

Feasibility Quick Scan

LASER ENGRAVING



SINGLE SPARK
Your business-in-a-box!

- **HOW TO USE**
- **ABOUT THE BUSINESS**
- **INPUT FEASIBILITY**
- **MARKET FEASIBILITY**
- **FINANCIAL FEASIBILITY**
- **SUMMARY**
- **ACTION PLAN**

HOW TO USE

this feasibility scan



This feasibility scan will guide you in investigating the potential of starting up a Laser engraving business in your country. After filling in this scan you will have an indication of what input you need to start this business, who your potential customers and competitors are, and whether or when you can be profitable.

ABOUT THE BUSINESS

First you get an introduction to laser engraving and what is required to run a successful Laser engraving business. This will help you get a better understanding of the type of company you may start up.

INPUT FEASIBILITY

This module describes which machines, materials, expertise and housing you need to start your business. You fill in the check boxes in this module to mark the items you can or can't obtain in your own country. This will help you identify which input forms a bottleneck, and whether you have to import or replace certain materials/machinery.

MARKET FEASIBILITY

This module supports you in identifying your competitors and potential customers for the product you will be selling. It contains tables to help you structure your market research. This will give you better understanding of the market: you will know your competitors and understand the needs of your customers.

FINANCIAL FEASIBILITY

The module should give you an idea if starting up a Laser engraving business in your area is financially viable. The financial feasibility module guides you to estimate your break-even point and helps you to create a simple profit and loss statement. To use this module, you have to open the excel file which came with this document

SUMMARY

In the summary you can fill in the conclusions of this feasibility scan: what are the key strengths, weaknesses, opportunities and threats you and your business will be facing?

ACTION PLAN

The action plan contains all steps needed to start up your Laser engraving business.

ABOUT THE BUSINESS

LASER ENGRAVING BUSINESS



IDEA

With this business you are using a laser machine to engrave and cut existing or new products. The clients will deliver their product and will decide on the design or text that will be engraved or cut out. With the use of a 2d computer program you will transfer the chosen design to the Laser machine. In a couple of minutes the laser will burn/engrave the chosen design on the product. Your satisfied client will leave your store with a customized item e.g. wallets, belt, mobile phone cases with his own name, logo or text.



- 1 Client deliver product
- 2 Client choses image / text or design for engraving on product
- 3 With a 2D computer program you transfer chosen design to a readable file for the laser machine
- 4 You import and activate the file on the laser machine
- 5 Happy Costumer leaves store with his engraved product



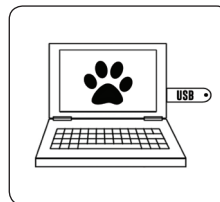
PRODUCTION
PROCESS



1



2



3



4



5



KEY ISSUES

The location of your shop is very important because it's a new service. You really need to promote your service with striking advertisement. It's also important to make a portfolio of products so people understand the possibilities.

ABOUT THE BUSINESS

LASER ENGRAVING BUSINESS



INPUT



EQUIPMENT

- 40W CO2 Laser cutter with software
- Computer with MS Windows
- 2D-drawingprogram
- Counter display



RAW MATERIALS

- Electricity
- Water



STAFF

- 1 person full-time, possibly extra help is required when it is busy



LAND/ BUILDING

- Small shop close to city center (min. 10m2)



INVESTMENT

- \$ 3.000 - 5.000 USD

SWOT



STRENGTH

Innovative, personal contact, quick dynamic, transparent, cheap, no cost of material



WEAKNESS

New technique, risk of technical failure machine, long delivery times for new compartments from china



OPPORTUNITIES

sell your own manufactured products, expand shop, open up more branches



THREATS

Competition from new makers, Power cuts

YOUR COMPETENCES

LOW

HIGH



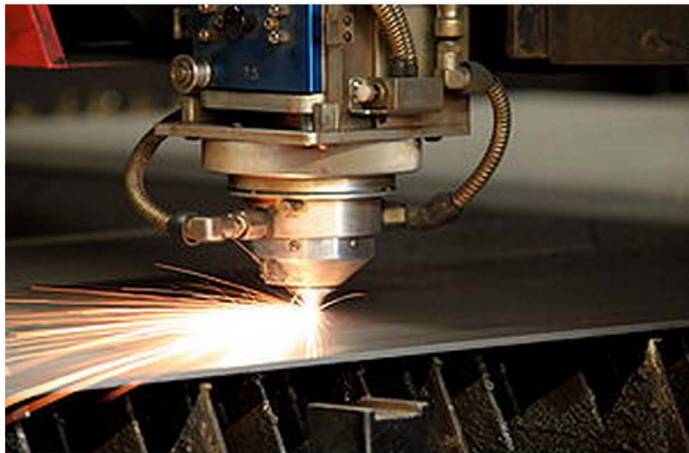
BACKGROUND INFO



For videos and documentation see USB-stick.

IMAGES

Laser engraving



DEFINE YOUR BUSINESS IDEA

LASER ENGRAVING BUSINESS

Now that you know more about what it takes to run a successful Laser engraving business it is time to define your own business idea. What will the name of your business be? What product or service will you exactly be selling to your customers? Who are your customers? Will you be selling to local markets, or perhaps even end-consumers? Where will your business be located? There are important decisions to make before you continue investigating and working out your ideas in more detail. Fill out this information in the section below.

Name of business:

Why do you think your business will be a success:

What customers will be targeted:

Where will the business be located:

What is the biggest challenge for this business?

INPUT FEASIBILITY

LASER ENGRAVING BUSINESS



This chapter shows you all crucial items you need to start up the business and to keep it running successfully. You should do a market research to investigate whether the items are available in your area, for what price and with what quality. You can write down all the information you will collect on the following pages.

1 EQUIPMENT

Crucial machines you need to start up your business.

2 RAW MATERIALS

Crucial materials you need to start up your business.


3 OVERHEAD

Staff/ Land/ Building/ Electricity

1 EQUIPMENT



Below you can find a list of all the essential equipment that is required to start up your Laser engraving business. For each item you should indicate where you can source it from, and what the cost of the item is at that source. If there are multiple sources please include those that are most conveniently located and/or sell the item at the lowest price. If you don't need an item then please score it out, and provide a short explanation why you do not need it. If you think you will need additional items that are not included in the list then please add them on the empty lines on the next page.

WHAT	COST	WHERE
40 Watt CO2 Laser-engraver/ cutter with software (Chinese brand about \$500,- excl transport) 		
Computer; (running on MS Windows)		
CAD Program (e.g. Adobe Photoshop, Adobe Illustrator, Irfanview, Gimp, PixlR) to edit pictures, drawings.		
Counter display		
Billboard		

1 EQUIPMENT



WHAT	COST	WHERE

2 RAW MATERIALS



Having thought about the equipment you will need, the next step is to define the raw materials you will need to keep your business running smoothly. These are materials you will need to purchase regularly. As such, these raw materials should not only be available locally and at a good price, but the supply should also be reliable. Not being able to purchase any of these materials regularly will seriously threaten your business. Feel free to add any additional materials you think you will need on the empty lines below.

WHAT	COST/ UNIT	WHERE
Cardboard, Leather, Paper, Wood, plastics. (anything you can use to make example products.)		
e.g. wallets, belts, stationary etc. (anything you can use to make example products.)		

2 RAW MATERIALS



WHAT	COST	WHERE

3 OVERHEAD



A large part of your costs can be overhead: costs that cannot be directly related to laser cutting and engraving products. Your overhead costs will be made up of the expenses you make for staff, costs related to the location of your Laser engraving business, and the costs for marketing. In this sheet you should try to fill in as much information as possible to make your financials as accurate as possible.



STAFF

COST/ YEAR

1 Person full time (calculate allowance for yourself or salary for a staff member)

1 Person extra help to prepare files on computer together with customer



LAND/ BUILDING/ ELECTRICITY

COST/ YEAR

RENT FOR BUILDING: Small shop close to city center (minimum 10m2). Good ventilation or opening to outside for the fumes is essential.

ELECTRICITY: 230 Volt 10 Ampere



TIP: As a business owner you are not really a staff member, so you don't calculate a salary for yourself. Because the profit of the business is your income. But probably you will not make directly a profit in the first year. So how to survive? Calculate a reasonable allowance for yourself (and your family).

3 OVERHEAD



MARKETING

COST/ YEAR

MARKETING: Your promotion material like examples in a display, sign outside the shop, website, portable display with example products.



OTHERS

COST/ YEAR

MARKET FEASIBILITY



This module helps you to gain a deeper understanding of the market you will be conducting business in. Simply put, the market consists of your competitors on the one hand, and the potential customers for your products on the other. It is wise to visit several potential competitors and customers, as it will help you better understand the market. The better you know who your competitors are and how they run their business, the better you will be able to differentiate your business from theirs, giving you a competitive advantage over them. The same goes for your customers: knowing them and what they want will allow you to better address their needs, and as such to make your products and/or services more attractive to them.

1 COMPETITORS

Identifying your competitors

2 POTENTIAL CUSTOMERS

Understanding your customer need

3 SALES ESTIMATION

Estimate per product the quantity and the price your customers are willing to pay

1 COMPETITORS



Visit your competitors and try to find out as much as possible about how they run their business. For example, what is your competitor exactly selling? What is the quality? At which price is he selling his products? Are there any USP's (unique selling points: factors positively differentiating the competitors products from other competitors) he has over other competitors, and to what extent does it contribute to the success of the business? Write down all relevant information in the tables below.

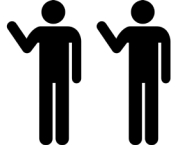
PRODUCT:

Competitor	Prices	USP	Quality	Remarks



TIP: Competitors can be sticker printing businesses.

1 COMPETITORS



PRODUCT:

Competitor	Prices	USP	Quality	Remarks

2 POTENTIAL CUSTOMERS



Visit your potential customers and try to find out as much as possible about them and their needs. What type of customer is it? Is it a NGO, a government, a business or an end consumer? Is the customer already buying the product? If so, what quantities does he need? And what price is he paying, for what quality? What are the USP's of the products he is currently buying? Does he have any other needs that you could tailor to? The better you understand your customers' needs the better you will be able to serve them.

PRODUCT:

Customer name	Segment (NGO, Government, Business, Consumer)	Does potential customer already buy this product?	If yes; Price, quality, USP	Customer needs

2 POTENTIAL CUSTOMERS



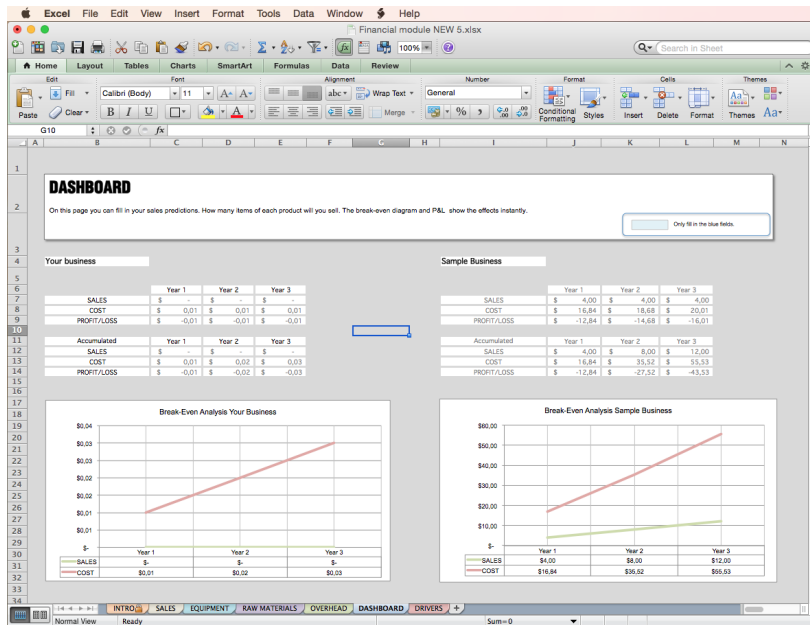
PRODUCT:

Customer name	Segment (NGO, Government, Business, Consumer)	Does potential customer already buy this product?	If yes; Price, quality, USP	Customer needs

FINANCIAL FEASIBILITY



The financial feasibility module guides you to estimate your break-even point and helps you create a simple profit and loss statement. In the attached Excel document you can fill in all the information you gathered with your market research. The module should give you an indication if the startup of a Laser engraving business in your area is financially viable.



Screenshot of the financial feasibility scan.



Open the Excel file and fill in the Financial feasibility scan.

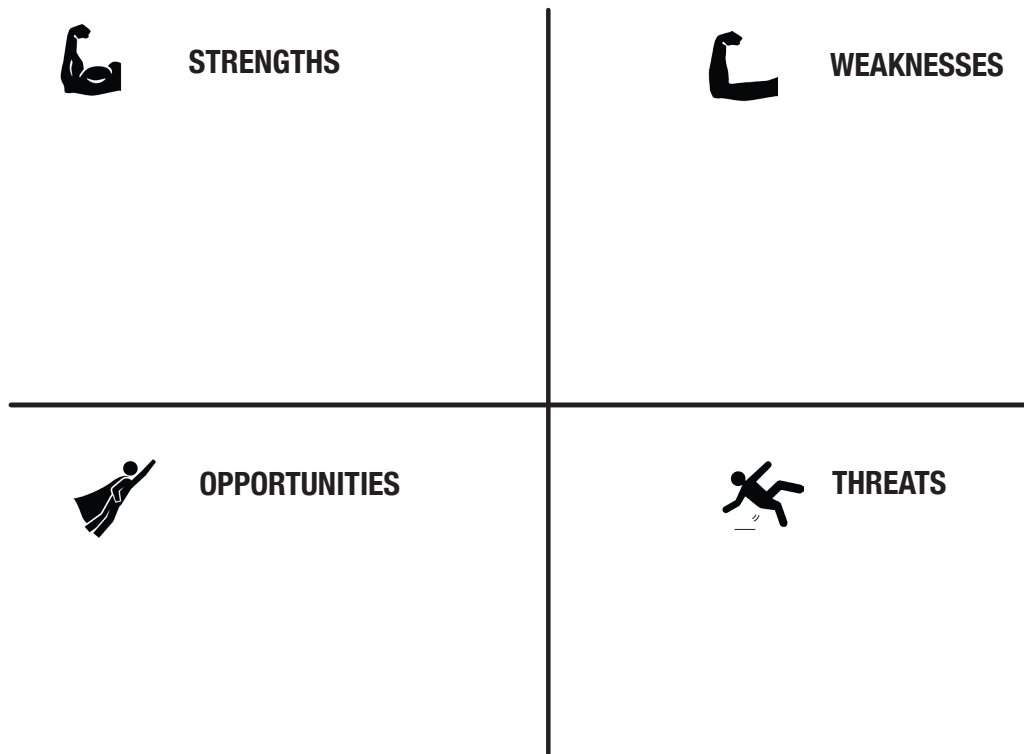
SUMMARY

LASER ENGRAVING BUSINESS



Below you can see a so-called SWOT diagram. Using the knowledge you gained from the previous sheets, in this diagram you will fill in the most important strengths and weaknesses of you and your Laser engraving business, as well as the main opportunities and threats your Laser engraving business faces in its environment. This will enable you to go to the next step: creating an action plan. There you can match strengths with opportunities to find a competitive advantage for example. Or you can define actions to convert the weaknesses and threats into opportunities or strengths.

SWOT



CUSTOMER NEED

Describe your customers, and explain why will they buy your product?

ACTION PLAN

LASER ENGRAVING BUSINESS



Steps to start your business	Completed Yes / No	Details	Next steps
Define your business idea			
Decide on your product characteristics (color, size, quality)			
Select a location			
Availability and pricing equipment			
Availability and pricing of raw materials			
Know your competitors			
Know your customer needs			
Know the price your potential customers currently pay			
Know what your potential customers are willing to pay			
Estimate your sales price			

Steps to start your business	Completed Yes / No	Details	Next steps
Estimate your costs			
Estimate your break-even point			
Do you have an idea about a successful marketing			
Do you have an idea about when you want to start your business			
Do a reality check with friends/ experts to discuss the feasibility of your business idea.			

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