**Clinical Nutrition and dietetics – 2nd semester**

**Paper No.: CND 202**

**Name of the paper: Functional foods and Nutraceuticals including GM food & Nutritional education, Counselling and Entrepreneurial development**

**Topic: Project formulation for small scale enterprise**

**Lecture No.: 2**

**Lecture prepared by Prof. Debidas Ghosh**

**Project formulation for small scale enterprise**

**Background:**

1. SSI/SSE is a big source of employment opportunity.
2. National Economy is very much dependent on SSE.
3. In developing countries, 63% of economic growth depends on SSE.

**Main theme of this topic:** For functional support, for licence approval, for clearance from pollution Controlled Board. The project on SSE should be submitted. So, how we formulate a ideal SSE, in accurate, realistic way, following 8 stages should be fulfilled-

**Guidelines of SSE Project Formulation:**

1. General Information.
2. Project Description.
3. Market Potential.
4. Capital Cost and Source of Finance.
5. Assessment of Working Capital Requirement.
6. Others Financial Aspects.
7. Economic and social variable.
8. Project implementation.
9. **General Information:**

* Address of entrepreneur, qualification experience, and other capabilities of the entrepreneur. All such characters of all partners should be supplied.
* **Industry profile:**  Past performance, present status, its problem.
* **Constitution and organisation structure of the enterprise:** Registration number of the organisation from directorate of industries/ District Industry Controller
* **Project details:** Product utility, Product range, Product design, Advantages to be offered by the products over its substitutes.

1. **Project Description:**

* **Site/Location:**
* Distance from town/ mega town.
* Distance from railway line, State high way, National high way or general road.
* Owned land/ lease hold land. NOC from municipalities/ Panchayet etc.
* **Raw material:** In land (endogenous), imported, source of raw materials.
* **Skilled labour:** Availability of skilled labour in the area. Arrangement for
* Training labourers in various skills.
* **Power:** Land sanctioned/ required.
* **Fuel:** Coal/ coke/ oil/ gas availability.
* **Water:** Sources, quality of water/ quantity of water.
* Pollution control sewage system, sewage treatment plant.
* **Computer system:** Telephone, Telexes, Internet/ Transport facilities.
* **Equipment:** Name/ type/ cost.
* **Capacity of the plant:** Production capacity/ day or pre month
* **Research and development:** Quality assurance system. Endogenous or outsourcing.

1. **Market potential:**

* **Demand and present supply position:** To find out the gap of the product.
* Expected price.
* Marketing strategy: Selling strategy.
* After sale service.
* Transportation.

1. **Capital cost and source of finance:**

* Cost of land.
* Building.
* Cost of machines installation.
* Transportation cost.
* Probable source of finance.

1. **Working capital requirement:** To run the process working capital i.e. for salary, raw materials.
2. **Other financial account:** profit and loss account: Break Even Point (BEP): At what % of sales, the enterprises will in BEP i.e. no profit any loss.

**BEP = (F/S – V) × 100**

F = Fixed coast.

S = Sales projected.

V = Variable cost.

1. **Economic and social variable:**

* Cost for controlling environmental damage.
* Employment generation.
* Local resource utilization.
* Development of the community.
* Down stream employment.

1. **Project implementation:** Phase wise project implementation up to the full phase. This may be presented in year wise. Cost input output account should be focused very clearly.