
Investment Opportunities Map

Jordan Investment Board

Arabized Salesman PDA Application Project

IT Sector

If interested in more information, kindly contact:

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The Project at a Glance	
Project Name	Arabized salesman PDA Application
Project Production Capacity	200 Units / year
Manpower	11
Total Investment Cost	US\$ 378,000
Initial Working Capital	US\$ 34,000
Internal Rate of Return (IRR)	26.7 %
Breakeven Point	57 % of Service Capacity

Arabized Salesmen PDA Application Project

1. Introduction

1.1 Project Description

Salesmen (sales persons) play a major role in any commercial or industrial organization as maximizing sales is on the top of their priorities. Efficiency is very important to their success.

E-commerce tools and solutions help to increase customer satisfaction through immediate and accurate response to their orders and enquiries.

An effective method to achieve customer satisfaction is to provide salespersons with a Personal Data Assistant (PDA) as part of the companies' information system to help them respond to the customers' orders quickly, and from anywhere, with high efficiency and accuracy.

The project will provide the following services:

- Immediate and accurate information about inventory in the warehouses.
- Placing of customers' orders anytime.
- Prepare customers' bills speedily.

1.2 Potential Clients:

- Industrial companies.
- Wholesalers
- Drug stores.
- Most trading and service companies.

2. Market Aspects

2.1 Local Demand

The sectors shown in table (1) are expected to be customers of the project:

Table (1)
Local Demand Size

Sector	No.
Industrial Companies	26,000
Trading Companies	70,000
Insurance Companies	70
Drug Stores	200
I.C.T companies	650
	96,920

Source: Department of Statistics

2.2 Competition

There is no local or regional competition to this project. It will be unique in the region.

2.3 Project Advantages

The following factors are taken into account:

- All industrial companies will appreciate this project since it will help them improve work efficiency.
- Most of the trading companies will benefit from using this system as part of their information system.
- The services of this project have good export opportunities to regional countries.

Consequently, it is projected that the project annual sales will reach 200 systems in the third year of operations. The number of sold systems will increase annually as follows:

Table (2)
Sales Volume Development

Year	1	2	3 +
Units	100	150	200

2.4 Projected Sales Revenues

Software projects have the following special features which the investor should take into account:

- Software products have a universal market and can be implemented in different countries.
- Software products are subject to changes and modifications to cope with the information technology changes and updates.
- Software applications maintenance fees after the warranty period are estimated at about 15 % of the sales price.
- Manpower are not limited to the development of one certain product, they can work on other systems concurrently, so additional income can be generated.

The price is projected to amount to US\$ (2000) per software package.

Table (3)
Projected Revenues

Year	1	2	3
US\$	200,00	300,000	400,000

3. Technical Aspects

3.1 Project Location

The location of the project could be in any of Jordan's provinces.

3.2 Manpower

Table (4)
Manpower Requirements

Job	Required No.
General Manager	1
Administrative Clerk	1
Engineer	1
Software expert	4
Technician	2
Laborer	2
Total	11

The total annual salaries and wages of the above employees (including fringe benefits), in addition to overhead and administrative expenses are estimated at US\$ 156 thousand.

3.3 Building

The building area required for the project is about 200 m² of office type to be rented against an annual rent estimated at US\$ 15, 000.

3.4 Raw Materials

Stationary and IT equipment consumables.

3.5 Technology

The project will need hardware, software and networking items, most of which could be obtained from the local market.

4. Financial Aspects

Basic Assumptions

Financial analysis and indicators are calculated on the following assumptions:

1. Project operational life is 10 years.
2. Internal Rate of Return (IRR) is calculated at 100% equity ratio.
3. Income tax is calculated at 25% on net taxable income.
4. Net Present Value (NPV) is calculated at 12% discounted annual rate.
5. Initial working capital is based on the operating expenses needed for two months.
6. Operating expenses comprise raw materials, labor cost and overheads, utilities and other expenses.
7. Pre -operating expenses consist of studies fees, capital issue, licensing, training, trial operations and other similar expenses.

4.1 Project Investment Cost

Table (5)
Total Investment Cost

Item	US\$
Equipment & Software Development	265,000
Transport means	20,000
Sub- Total (Fixed Assets)	285,000
Contingency, 10%	29,000
Pre – Operating Expenses	30,000
Initial Working Capital	34,000
Total Investment Cost	378,000

4.2 Financial Indicators

- ROI = 26.1%
- IRR = 26.7 %
- NPV = 306 Thousand US\$
- BEP = 57 % of Service Capacity
- Payback Period = 4 Years.