



Institut Libanais de Développement Économique & Social
Lebanese Institute for Economic & Social Development

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

Women's Shoes

**Feasibility study, prepared by
Jessy Mhawej, civil engineer and business administration.**

Juin 2001- Jal el Dib - Liban

Table of contents

Summary	2
1- Description of the project	3
2- Market Analysis	3
2-1 Market trends, volumes and varieties	
2-2 Competition : producers and importers	
2-3 Opportunities and risks	4
2-3-1 Opportunities	
2-3-2 Risks	
2-4 Target markets	
2-5 Current market trends	
3- Description of the production	4
3-1 Description of the production process and equipment used	
3-2 Staffing and training	5
3-3 Procurement : materials, costs, facilities, equipment	
3-3-1 Premises and equipment	
3-3-2 Sourcing and supplies	
3-4 Seasonality	6
3-5 Family participation	
4- Marketing techniques	6
4-1 Sales techniques and pricing	
5- Financial plan	7
5-1 Initial capital investment in equipment	
5-2 Initial capital investment in working needs	
5-3 Loan amount and loan repayment schedule	
5-4 Projected income statement	
5-5 Projected balance sheet	9
5-6 Projected cash flows	
5-7 Break-even analysis	
5-8 Sensitivity analysis	10
5-8-1 Best case scenario	
5-8-2 Worst case scenario	
6- Key success factors and recommendations	11
7- Conclusion	11

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

Summary

In this paper, we tried to evaluate the feasibility of a workshop for manufacturing women's shoes that will be located in a Lebanese village.

The smallest shoe-manufacturing unit requires a minimum of four workers to complete the whole production line. We assumed that the shop owner is a skilled shoe manufacturer who will be assisted by three others.

The project will require an initial equipment and working capital investment of 10 015 \$US to start the business. The loan is 6 000 \$US over a two year period and the rest, that is 4 015 \$US, will be invested by the owner.

The net income during the first year will amount to 7 157 \$US or 596 \$US per month. The projected income statement and cash flows reflect a feasible project

Two scenarios were studied: the first showing that the owner can make up to 911 \$US a month during the first year if he produces good quality products and uses the right sales techniques and networking to market them. The second case showed that by neglecting his business the owner would make only 43 \$US per month during first year.

Finally a number of recommendations were proposed, such as quality finishing, trendy designs, and developed public relations, to ensure the business' success and prosperity.