
- To conduct market survey
- To identify promotional strategies
- To identify distribution channel
- To formulate business model
- To determine 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 Products

Establishing Orient's Fishing Shop aims to cater to the essential needs of fishermen and fish enthusiasts who cultivate fish. The shop will provide a comprehensive range of fishing supplies and a variety of fish species available for purchase, along with aquarium accessories. The shop strives to offer excellent customer service by providing high-quality products at competitive and reasonable prices. The product lineup includes the following:

Fishing Rod. A fishing rod is a long, flexible tool used for catching fish. It comprises multiple elements that collaborate to assist fishermen and fish keepers in casting their line, detecting fish bites, and retrieving the caught fish.

Fishing Line. A fishing line is a cord or thread used in angling to connect the fishing rod and reel to the hook or lure. Key factors determining a fishing line's quality include its length, material composition, and weight.

Hooks. A fish hook is a tool utilized to capture fish by piercing them either in the mouth or, less commonly, by hooking onto their body.

Lures. Fishing lures are synthetic bait creations intended to replicate real fish, attracting the attention of predatory fish. The diverse range of lures enables anglers to target specific fish species, increasing their chances of success in various weather and water conditions.

Swivel. A fishing swivel is a small metal device that prevents the fishing line from twisting or tangling. The line is attached to one ring, while the other ring is used to attach the fishing lure or terminal tackle.

Tackle boxes. Tackle boxes are available in various shapes and sizes, tailored to different fishing purposes, such as for recreation. The choice of tackle box depends on individual preferences, preferred fishing techniques, target fish size, and various other factors.

Sinkers. A sinker, or a plummet, is a weighted object employed in angling to facilitate the faster sinking of the lure or bait or to extend the casting distance. It is traditionally crafted from lead.

Fishing Net. A fishing net refers to a specialized tool utilized for capturing fish. These nets are constructed from fibre woven together in a gridlike pattern. Some fishing nets, such as fish traps or imitation nets, are designed to deceive fish. Typically, fishing nets consist of interconnected meshes created by knotting a relatively thin thread.

Pataw. A seine float, which is a buoyant device used in fishing nets. Lightweight wooden balls are commonly employed as floats to keep the nets buoyant. It functions as a counterpart to the sinker attached to the fishing line.

Ropes. Ropes play a vital role in the construction and functioning of fishing gear. They serve as essential elements for providing structural support and reinforcement in fabricating various fishing nets, including gill nets, trammel nets, seines, and trawl nets.

Rainwear. Fishing rain suits not only offer essential protection from rain and cold weather and serve as versatile gear for daily use, providing shielding against the sun and wind.

Neck Gaiters. A neck gaiter is a cylindrical piece of fabric designed to protect the neck and face against both sun exposure and cold weather conditions.

Bobber. Bobber, also known as floats or strike indicators, are small buoyant devices used in fishing to indicate when a fish bites or to suspend bait or lures at a specific depth. They are typically attached to the fishing line and float on the water's surface.

Crystalite. Its purpose is to attract the attention of fish. It is a smooth fabric that features contrasting dark and light colors.

Scales. Scales serve as a crucial instrument in the fishing industry, enabling the measurement of the weight of fish and other items. Additionally, scales are commonly utilized in various production settings to weigh larger masses, such as raw materials, reagents, and finished products.

Rigs. A fishing rig connects bait, lures, hooks, swivels, leaders, sinkers, bobber, flashers, dodgers, and other accessories to a fishing line. It encompasses the arrangement and configuration of these components to create an adequate setup for fishing.

Crystal Flash Fly Tying. Crystal Flash is a commonly utilized material in fly tying, employed to incorporate flash and allure into fly patterns. This synthetic material is available in slender, pliable strands and is renowned for its capacity to reflect light, imitating the appearance of bait-fish scales or other natural flashes in the water.

Aquarium. An aquarium is a carefully regulated environment accommodating aquatic plants, animals, and other organisms. It typically consists of a glass or acrylic tank that offers a suitable habitat for the living organisms it contains.

Types of Aquarium

Community Aquarium. A community aquarium is a tank that houses multiple species of fish together. These aquariums incorporate fish from various geographical regions, often including resilient plant species.

Freshwater Fish Aquarium. A freshwater aquarium is a container with one or more aquatic organisms that thrive in freshwater environments. These aquariums serve decorative, pet-keeping, or research purposes. Modern aquariums are commonly constructed using transparent materials like glass or acrylic glass.

Fish. Fish are aquatic vertebrate creatures characterized by lacking limbs with digits, such as fingers or toes, and possessing gills. They are cold-blooded animals with streamlined bodies equipped with gills for extracting oxygen from water and fins for navigating through their underwater habitats. Fish exhibit remarkable diversity and inhabit many aquatic environments, including freshwater and saltwater habitats.

Goldfish. Goldfish are known for their simplicity and ease of care, requiring minimal maintenance. They can thrive in a tank without additional fish species, yet their vibrant colours make them a visually striking choice for a fish tank.

Guppy. The guppy, or the million rainbow fish, is a freshwater species suitable for aquariums. Guppies are known for their vibrant colours, intricate patterns, and unique fin shapes.

Platy. Platies are known for their friendly temperament and can coexist harmoniously with other species in a tank, provided those species are non-aggressive. They are not particularly picky and will consume various flakes or even frozen live foods.

Betta. The betta fish, or the Siamese Fighting Fish, is a captivating choice for aquarium enthusiasts and should be considered. It ranks closely with the common goldfish as one of the most popular fish varieties cherished novice and experienced aquarists.

German Blue Ram. The German Blue Ram is a freshwater fish originating from the river basins of Colombia and Venezuela. Growing up to three inches in length, this species is known for its relatively friendly temperament, making it suitable for community aquariums.

Koi. Koi fish thrive in outdoor ponds, although they can also be housed indoors if the tank has a minimum capacity of 30 gallons. It is known for their beauty, longevity, and captivating presence. They can bring a sense of tranquility to outdoor ponds and gardens

Upside-Down Catfish. The Upside-Down Catfish, originating from Central Africa, is a popular freshwater species known for its minimal care needs. As its name suggests, this fish exhibits peculiar and unusual behaviour by swimming upside down.

1.3 Technology

Orient's Fishing Shop aims to meet the demands of its customers by offering a wide range of readily available and affordable fishing equipment. The shop will focus on procuring new and cost-effective products to provide a diverse selection for customers.

Shown below are sets of these items and equipment that will be installed in the area.

Table 1.1. Equipments and Functions

Equipments	Functions
Computer	Computer play a crucial role in the business by serving as a central tool for storing and organizing accounts and personal information, monitoring inventory levels, and generating reports.
CCTV Camera	CCTV systems are designed to enhance security measures by deterring and identifying criminal activities. They provide a sense of safety and reassurance to customers.
Speaker	They are used to generate audible sound for listeners and enhance the entertainment experience for customers.
Electric Fan	Fans are utilized to circulate air within a space. During hot weather, electric fans can offer effective cooling, contributing to the comfort and relaxation of customers.

1.4 Intended Market

The proposed location for Orient's Fishing Shop is in Purok Nangka, Barangay Santa Filomena, Cateel, Davao Oriental, offering a strategic view of the sea. This advantageous position is expected to attract more customers and provide convenience to the target market. Orient's Fishing Shop aims to offer prompt, affordable, and reliable products while ensuring the maintenance of product quality to retain existing customers and attract new ones. The business partners aspire to cater to the needs of the target market and establish connections with them. In summary, the primary targets of the business are as follows:

Fishermen. One of the main target markets for Orient's Fishing Shop is the local fishermen in Barangay Santa Filomena, Cateel, Davao Oriental, as they form a significant portion of the population in the area. The participation and support of these fishermen can significantly contribute to the success of Orient's Fishing Shop.

Households / Fish Keepers. The increasing number of households in the area provides an advantage for Orient's Fishing Shop, as it saves customers' time and effort in accessing the shop's products. This convenience factor can help establish a loyal customer base for the shop.

Pet Lover. Pet enthusiasts who enjoy keeping fish are a significant target market for Orient's Fishing Shop. Fish make ideal pets, particularly for children, as they teach responsibility without the need for extensive training, playtime, or grooming. Fish are low-maintenance companions, making them a perfect choice for individuals with limited time or space to care for higher-maintenance animals.

1.5 Environment

Fishing is experiencing a notable surge in popularity, and it is essential to acknowledge that fishing activities can impact the environment. Introducing a new fishing shop offering improved and high-quality products is expected to generate increased interest in fishing among the general public. Additionally, there is a growing interest among children in fishing and related activities, which presents new business prospects. Moreover, Orient's Fishing Shop provides a range of child-friendly fishing poles explicitly designed for children, featuring attractive characters.

The Orient's Fishing Shop is divided into distinct categories based on the type of fishing supplies offered. It also caters to the needs of freshwater and community aquarium enthusiasts. The shop adopts online and offline distribution channels to reach a broader customer base. Furthermore, it primarily serves the local area of Purok Nangka, Barangay Santa Filomena, Cateel, Davao Oriental.

The speciality stores segment is anticipated to experience growth due to its well-informed staff who can effectively communicate the advantages and specifications of the products to customers. This ability to provide detailed information attracts a loyal customer base who frequently make purchases, establishing a pattern of regular buying.

1.6 Competition

Competition is an inherent aspect of the business landscape, encompassing various elements such as pricing, quality, design, sales, and location. It involves rivalries between businesses that offer similar products or cater to the same target audience, all vying to achieve higher sales, increase revenue, and capture a larger market share than their competitors. At every level of the market, retail arrangements exist where groups of retailers sell fishing equipment, fish, and aquariums to consumers.

Orient's Fishing Shop faces competition from three main competitors, direct and indirect competitors. Direct competitors are vendors who sell similar products to the same target audience, competing for the same potential market. Indirect competitors, on the other hand, offer products or services that may be different but fulfil the exact consumer needs. However, the advantage for Orient's Fishing Shop lies in its location, as the competitors are in the downtown area of Cateel. With only a few sellers of fishing equipment in the area, the business can capitalize on this advantage. Additionally, the shop is expected to generate higher profits due to its effective strategies and the high quality of products it offers.

Table 1.2. Market Share Distributions

Competitors	Products	Estimated Market Share
Competitor 1	Nylon, Hook, Swivel, Fishing Net, Pataw, Bobber	20%
Competitor 2	Aquarium, Fish, Food for Fish	20%
Competitor 3	Scales, Rainwear, Ropes	10%
Orient's Fishing Shop	Fishing Supplies, Fish, Aquarium	50%
Total		100%

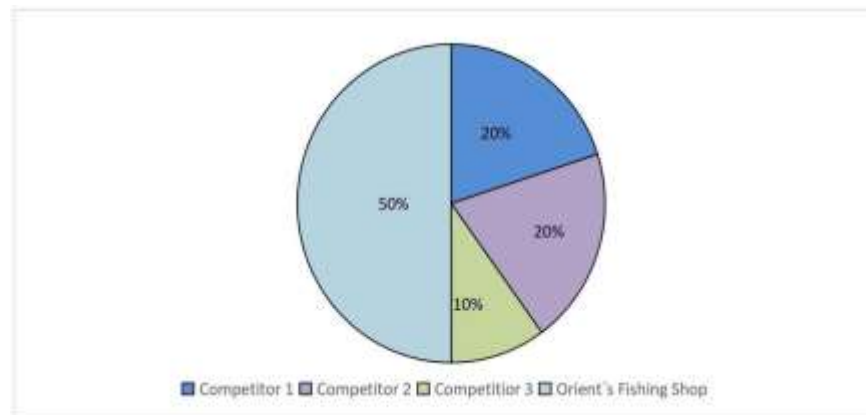


Fig-1.1. Estimated Market Share

Establishing itself as the first fishing shop in the area, Orient's Fishing Shop will enjoy the first-mover advantages of name recognition and customer loyalty. Initially, Orient's Fishing Shop's market share was estimated at 50%, considering the presence of the existing shop in the locality, which offer the same products and services. Orient's Fishing Shop has set a goal to consistently maintain a market share of over sixty percent.

1.7 Industry

Cateel, located in the coastal province of Davao Oriental, covers a land area of 545.56 square kilometers or 210.64 square miles, accounting for 9.61% of the total area of Davao Oriental. The fishing industry in the area is flourishing, and there is a high potential for a good catch, especially with high-quality fishing supplies like nets and hooks. Additionally, a significant number of households enjoy keeping pet fish and have aquariums in their homes. Based on these observations, the business partners have recognized this industry's profitability and decided to establish Orient's Fishing Shop. The goal is to operate a lucrative and profitable venture by offering a diverse range of products and services, catering to fishermen and households seeking pet fish and related supplies. The business aims to provide the most sought-after products to meet the growing needs of the fishing community and households in the area.

1.8 Business Model

Orient's Fishing Shop follows a simple and efficient business model. The focus is on providing customers with a value proposition which includes high-quality products and services. The business's success relies on key partners, ensuring smooth operations and meeting customer needs. Key activities are centered around sourcing and maintaining a diverse range of fishing products. Effective channels are utilized to reach the target audience and deliver the products and services.

The business prioritizes key resources, such as reliable suppliers and knowledgeable staff, to ensure customer satisfaction. Different customer segments, including fishermen and households with pet fish, are identified and catered to accordingly. Building strong customer relationships is prioritized to foster loyalty and repeat business. The cost structure is carefully managed to optimize profitability, while revenue streams are generated by selling products and services. Product quality and service delivery are sought to enhance customer satisfaction and drive business growth. Overall, strategic planning is implemented to maximize profits and attract more customers to support the business.

The Business Model Canvas allows organizations to create, implement, and digest value. According to Osterwalder & Pigneur (2012), BMC is best described using nine basic building blocks covering four main business areas: supply, customers, financial feasibility, and infrastructure.

Table 1.3. Business Model Canvas

Key Partners <ul style="list-style-type: none"> ● Lucky Store ● Fish Shop Aquarium ● Fish Pet Shop 	Key Activities <ul style="list-style-type: none"> ● Internet Marketing <hr/> Key Resources <ul style="list-style-type: none"> ● Good services ● Human Resources 	Value Proposition <ul style="list-style-type: none"> ● Strategic Location ● Affordable prices ● Availability of products 	Customer Segments <ul style="list-style-type: none"> ● Household ● Fishermen ● Pet Lover <hr/> Channels <ul style="list-style-type: none"> ● Delivered ● FM Radio ● Leaflets 	Customer Relationship <ul style="list-style-type: none"> ● Trust ● Order via social media accounts , ● Messages and calls
Cost Structure <ul style="list-style-type: none"> ● Electricity ● Transportation 		Revenue Streams <ul style="list-style-type: none"> ● Sales of Fresh Fish especially Koi which are excellent 		

2. MARKET ANALYSIS

Market analysis is a necessary procedure that evaluates the attractiveness and characteristics of a specific market in a given industry. It is a crucial component of industry analysis and contributes to the overall assessment of the global business environment. Businesses can gain insights into their strengths, weaknesses, opportunities, and threats by conducting market analysis.

Understanding market analysis is vital to effectively addressing and fulfilling fishermen demands. This analysis enables businesses to identify and evaluate the market size, growth potential, competition, customer preferences, and trends. By examining these aspects, companies can make informed decisions and develop strategies to sustain and meet the fishing community's needs. Market analysis is a valuable tool for businesses to navigate and thrive in the competitive fishing industry.

2.1 Marketing and Sales Strategy

A marketing strategy is a comprehensive plan designed to achieve the Orient's Fishing Shop and its goals.

There are three marketing strategies for Orient's Fishing Shop:

1. Orient's Fishing Shop has adopted an initial strategy to attract fishermen and households as its primary target customers. The shop aims to create a welcoming and friendly environment to appeal to these customers. The business owners intend to cultivate a loyal customer base by offering exceptional assistance and support. Orient's Fishing Shop staff will always be readily available to provide guidance and address customer needs.
2. Orient's Fishing Shop has a dedicated sales team responsible for handling all sales transactions. The sales strategy devised by the business owners aims to achieve specific objectives during the first two years of operation, including an annual sales growth target of 10%. To accomplish this, the proponents will adopt a cautious approach to managing cash outflows while implementing an aggressive marketing strategy. The

primary promotional channel for Orient's Fishing Shop will be local radio stations, leveraging their reach and audience. Additionally, the business plans to distribute leaflets and display tarpaulins in strategic locations within Cateel, particularly in fishing areas, to raise awareness and attract potential customers.

3. The last strategy for Orient's Fishing Shop revolves around creating a social environment that appeals to customers and offers entertainment. This approach aims to attract and engage customers by providing a welcoming atmosphere where they can purchase fishing products and enjoy their time at the shop. The goal is to establish a sense of community and camaraderie among customers, enhancing their overall experience and encouraging them to return to the shop regularly.

2.2 Positioning

Orient's Fishing Shop will position itself as a premium provider of fish and fishing supplies, offering unique products and services that set it apart from competitors. One of the distinguishing features of the shop is the provision of spacious surroundings, creating a comfortable and relaxing environment for customers. This emphasis on ample space is intended to enhance the overall shopping experience and make customers feel at ease while browsing through the shop's offerings.

3. OPERATING ANALYSIS

The operational analysis involves evaluating and improving the operational processes within an organization. It utilizes mathematical models, statistical analysis, and logical reasoning to assess the effectiveness of each area in contributing to overall performance, strategic planning, and customer outcomes. The analysis determines whether the business effectively contributes to functional areas such as financial performance and innovation quality. By reassessing existing processes, the goal is to identify opportunities for optimization, cost savings, and the potential need for specific functions. Ultimately, the objective is to enhance efficiency, achieve better outcomes, and maximize the organization's overall effectiveness.

3.1 Production and Operation Requirements

The Orient's Fishing Shop will operate six days a week, starting from 8:00 am and closing at 5:00 pm. This schedule allows for eight hours of business activity per day. The operating hours will be clearly displayed inside and outside the shop to ensure customers are well-informed. The soft-opening day schedule will be advertised through leaflets, tarpaulins, and radio advertisements. The business will also incorporate the day and time schedules into its promotional campaigns to effectively meet the needs of fishermen and households on time. Additionally, all necessary legal requirements, including obtaining a business permit, will be completed before the shop's operation. The owners of Orient's Fishing Shop prioritize adherence to legal aspects and regulations in their operational procedures.

3.2 Management and Personnel Requirements

Effective Management Strategies. Effective management plays a crucial role in ensuring the ongoing success of any business venture. Orient's Fishing Shop recognizes the importance of strong management strategies to monitor cash inflows and outflows, ultimately ensuring the profitability and sustainability of the business. The management team will implement leadership strategies in their interactions with customers, and in the overall administration and execution of business operations. This entails providing comprehensive supervision and actively setting objectives while developing strategic plans to achieve these goals. By employing effective management practices, Orient's Fishing Shop aims to establish a solid foundation for long-term success.

Personnel Requirements. Having the right human resources is crucial for the success of any business, as it requires competent individuals who can effectively contribute to the business operations. Manpower requirements serve as a foundation for assessing potential employees' qualifications, skills, and capabilities, allowing the firm to determine their suitability for specific roles and responsibilities. A company can function effectively and achieve its objectives with a capable workforce. Organizational and administrative aspects are essential business components and involve meticulous planning and intricate decision-making processes. These aspects are vital for establishing a well-structured company and ensuring smooth operations.

Table 3.1. Job Qualifications/ Duties and Responsibilities

Position	Job Qualification	Duties and Responsibilities
General Manager	<ul style="list-style-type: none"> Age 25-30 years old, Male/ Female Business or marketing related degree Positive attitude Technical marketing skills Experience in all aspects of developing and maintaining marketing strategies. 	<ul style="list-style-type: none"> Responsible for managing the daily running of the shop, including sourcing equipment, effective resource planning and implementing strategies and operations; Responsible for setting and meeting performance targets for speed, efficiency, sales and quality; Ensures all relevant communications, records and data are updated and recorded; Responsible for forecasting and analyzing data against budget figures on a weekly and or monthly basis.
Purchasing Manager	<ul style="list-style-type: none"> Age 23-30 years old, Male/ Female Business or marketing related degree Positive attitude Ability to gather and analyze data and to work with figures 	<ul style="list-style-type: none"> Responsible in developing, leading and executing purchasing strategies; Responsible for seeking and partnering with reliable vendors and suppliers; Determines quantity and timing of deliveries.
Cashier	<ul style="list-style-type: none"> Age 18- 23 years old, Male/ Female Good communication Skills Basic primary knowledge of computer and must be at least a college level preferably business related course 	<ul style="list-style-type: none"> Accepts payments; Maintains inventory of supplies in the shop; Provides excellent customer care Provides receipts for goods and services
Service Staff	<ul style="list-style-type: none"> Age 18- 25 years old, Male Must be at least a college level Computer savvy 	<ul style="list-style-type: none"> Supports the customer need at all times; Attentive to the request and complains of customers; Helps in maintaining cleanliness and orderliness of the place.

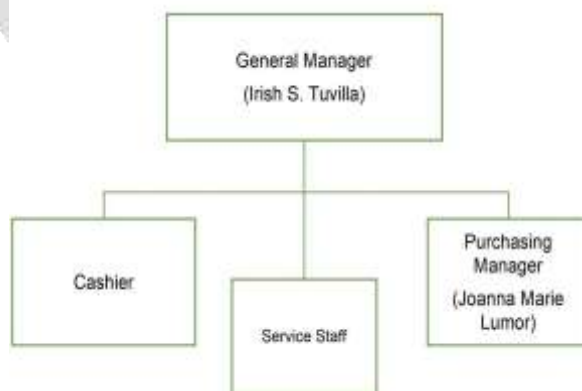


Fig-3.1: Organizational Structure

3.3 Regulations/Environmental Issues

Environmental standards, laws, and regulations differ among markets. Businesses must comply with all mandated regulations and address ecological issues following the respective national laws, such as the Philippine Congress's Republic Act 9512, also called the Environmental Awareness Act. Due to the increasing environmental pollution and technological advancements, companies or businesses are compelled to adopt progressive recycling and waste management approaches. This ensures that they actively contribute to ecological preservation and operate responsibly.

Orient's Fishing Shop must obtain necessary permits and registrations from various government entities to ensure its legal compliance as a partnership business. These include acquiring a mayor's permit, registering with the Department of Trade and Industry, and obtaining clearances from the Bureau of Internal Revenue, Local Government Unit, and Bureau of Fire Protection. Adhering to these requirements is essential for establishing the business's legality and operating within the bounds of the law. All these mentioned above are the required for the legality of the business.

The following are also needed to be complied:

- Barangay Clearance
- Police Clearance
- Medical Clearance
- DTI Registration
- Sanitary Clearance
- BIR Registration
- Fire Safety Fee
- DENR Certificate of Non- Compliance

3.4 Critical Factors

SWOT Analysis. SWOT analysis is a valuable tool for both startup businesses and established companies in developing effective business strategies. It is a strategic planning and management technique that helps individuals and organizations identify their internal strengths and weaknesses, and external opportunities and threats concerning their business competition or project planning. It is also referred to as situational assessment or situational analysis. By utilizing this straightforward framework, Orient's Fishing Shop can evaluate its position in the competitive market and leverage the insights gained to formulate sound and informed business strategies.

Table 3.2. SWOT Analysis

Strengths	
	<ul style="list-style-type: none"> • Knowledgeable and friendly staff • Clear the vision of the market • Upscale ambiance • Strategic location • Power of Suppliers • Good customer service • Good quality products • Excellent business management • Price is reasonable
Weakness	
	<ul style="list-style-type: none"> • Limited Capital
Opportunities	
	<ul style="list-style-type: none"> • Expansion of business • Increasing number of people in the fishing industry • Increase demand for marine products • Government Support

Threats

- Calamities that affects fishing activities
- New entrants that offers the same products
- Inflation

Strengths. Orient's Fishing Shop holds a competitive edge in the fishing industry due to its customer-focused approach and commitment to meeting fishermen and pet lovers' needs. The business recognizes the significance of catering to the livelihood of fishermen and understands the importance of providing a variety of fish species to households that enjoy pet fish. Additionally, the shop takes pride in its friendly and knowledgeable staff, who are well-equipped to assist customers with product inquiries and recommendations.

With a clear vision for a prosperous future, Orient's Fishing Shop benefits from its strategic location facing the Pacific Ocean, which attracts a more extensive customer base. The business has established reliable supplier networks capable of meeting the daily requirements of fishermen and pet lovers. Furthermore, the management team is equipped to handle any challenges that may arise, ensuring the smooth operation of the business. Importantly, Orient's Fishing Shop strives to maintain affordability by offering reasonable prices, making its products accessible to customers.

Weakness. In the business world, overcoming various challenges is crucial to achieved satisfaction and success in the trade industry. However, inherent risks and potential drawbacks that can hinder positive outcomes, such as failures, catastrophes, and other unforeseen circumstances that may negatively impact a business. One area of concern for Orient's Fishing Shop is its limited capital resources, as the business will be established by two individuals focusing on developing a product and service to offer in the market. Acquiring sufficient funds is often an initial priority for startups, enabling them to address financial needs and support business operations.

Opportunities. A business plays a crucial role in meeting the needs and desires of society while contributing to the overall development of the environment. Orient's Fishing Shop aims to seize the opportunity for business expansion by catering to the needs of other barangays and providing fishing equipment and related products. Additionally, the business can capitalize on the growing number of individuals involved in the fishing industry, which presents a potential for increased profitability. The rising demand for marine products, including fish for both consumption and other purposes, further enhances the business's prospects. As a result, many coastal households have turned to fishing as a means of livelihood, creating a potential customer base for the shop.

Threats. Threats are inherent risks that businesses face and often cannot directly control. However, businesses can employ strategies to mitigate potential damage. For Orient's Fishing Shop, one significant threat is the occurrence of calamities that could impact fishing activities. The growing concerns related to climate change and natural disasters necessitate the need for the fisheries sector to adapt and innovate. This includes reconsidering the fishing equipment used to improve fuel efficiency, such as minimizing the duration of trawl net usage. Additionally, as the fuel costs rise, there is a need for more effective utilization of fishing equipment and reforming operational practices within the fisheries industry. These measures are essential to address the evolving challenges and ensure the sustainability of the business.

In addition to calamities and environmental challenges, Orient's Fishing Shop also faces the threat of new entrants in the market offering similar products. This risks the business, especially considering the location attractiveness to potential competitors. When a new entrant targets a specific market segment, it becomes crucial for the business owners to expand their strategies and cater to the same target audience, thus preventing the new business from establishing a strong foothold. By adapting and refining its approach, Orient's Fishing Shop can effectively compete with new entrants and maintain its market position.

Furthermore, Orient's Fishing Shop faces the threat of inflation, which significantly impacts various aspects of the economy such as consumers, investments, and employment rates. Business owners often feel the impact of inflation earlier than consumers, as they experience increased supply chain costs and narrower profit margins before adjusting prices for their customers. In the Philippines, the inflation rate has been rising, reaching 8.0% in November 2022, the highest in 14 years since November 2008, according to the Philippines Statistics Authority.

However, business owners who are adaptable and successful in navigating high inflation conditions survive and gain valuable experience, making them resilient in overcoming future challenges. By implementing

effective strategies to manage costs, optimize pricing, and maintain operational efficiency, Orient's Fishing Shop can mitigate the impact of inflation and continue to thrive in the market.

3.5 Porter's Five Forces

Porter's Five Forces model is a widely used framework to analyze the competitive dynamics and structure of a company's industry and corporate strategy. It is based on industrial organization economics and identifies five forces that influence the level of competition and profitability within an industry. By assessing these forces, businesses can gain insights into the attractiveness of the industry and its competitive position within it.

The five forces identified in this model provide a comprehensive analysis of the market and industry conditions. They include factors such as the bargaining power of suppliers and buyers, the threat of new entrants, the threat of substitute products or services, and the intensity of competitive rivalry. By evaluating these forces, Orient's Fishing Shop can assess the overall attractiveness of the fishing industry and determine its competitive advantage or vulnerability.

Applying Porter's Five Forces model allows Orient's Fishing Shop to understand the market dynamics, identify potential risks and opportunities, and develop effective strategies to enhance its competitiveness and profitability.

Rivalry Among Existing Competitors. Due to the limited number of competitors in the area, Orient's Fishing Shop has a favourable opportunity to achieve higher profits. The business is confident in capturing the targeted market due to the relatively low competition. However, it is essential to note that rivalry competition remains **high** in this scenario. This is because several competitors in the market are similar in size and influence. As a result, consumers can easily switch to a competitor's offering with minimal cost or inconvenience.

Potential of New Entrants Into The Industry. Due to the essential nature of fishing supplies and the area's attractiveness for entrepreneurs, Orient's Fishing Shop faces significant potential for new entrants. To mitigate this threat, the business can focus on customer relationship management and cultivate customer loyalty. Orient's Fishing Shop can expand its access to the target market by establishing longterm contractual relationships. However, a **high** threat of new entrants typically diminishes the attractiveness of an industry. This is because the barriers to entry are low, allowing new competitors to easily enter the market, compete with existing firms, and capture a market share. As a result, more competitors in the industry can lead to reduced profit potential for all players involved.

Bargaining Power of Suppliers. The bargaining power of suppliers in Porter's Five Forces model refers to the control and influence suppliers possess over businesses by restricting product availability, decreasing product quality, or increasing prices. In the case of Orient's Fishing Shop, the bargaining power of suppliers is **low**. This is because numerous suppliers are available in the market, and the business has multiple options to choose from. Additionally, buyers are not heavily reliant on specific suppliers to produce their goods and services. Furthermore, suppliers have limited control over their products' pricing due to the presence of several suppliers offering the same products in various retail stores.

Bargaining Power of Buyers. The bargaining power of buyers refers to customers' influence on businesses in obtaining high-quality products at affordable prices and expecting excellent customer service. In the case of Orient's Fishing Shop, the customers have limited control over the pricing because the business is the only nearby establishment providing the necessary fishing supplies to the target market. With that, the bargaining power of buyers is **low**. This is often the case when there are many buyers, indicating a strong demand for products and services.

Threat of Substitute Product. The threat of substitute products for Orient's Fishing Shop is **low** as no natural alternatives are available. The shop offers products specifically designed for fishing and other marine activities, which cannot be easily substituted. While customers may have the option to create their fishing rods, more than these alternatives are needed to support the needs of large-scale fishers. Therefore, the availability of substitutes is limited, reducing the threat of substitute products in the market.

3.6 PEST Analysis

PEST analysis is a commonly used framework in business analysis that examines macro-environmental factors as part of the strategic management process. It helps organizations in their environmental scanning efforts

by assessing the Political, Economic, Social, and Technological aspects that can impact their business operations. PEST analysis is a valuable tool for identifying potential opportunities and challenges arising from these external factors, enabling businesses to adapt their strategies accordingly.

Political Factors. Political factors play a significant role in shaping Orient's Fishing Shop's long-term sustainability and profitability. These factors include government policies, tax regulations, labor laws, environmental legislation, trade restrictions, tariffs, and overall political stability. The business must adhere to the rules and regulations set by the local and national government, particularly in environmental matters. A stable political environment fosters a favourable business climate with predictable market growth patterns. Fortunately, the political situation in the municipality of Cateel is currently standard, which provides a stable foundation for Orient's Fishing Shop. However, if the business operates in corrupt economic and political markets, it could threaten its sustainable development. Such environments can destabilize society and undermine the rule of law, potentially impacting the business's operations and growth.

Economic Factors. Understanding economic factors is crucial for Orient's Fishing Shop. Economic elements play a vital role in evaluating the value of investments and businesses. They provide essential statistics about the market and overall economy, which help assess the industry's growth and the business itself.

Orient's Fishing Shop can contribute to the town's economic growth by generating tax revenue through its operations. The income generated by the business will be deposited in local banks, facilitating smooth money circulation and supporting the local economy. Inflation is a significant economic factor that can impact businesses. It refers to the rising prices of goods and services over time. Inflation poses challenges for businesses as it reduces consumers' purchasing power. When inflation increases, consumers can afford fewer goods and services with their income, leading to lower business sales. This decrease in sales ultimately affects the total revenue of the business. Therefore, Orient's Fishing Shop must monitor and adapt to inflationary trends to remain competitive and sustain its operations.

Social Factor. Social factors have a significant influence on individuals' spending habits and preferences. Population, lifestyles, trends, and preferences shape the market and consumer behaviour. While a sales transaction is a one-on-one interaction, the underlying factors that lead to a customer's purchasing decision are much broader.

Orient's Fishing Shop benefits from its strategic location, facing the Pacific Ocean, attracting buyers eager to visit the shop. The growing population of individuals engaged in the fishing industry, including those who cultivate fish as a hobby or recreational activity, presents opportunities for the business to increase its profits. Customers can choose specific products that align with their preferences, catering to their diverse needs.

In the local context of Cateel, the hobby of fish keeping is widespread and can be divided into two categories: freshwater and saltwater fish keeping. Many people enjoy keeping fish as pets due to their unique personalities. Building a natural and visually appealing habitat for the fish is enjoyable and soothing. Watching their behaviour can be a source of relaxation for individuals, further enhancing the appeal of fish keeping as a hobby.

Technological Factor. Technology factors are crucial in comparing and evaluating different options based on their technological capabilities. They are essential for enhancing business functions and processes. Technology factors are considered as part of the external environment analysis, such as the PEST analysis, and significantly impact enterprises globally.

One prominent technology factor is the using of mobile phones to promote business activities. Mobile devices have become necessary tools for businesses, enabling them to reach a wider audience and enhance their marketing efforts. Additionally, the development of technology has introduced digital marketing strategies that allow businesses to sell their products online. Most businesses today have websites, which help establish and maintain a global presence. Businesses can effectively communicate with their targeted audience and engage with potential customers through social media platforms. These technological advancements have transformed how businesses operate and interact with their customers.

4. FINANCIAL ANALYSIS

This chapter consists of facts and figures associated with this feasibility study illustrates the assumptions of the proposed fishing shop business as a feasible endeavour of the two partners. In this study, the proponents came up with assessing essential details. As regards to financial statement of this business endeavour, the content describes

the capability of this proposed business to succeed. It sustains economic growth in the next five years of its operation.

4.1 Start-Up Schedule

The schedule of business activities of the proponents illustrates their preparedness to offer and serve product to potential target customers. By January 2024, the proponents have to prepare the store for renovation. The proponents must procure the initial investment for February with the loan signing agreement. Purchasing of the fishing supplies and other needed equipment will be in March. Also, registration for all legal requirements will be done in April. Orient's Fishing Shop is expected to open and serve its target customers by the second week of June. The business will be open from Monday to Saturday from 8:00am to 5:00pm.

Table 4.1 Start-Up Schedule of Business Activities

ACTIVITIES	JAN	FEB	MAR	MAR	MAR	MAR	APR	JUN	JUN	JULY
Preparation of the Building										
Signing of Loan Contract Agreement										
Purchase of Store Supplies and Equipment										
Purchase of Fishing Supplies										
Process of Business Permits and Other Legal Requirements										
Opening Day										
Continue business activities/operations.										

4.2 Mode of Financing

Orient's Fishing Shop will be a partnership form of business. Accordingly, the partners will contribute equal amount of money, and initiate a bank loan as the initial investment to establish the business. A total of 500,000.00 will be raised to establish the business. Therefore, each partner will contribute 150,000.00 and 200,000.00 from a bank loan.

Assumptions. The following assumptions are provided to determine the financial feasibility of the proposed business.

Table 4.2. Store Supplies

Particulars	Quantity	Price Per Unit	Annual Cost
Ballpens	20 pcs	10.00	P 200.00
Calculator	2 pcs	200.00	400.00
Scatch Tape	20 pcs	25.00	500.00
Scissors	3 pcs	50.00	150.00
Newspapers	50 kls	65.00	3,250.00
Trash bin	2 pcs	150.00	300.00

Cellophane	300 packs	38.00	11,400.00
Short bond paper	2 reams	210.00	420.00
Dust Pan	2 pcs	85.00	170.00
Stick broom	2 pcs	80.00	160.00
TOTAL			P 16,950.00

Assumptions: Table 4.2 shows the expenses which may be incurred by the business in terms of store supplies. The proponents estimated that there will be an increase of 2% in the succeeding years of operation.

Table 4.3. Permits and Licenses

Particulars	Amount
Mayor's Permit	P 2,500.00
Sanitary	150.00
Health	50.00
Fire Safety Fee	200.00
Police Clearance	50.00
Barangay Clearance	50.00
DTI Registration	500.00
BIR Registration	500.00
DENR Certificate of Non- Compliance	500.00
TOTAL	P 4,500.00

Assumptions: Table 4.3 shows the initial permits of the proposed business. The amount incurred is fixed within five years.

Table 4.4. Rent Expense

Monthly Rental	Annual Cost
P 8,000.00	P 96,000.00

Table 4.5. Leasehold Improvement

Particulars	Annual Cost
Store Renovation	P 50,000.00

Assumptions: A space will be rented by the partners where the prospective location of the business will be put up. The monthly rent of P 8,000 will be incurred, which will remain constant for five years. However, significant improvement of the space is needed. The estimated cost of renovation of the building is P50,000. The price will be capitalized and depreciated using its useful life. This includes the materials, labour, overhead and other necessary costs for improving the building.

Table 4.6. Promotional Expense

Medium	Monthly Cost	Annual Cost
Radio Ads	P 500.00	P 1,000.00
Tarpaulin	800.00	800.00
Leaflets	500.00	500.00
TOTAL	P 1,800.00	P 2,300.00

Assumption: The amount incurred remains constant for five years. The radio advertising will only run for 2 months every year, and the cost of the leaflets will be incurred every first month of the year. The cost spent on the tarp is also every year.

Table 4.7. Miscellaneous Expense

Miscellaneous Expense	Monthly Cost	Annual Cost
Other Operating Expenses	P 1,000.00	P 12,000.00

Assumption: The miscellaneous expense includes transportation to purchase supplies and other incidental costs incurred by the proposed business. The various expense increases by 2% per year.

Table 4.8. Utilities Expense

Particulars	Monthly Cost	Annual Cost
Electric Bill	P 1,500.00	P 18,000.00

Assumption: The utility expense is assumed to be P1,500.00 per month and P18,000 for one year. An increase of 10 per cent is estimated for the following years.

Table 4.9. Salaries Expense

Job Description	Daily Salary	Monthly Salary	Annual Salary
General Manager	Not Applicable	Not Applicable	Not Applicable
Purchasing Manager	Not Applicable	Not Applicable	Not Applicable
Cashier	P 495.00	P 12,870.00	P 154,440.00
Service Staff	425.00	11,050.00	132,600.00
TOTAL	P 920.00	P 23,920.00	P 287,040.00

Assumption: Each business partner shall assume the general and purchasing manager positions. Their respective share of income shall be realized only from the business's net profits. Also, the salaries expense is assumed to be fixed for 5 years.

Table 4.10. Store Equipments

Particulars	Qty.	Price	Total Cost	Estimated Life	Depreciation Cost
Computer	1	P 15,000.00	P 15,000.00	5 years	P 3,000.00
CCTV Camera	5	5,000.00	25,000.00	5 years	5,000.00
Speaker	2	1,800.00	3,600.00	5 years	720.00
Electric Fan	3	1,500.00	4,500.00	5 years	900.00
Total			P 48,100.00		P 9,620.00

Assumption: The store equipments are depreciated using the straight-line method. The life span is expressed in years.

Table 4.11. Furniture and Fixtures

Particulars	Qty.	Price per Unit	Total Cost	Estimated Life	Depreciation Cost
Tables	2	P 5,000.00	P 10,000.00	5 years	P 2,000.00
Chairs	6	500.00	3,000.00	5 years	600.00
Cabinet	1	5,000.00	5,000.00	5 years	1,000.00
Glass Showcase	1	8,000.00	8,000.00	5 years	1,600.00
Business Signboard	1	5,000.00	5,000.00	5 years	1,000.00
TOTAL			P 31,000.00		P 6,200.00

Assumption: The furniture and fixtures will be depreciated using the straight-line method.

Table 4.12. Schedule of Depreciation

Particulars	Total Cost	Useful Life	Accumulated Depreciation				
			2024	2025	2026	2027	2028
Store Equipments	P48,100	5 years	9,620	19,240	28,860	38,480	48,100
Furniture and Fixtures	P31,000	5 years	6,200	12,400	18,600	24,800	31,000
Leasehold Improvement	P50,000	5 years	10,000	20,000	30,000	40,000	50,000
TOTAL			25,820	51,640	77,460	103,280	129,100

Assumption: The equipment, leasehold improvement and furniture and fixtures will be depreciated over its useful life. The table shows the computation for annual depreciation for five succeeding years of operation starting in 2024. The proponents used the straight-line method of computing depreciation.

Table 4.13. Summary of Operating Expenses

Particulars	2024	2025	2026	2027	2028
Store Supplies Expense	16,950.00	17,289.00	17,634.8	17,987.5	18,347.23
Rent Expense	96,000.00	96,000.00	96,000.00	96,000.00	96,000.00
Permits and Licenses	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00
Utilities Expense	18,000.00	19,800.00	21,780.00	23,958.00	26,353.8
Salaries Expense	287,040.00	287,040.00	287,040.00	287,040.00	287,040.00
Promotional Expense	2,300.00	2,300.00	2,300.00	2,300.00	2,300.00
Miscellaneous Expense	12,000.00	12,240.00	12,484.8	12,734.5	12,989.2
Depreciation Expense	25,820.00	25,820.00	25,820.00	25,820.00	25,820.00

Table 4.14. Partner's Capital

Partner's Fund	Ratio	Investment	Amount
Bank Loan	40%	P 200,000.00	P 200,000.00
Partner Lumor	30%	150,000.00	150,000.00
Partner Tuvilla	30%	150,000.00	150,000.00
TOTAL	100%	500,000.00	500,000.00

Table 4.15. Schedule of Bank Loan Amortization

Annual	Beginning Balance	Interest	Annual Payment	Balance
Year 1	P 200,000.00	P 20,000.00	P 50,000.00	P 150,000.00
Year 2	150,000.00	15,000.00	50,000.00	100,000.00
Year 3	100,000.00	10,000.00	50,000.00	50,000.00
Year 4	50,000.00	5,000.00	50,000.00	-

Assumptions: The bank loan will have 10% interest.. The bank loan will be payable in 4 years. The annual amortization of the loan is 50,000.00

Table 4.16. Inventory

	2024	2025	2026	2027	2028
Inventory, Beg.	-	25,000.00	20,000.00	20,000.00	30,000.00
Add: Purchases	6,446,785.00	6,769,124.25	7,107,580.46	7,462,959.49	7,836,107.46
Allowances	1,611,696.25	1,353,824.85	1,066,137.07	746,295.95	391,805.37
Total Purchases	8,058,481.25	8,122,949.10	8,173,717.53	8,209,255.44	8,227,912.83
Total	8,058,481.25	8,147,949.10	8,193,717.53	8,229,255.43	8,257,912.83
Less: Inventory, End	25,000.00	20,000.00	20,000.00	30,000.00	10,000.00
Cost of Goods Sold	8,033,481.25	8,127,949.10	8,173,717.53	8,199,255.43	8,247,912.83

Assumptions: The partner allocates an additional 25% of the purchases for the first year as an allowance for the foreseen things, such as damaged stocks, etc., incurred by the partners' new venture. Moreover, the allowances will decrease as the knowledge and experience of the partner broaden; annual allocation follows: 2025-20%, 2026-15%, 2027-10%, 2028, and the succeeding years are 5%.

Table 4.17. Projected Sales

FISHING MATERIAL	DEMAND PERIOD	QUANTITY DEMAND	SELLING PRICE	SALES PER UNIT	TOTAL ANNUAL SALES
Fishing Rod	Yearly	17	743.00	12,631.00	12,631.00
Fishing Line	Daily	170	53.00	2,811,120.00	
	Weekly	69	53.00	175,536.00	
	Monthly	60	53.00	38,160.00	3,024,816.00
Hooks	Daily	2120	5.00	3,307,200.00	
	Weekly	850	5.00	204,000.00	
	Monthly	660	5.00	158,400.00	3,669,600.00
Lures	Daily	15	75.00	351,000.00	
	Weekly	31	75.00	111,600.00	462,600.00
Swivel	Daily	55	23.00	394,680.00	
	Weekly	89	23.00	98,256.00	
	Monthly	46	23.00	12,696.00	505,632.00
Tackle Box	Yearly	21	600.00	151,200.00	6,000.00
Sinkers	Daily	25	15.00	117,000.00	
	Weekly	34	15.00	24,480.00	
	Monthly	65	15.00	46,800.00	188,280.00
Fishing Net	Weekly	450	20.00	432,000.00	
	Monthly	500	20.00	120,000.00	552,000.00
Pataw	Weekly	180	12.00	103,680.00	
	Monthly	400	12.00	57,600.00	161,280.00
Ropes	Monthly	500	10.00	60,000.00	2,850.00
Rainwear	Yearly	40	315.00	12,600.00	9,450.00
Neck Gaiters	Weekly	65	82.00	255,840.00	
	Monthly	45	82.00	44,280.00	300,120.00
Crystalite	Daily	44	8.00	109,824.00	
	Weekly	52	8.00	19,968.00	
	Monthly	25	8.00	2,400.00	132,192.00
Scales	Yearly	8	1125.00	9,000.00	950.00
Crystal Flash Fly	Daily	32	75.00	748,800.00	
	Weekly	45	75.00	162,000.00	

	Monthly	55	75.00	49,500.00	960,300.00
TOTAL					<u>9,988,701.00</u>

FISH AND AQUARIUMS					
FISHING MATERIAL	DEMAND PERIOD	QUANTITY DEMAND	SELLING PRICE	SALES PER UNIT	TOTAL ANNUAL SALES
Community Aquarium	Yearly	20	1,300.00	52,000.00	52,000.00
Fresh fish Water Aquarium	Yearly	25	1,400.00	70,000.00	70,000.00
Goldfish	Yearly	120	45.00	10,800.00	10,800.00
Platy	Yearly	80	45.00	7,200.00	7,200.00
German Blue Ram	Yearly	105	53.00	11,130.00	11,130.00
Guppy	Yearly	150	30.00	9,000.00	9,000.00
Beta Fish	Yearly	130	38.00	9,880.00	9,880.00
Koi	Yearly	200	60.00	24,000.00	24,000.00
UpsideDown Catfish	Yearly	50	45.00	4,500.00	4,500.00
TOTAL					198,510.00
TOTAL					<u>10,187,211.00</u>

Assumptions: The sales are estimated to increase by 3 per cent annually. The increase is based on the increasing number of households, fishermen, fish keepers and pet lovers. Consequently, demand for fishing supplies will also increase.

Table 4.18. Purchase Cost of Fishing Supplies

ITEMS	PERIOD	QUANTITY	PURCHASING PRICE	ANNUAL COST
Fishing Rod	Yearly	17	495.00	8,415.00
Fishing Line	Daily	170	35 .00	1,856,400.00
	Weekly	69	35 .00	115,920.00
	Monthly	60	35 .00	25,200.00
Hooks	Daily	2120	3.00	1,984,320.00
	Weekly	850	3.00	122,400.00
	Monthly	660	3.00	23,760.00
Lures	Daily	15	50.00	234,000.00
	Weekly	31	50.00	74,400.00
Swivel	Daily	55	15.00	257,400.00
	Weekly	89	15.00	64,080.00
	Monthly	46	15.00	8,280.00
Tackle Box	Yearly	21	400.00	8,400.00
Sinkers	Daily	25	10.00	78,000.00

	Weekly	34	10.00	16,320.00
	Monthly	65	10.00	7,800.00
Fishing Net	Weekly	450	13.00	280,800.00
	Monthly	500	13.00	78,000.00
Pataw	Weekly	180	8.00	69,120.00
	Monthly	400	8.00	38,400.00
Ropes	Monthly	500	6.00	36,000.00
Rainwear	Yearly	40	210.00	8,400.00
Neck Gaiters	Weekly	65	55.00	171,600.00
	Monthly	45	55.00	29,700.00
Crystalite	Daily	44	5.00	68,640.00
	Weekly	52	5.00	12,480.00
	Monthly	25	5.00	1,500.00
Scales	Yearly	8	750.00	6,000.00
Crystal Flash Fly	Daily	32	50.00	499,200.00
	Weekly	45	50.00	108,000.00
	Monthly	55	50.00	33,000.00
TOTAL				<u>6,325,935.00</u>

FISH AND AQUARIUMS				
ITEMS	PERIOD	QUANTITY	PURCHASING PRICE	ANNUAL COST
Community Aquarium	Yearly	20	750.00	30,000.00
Fresh fish				
Water				
Aquarium	Yearly	25	800.00	40,000.00
Goldfish	Yearly	120	30.00	7,200.00
Platy	Yearly	80	30.00	4,800.00
German Blue Ram	Yearly	105	35.00	7,350.00
Guppy	Yearly	150	20.00	6,000.00
Beta Fish	Yearly	130	25.00	6,500.00
Koi	Yearly	200	40.00	16,000.00
Upside-Down Catfish	Yearly	50	30.00	3,000.00
TOTAL				120,850.00
TOTAL				<u>6,446,785.00</u>

Assumptions: Purchases are increased by 5% annually.

4.3 Projected Financial Statements

Table 4.19 Projected Financial Statements

ORIENT'S FISHING SHOP					
Projected Income Statement					
For the years ended 2024, 2025, 2026, 2027, 2028					
	2024	2025	2026	2027	2028
Sales	10,187,211.00	10,492,827.33	10,807,612.15	11,131,840.51	11,465,795.73
Less: Cost of Sales	(8,033,481.25)	(8,127,949.10)	(8,173,717.53)	(8,199,255.43)	(8,247,912.83)
Gross Profit	2,153,729.75	2,364,878.23	2,633,894.62	2,932,585.08	3,217,882.90
Less: Operating Expense					
Store Supplies	(16,950.00)	(17,289.00)	(17,634.78)	(17,987.48)	(18,347.23)
Rent Expense	(96,000.00)	(96,000.00)	(96,000.00)	(96,000.00)	(96,000.00)
Salaries Expense	(287,040.00)	(287,040.00)	(287,040.00)	(287,040.00)	(287,040.00)
Utilities Expense	18,000.00	19,800.00	21,780.00	23,958.00	26,353.80
Permits and Licenses	4,500.00	4,500.00	4,500.00	4,500.00	4,500.00
Promotional Expense	2,300.00	2,300.00	2,300.00	2,300.00	2,300.00
Depreciation Expense	25,820.00	25,820.00	25,820.00	25,820.00	25,820.00
Miscellaneous Expense	12,000.00	12,240.00	12,484.80	12,734.50	12,989.19
Net Income Before Interest	1,691,119.75	1,899,889.23	2,166,335.04	2,462,245.10	2,744,532.68
Less: Interest Expense	(20,000.00)	(15,000.00)	(10,000.00)	(5,000.00)	-
Net Income Before Taxes	1,671,119.75	1,884,889.23	2,156,335.04	2,457,245.10	2,744,532.68
Less: Income Tax (30%)	(501,335.93)	(565,466.77)	(646,900.51)	(737,173.53)	(823,359.80)
Net Profit	1,169,783.83	1,319,422.46	1,509,434.53	1,720,071.57	1,921,172.88

4.4 Projected Cash Flow Statement

Table 4.20 Projected Cash Flow Statement

ORIENT'S FISHING SHOP					
Projected Cash Flow Statement					
For the years ended December 31, 2024; 2025; 2026; 2027; 2028;					
	2024	2025	2026	2027	2028
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	10,187,211.00	10,492,827.33	10,807,612.15	11,131,840.51	11,465,795.73
Less: Cash paid to Suppliers	(8,058,481.25)	(8,122,949.10)	(8,173,717.53)	(8,209,255.43)	(8,227,912.83)
Less: Cash paid to operating expenses	(436,790.00)	(439,169.00)	(441,739.58)	(444,519.98)	(447,530.22)
Cash paid settle loan	(50,000.00)	(50,000.00)	(50,000.00)	(50,000.00)	-
Cash paid to interest	(20,000.00)	(15,000.00)	(10,000.00)	(5,000.00)	-
Cash paid to income tax	(501,335.93)	(565,466.77)	(646,900.51)	(737,173.53)	(823,359.80)
NET CASH FLOW FROM OPERATIONS	1,120,603.83	1,300,242.46	1,485,254.53	1,685,891.57	1,966,992.88

CASH FLOW FROM INVESTING ACTIVITIES					
Payment for Leasehold Improvement	(50,000.00)	-	-	-	-
Payment of Acquisition of Equipment and Tools (48,100.00) - - - Payment for Purchase of Furniture (31,000.00) - - - -					
NET CASH FLOW FROM INVESTING ACTIVITIES	(129,100.00)	-	-	-	-
CASH FLOW FROM FINANCING ACTIVITIES					
Cash Investment	300,000.00	-	-	-	-
Bank Loan	200,000.00		-	-	-
Cash Withddrawal	-	-	(35,000.00)	(50,000.00)	(50,000.00)
NET CASH FLOW FROM FINANCING ACTIVITIES					
500,000.00	-	-	(35,000.00)	(50,000.00)	(50,000.00)
NET INCREASE (DECREASE) IN CASH	1,491,503.83	1,300,242.46	1,450,254.53	1,635,891.57	1,916,992.88
Add: Cash, beginning	-	1,491,503.83	2,791,746.29	4,242,000.81	5,877,892.38
CASH, END	1,491,503.83	2,791,746.29	4,242,000.81	5,877,892.38	7,794,885.26

4.5 Projected Balance Sheet

Table 4.21 Projected Balance Sheet

ORIENT'S FISHING SHOP Projected Balance Sheet As at December 31, 2024, 2025, 2026, 2027, 2028					
	2024	2025	2026	2027	2028
ASSETS					
Current Assets					
Cash	1,491,503.83	2,791,746.29	4,242,000.81	5,877,892.38	7,794,885.26
Inventory, End:	25,000.00	20,000.00	20,000.00	30,000.00	10,000.00
Total Current Assets	1,516,503.83	2,811,746.29	4,262,000.81	5,907,892.38	7,804,885.26
Non-current Assets					
Leasehold improvement	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00
Less: Accumulated Depreciation	(10,000.00)	(20,000.00)	(30,000.00)	(40,000.00)	(50,000.00)
Net Amount	40,000.00	30,000.00	20,000.00	10,000.00	0.00
Equipment and Tools	48,100.00	48,100.00	48,100.00	48,100.00	48,100.00
Less: Accumulated Depreciation	(9,620.00)	(19,240.00)	(28,860.00)	(38,480.00)	(48,100.00)
Net Amount	38,480.00	28,860.00	19,240.00	9,620.00	0.00
Furniture & Fixtures	31,000.00	31,000.00	31,000.00	31,000.00	31,000.00
Less: Accumulated Depreciation	(6,200.00)	(12,400.00)	(18,600.00)	(24,800.00)	(31,000.00)
Net Amount	24,800.00	18,600.00	12,400.00	6,200.00	0.00
Total Non-current Assets	103,280.00	77,460.00	51,640.00	25,820.00	0.00
TOTAL ASSETS	1,619,783.83	2,889,206.29	4,313,640.81	5,933,712.38	7,804,885.26
LIABILITIES AND PARTNER'S EQUITY					
LIABILITIES					
Bank Loan	150,000.00	100,000.00	50,000.00	-	-
Total Liability	150,000.00	100,000.00	50,000.00	-	-
Partner's Equity					
Tuvilla, Capital	734,891.91	1,394,603.14	2,149,320.41	2,994,356.19	3,929,942.63
Lumor, Capital	734,891.91	1,394,603.14	2,149,320.41	2,989,356.19	3,924,942.63
Tuvilla, Drawings	-	-	(15,000.00)	(25,000.00)	(25,000.00)
Lumor, Drawings	-	-	(20,000.00)	(25,000.00)	(25,000.00)
Total Partners Equity	1,469,783.83	2,789,206.29	4,263,640.81	5,933,712.38	7,804,885.26
TOTAL LIABILITIES AND PARTNER'S EQUITY	1,619,783.83	2,889,206.29	4,313,640.81	5,933,712.38	7,804,885.26

4.6 Partner's Equity

Table 25. Partner's Equity

ORIENT'S FISHING SHOP					
Statement of Partner's Equity					
For the years 2024-2028					
	2024	2025	2026	2027	2028
Beginning Balance	150,000.00	734,891.91	1,394,603.14	2,134,320.41	2,969,356.19
Add: Share in Net Profit	584,891.91	659,711.23	754,717.26	860,035.79	960,586.44
Less: Drawings	-	-	15,000.00	25,000.00	25,000.00
Ending Balance	734,891.91	1,394,603.14	2,134,320.41	2,969,356.19	3,904,942.63

4.7 Financial Ratio Analysis

Profitability Ratios. It aids in assessing the financial viability and potential success of the business, determining whether it is feasible and capable of generating profits from its operations

Net Profit Margin. Net Profit Margin, or Profit Margin or Net Profit Margin Ratio, is a financial ratio used to determine the percentage of profit a company generates relative to its total revenue. It quantifies the proportion of net profit obtained per unit of revenue earned. The profit margin calculation divides the net profit (also known as net income) by the total sales, expressed as a percentage.

Formula:

$$\text{Net Profit Margin} = \frac{\text{Net Income after Tax Sales}}{\text{Sales Net Profit}}$$

Net Income	2024	2025	2026	2027	2028
after Tax	1,169,783.83	1,319,422.46	1,509,434.53	1,720,071.57	1,921,172.88

Sales Net Profit	10,187,211.00	10,492,827.33	10,807,612.15	11,131,840.51	11,465,795.73
-------------------------	---------------	---------------	---------------	---------------	---------------

Margin	11.5%	12.6%	14%	15.5%	17%
---------------	--------------	--------------	------------	--------------	------------

The high Net Profit Margin signifies the business's effectiveness in converting sales into profitable returns and efficiently managing its expenses. It represents the percentage of net income relative to total sales. For every P 1.00 in sales, the net income comprises P 11.5%, 12.6%, 14%, 15.5%, and 17% respectively.

Return on Investment. Return on Investment (ROI) is a financial metric that quantifies the profitability of an investment by comparing the gain or loss generated during a specific period to the initial investment. It assesses the return achieved relative to the amount invested.

Formula:

Return on Investment =			Net Income After Tax		
			Total Investment		
2024			2025		
Net Income After			2026		
Tax			2027		
			2028		
	1,169,783.83	1,319,422.46	1,509,434.53	1,720,071.57	1,921,172.88
Total Investment	500,000	500,000	500,000	500,000	500,000
Return on Investment	<u>2.34</u>	<u>2.64</u>	<u>3.02</u>	<u>3.44</u>	<u>3.84</u>

The partners are experiencing a growing return on investment, indicating that their initial investment yields higher profits each year. This indicates the business's effectiveness in generating revenue. With an ROI of 2.34, it can be highlighted that for every P 1.00 invested, the owners receive P 2.34 in return.

Return on Asset. Return on Assets (ROA) is a financial ratio that evaluates a company's profitability by comparing its net income to its total assets. It assesses how effectively a company utilizes its assets to generate profits.

Formula:

Return on Asset =	Average Net Income
	Average Total Assets
	= $\frac{1,527,977.05}{4,524,245.71} = 0.337 \times 100$
	ROA = 33.7% or 34%

The return on assets is high, which reflects the business's ability to generate substantial profits concerning its invested resources. It signifies that the company is efficiently utilizing its assets to generate a significant profit.

Capital Budgeting Decision. The capital budgeting decision of Orient's Fishing Shop includes the discounted Payback Period.

Discounted Payback Period. This is an evaluation of the return on capital investment. The payback period is a metric used to determine the projected time it will take to recoup the entire cash investment made in a project.

Formula:

$$\text{Payback Period} = \frac{\text{Initial Investment}}{\text{Average Cash Flows}}$$

$$= \frac{500,000}{4,439,605.71}$$

$$\text{Payback Period} = \underline{\underline{11.5}}$$

The calculated payback period indicates that the partners' investment will be fully recovered in approximately one year, specifically after eleven months and five days of operations.

5. CONCLUSIONS

Considering the findings from various aspects of the study, Orient's Fishing Shop is a viable business to establish and operate. The owners possess the necessary qualifications and capabilities to manage the business

effectively. The implementation process is relatively straightforward as all the required machineries, equipment, and inventory are readily available throughout the year.

Furthermore, the selected location offers a target market willing and prepared to embrace a business of this nature. These factors contribute to the overall feasibility of establishing and running Orient's Fishing Shop successfully.

The survey results provide support for the projected sales, indicating a promising start and potential profitability for Orient's Fishing Shop. The owners have taken proactive measures by considering multiple suppliers to ensure a steady and sufficient product supply, even in the event of stock shortages. This approach helps meet customer demands effectively.

Furthermore, establishing this business presents an opportunity for the local government to increase tax collection, as 30 percent of the business's total net income will be allocated for tax payment. Additionally, Orient's Fishing Shop will contribute to creating employment opportunities within the communities it serves.

One of the significant benefits of this business is its ability to save time, money, and effort for fishermen, fish keepers, and fish pet lovers in acquiring their necessary fishing items. By offering convenient access to these supplies, the business aims to enhance customer satisfaction and meet the specific needs of its target market.

6. ACKNOWLEDGEMENT

Our most profound gratitude goes to the following individuals who have in one or another, helped and guided us since the time we started the coming out of the Feasibility Study up to time when we have already completed this requirement:

To our dear parents for the unconditional love and their support not only financially but for providing us everything.

To our feasibility study adviser Mr. JR. A. Mantog for his constructive comments and criticisms in checking our study and for the time, effort and guidance to us;

To our feasibility study coordinator Mrs. Jilla Mae D. Susada who had worked together in checking the format of the text contents of our survey questionnaire, so it could be arranged and clearly understood by the readers;

To the chairman of the defense panel Mr. Jade Cervantes together with other panelists Ma'am Judy Mae Apostol and Sir Mike Kiven Armingol for sharing their brilliant ideas and knowledge prior and during the defense schedule up to the time when we defend the output of this study;

To our loved ones who have all these years inspired us to achieve a telling success in the performance of the studies during our college life;

Above all to our Almighty God for his divine providence.

7. REFERENCES

- Birken, E. G. (2021, October 29). Understanding Return On Assets (ROA). Forbes Advisor. <https://www.forbes.com/advisor/investing/roa-returnonassets/>
- Bush, T. (2016, July 4). PESTLE Analysis: Economic Factors Affecting Business. PESTLE Analysis. <https://pestleanalysis.com/economic-factorsaffectingbusiness/>
- Convenience Store & Bait Shop Business Plan. Retrieved November 3, 2022, from <https://www.referenceforbusiness.com/business-plans/Business-Plans-Volume-08/Convenience-StoreBaitShop.html>
- FAO. 2018. The State of World Fisheries and Aquaculture. Rome. Accessed November 23, 2019. <http://www.fao.org.pdf>
- Georgia Aquarium in Downtown Atlanta. (2002, November 1). GeorgiaAquarium. <https://www.georgiaaquarium.org>
- Greenwald, T. (2012, January 31). Business Model Canvas: A Simple Tool For Designing Innovative Business Models.

Forbes.<https://www.forbes.com/sites/tedgreenwald/2012/01/31/businessmodel-canvas-a-simple-tool-for-designing-innovative-business-models>

Kagan, J. (2023). Payback Period Explained, With the Formula and How to Calculate It. Investopedia.
<https://www.investopedia.com/terms/p/paybackperiod.asp>

Lucas.(2020, May 20). Fishing Equipment Business Plan.<https://www.bplans.com/fishing-equipmentbusiness-plan/>

Murphy, C. B. (2022). What is Net Profit Margin? Formula for Calculation and Examples.Investopedia.https://www.investopedia.com/terms/n/net_margin.asp

Pahwa, A. (2022, August 3). Business Competition: Definition, Types, Importance&Examples.Feedough.
<https://www.feedough.com/businesscompetition/>

Parsons, N. (2021, February 2). What is SWOT Analysis Retrieved

from<https://www.liveplan.com/blog/what-is-a-swot-analysis>

Pathak, R. (n.d.). What is PESTLE Analysis? Factors, Advantages and DisadvantagesofPESTLE Analysis.
<https://www.analyticssteps.com/blogs/what-pestle-analysis>

Post, J. (2018, September 21). What is a PEST Analysis? Retrieved from<https://www.businessnewsdaily.com/5512-pest-analysis-definitionexamples-templates.html>