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Lebanese Institute for Economic & Social Development

Etude financée par l'Union Européenne
Study financed by the European Union

Metal Furniture

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June 2001- Jal el Dib - Lebanon

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The points of view expressed in this study reflect the author opinion.

Summary

The present study examines the feasibility of a metal furniture manufacturing business to be located in a Lebanese village or small town.

Family members could participate in the business. For example, the son could help in cutting metal, welding, purchasing the materials, etc... This business requires heavy-duty work, consequently, the wife can only participate in lighter tasks, for example, following up with customers, or ordering raw materials, etc...

The initial investment required for the equipment and working capital amounts to 8 404 \$US. In the study, we considered a loan of 4 500 \$US, while the remaining 3 904 \$US are invested by the owner.

The projections are conservatively estimated based on possible market demand. The results show a net income of 8 102 \$US in the first year or 675 \$US per month growing to around 16 052 \$US in the 5th year or 1 338 \$US.

A best-case scenario is developed considering higher sales growth rates and higher turnovers. In this case, the net income increases to 10 071 \$US in the first year or 839 \$US per month and grows to around 19 957 \$US in the fifth year or 1 663\$US.

A worst-case scenario shows a net income of 4 526 \$US or 377 \$US per month during the first year and growing to 9 638 \$US in the 5th year or 803\$US.

The study shows that the business could be highly profitable. In order to achieve satisfactory profitability, there are important success factors such as the talent and skills of the owner, good finishing of the furniture, and competitive pricing, etc....