
Investment Opportunities Map

Jordan Investment Board

Standard Nursing Management Project

IT Sector

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The Project at a Glance	
Project Name	Standard Nursing Management
Project Service Capacity	50 Participants/Year
Manpower	8
Total Investment Cost	US\$ 278,000
Initial Working Capital	US\$ 22,000
Internal Rate of Return (IRR)	22.6 %
Breakeven Point	61 % of Service Capacity

Standard Nursing Management Project

1. Introduction

1.1 Project Description

Hospitals have two major operational procedures, namely, Medical procedure and Nursing care procedure.

Normally, the nursing care procedure is a complementary process to the medical procedure, which is done by physicians (Doctors) .Hospital administrations are facing many problems in nursing management, specially in the area of hospital wards and units.

This project service will help to overcome these problems and help hospital administrations to provide better nursing care.

The project will provide the following services to hospital administrations:

- Prepare scheduled plans for nurses in each unit.
- Choose qualified nurses rank for each ward and unit.
- Choose the needed number of skilled nursing ranks for each ward and unit.
- Help nursing staff to conduct work more efficiently.

1.2 Potential Clients

- Hospitals in Jordan
- Hospitals in the region and other countries.

2. Market Aspects

2.1 Potential Clients

In 2003, the total number of hospitals in Jordan was 97. Table (1) shows the number of hospitals in each health sector.

Table (1)
No. of hospitals according to health sector in Jordan (2003)

Sector	Number
Ministry of Health	29
Royal Medical Services	10
Jordan University Hospital	1
King Abdulla Hospital	1
Private hospitals	56
Total	97

2.2 Arab Countries Demand

All hospitals in Arab countries need such a system. The number of these hospitals is in the thousands.

2.3 Competition

There are currently no local or regional similar services.

2.4 Forecasted Market Demand.

The following factors are taken into account:

- Most of hospital information systems lack such a service.
- Hospitals in Jordan and the Arab countries are in great need for this project's services.

Consequently, it could be projected that the project's annual sales will reach 50 systems in the third year of operation, progressing from year one as follows:

Table (2)
Service Size Development

Year	1	2	3 +
Unit	25	38	50

2.5 Forecasted Project 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 proposed sales price of the system software is US\$ 5,000/unit.

Table (3)
Forecasted Project Revenues

Year	1	2	3
US\$	125,000	187,500	250,000

3. Technical Aspects

3.1 Project Location

The project location could be in any province in Jordan.

3.2 Manpower

Table (4)
Manpower Requirements

Job	Required No.
General Manager	1
Software expert	1
Technician	4
Laborer	2
Total	8

The total annual salaries and wages of the above employees (including fringe benefits), in addition to overhead and administrative expenses are estimated at US\$ 100 thousand.

3.1 Building

The building area required for the project is about 150 m² of office type to be rented against an annual rent estimated at US\$ 10, 000.

3.2 Inputs & Consumables

Stationary and IT equipment consumables.

4. Financial Aspects

Basic Assumptions

The financial analysis and indicators are based 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	185,000
Transport means	25,000
Sub- Total (Fixed Assets)	210,000
Contingency, 10%	21,000
Pre – Operating Expenses	25,000
Initial Working Capital	22,000
Total Investment Cost	278,000

4.2 Financial Indicators

- ROI = 20.6 %
- IRR = 22.6 %
- NPV = 155 Thousand US\$
- BEP = 61 % of Service Capacity
- Payback Period = 5 Years.