

Batch 70

1. SUBJECT CLASSIFICATION	A. PRIMARY Development and economics	DM00-0000-0000
	B. SECONDARY Industries and industrialization	

2. TITLE AND SUBTITLE
How to start a new factory or shop: plant requirements primer

3. AUTHOR(S)
(101) AID/TA/OST

4. DOCUMENT DATE 1955	5. NUMBER OF PAGES 64p.	6. ARC NUMBER ARC 658.2.I61
--------------------------	----------------------------	--------------------------------

7. REFERENCE ORGANIZATION NAME AND ADDRESS
AID/TA/OST

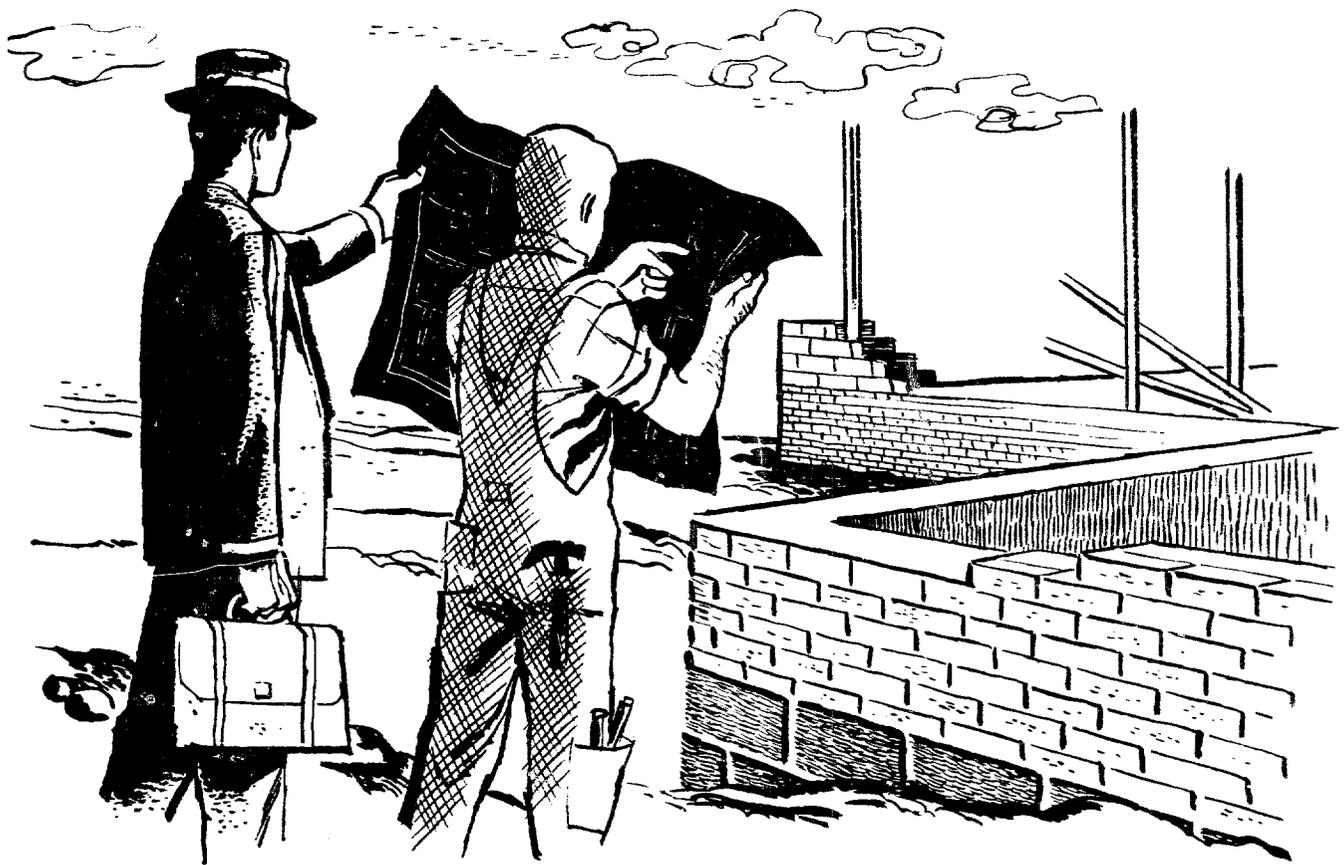
8. SUPPLEMENTARY NOTES (*Sponsoring Organization, Publishers, Availability*)
(In English and French. French, 69p.: PN-AAE-804)

9. ABSTRACT

10. CONTROL NUMBER PN-AAE-803	11. PRICE OF DOCUMENT
12. DESCRIPTORS Industrial engineering Industrial plants Small scale industries	13. PROJECT NUMBER
	14. CONTRACT NUMBER AID/TA/OST
	15. TYPE OF DOCUMENT

New Factories
Or Shops

IF YOU ARE INTERESTED IN STARTING YOUR OWN FACTORY OR SHOP



THEN YOUR FRIENDS, BANK AND GOVERNMENT
MAY BE ABLE TO HELP YOU

YOUR GOVERNMENT WANTS PRIVATE ENTERPRISE TO DEVELOP BECAUSE IT PRODUCES MORE GOODS



FOR FARMERS

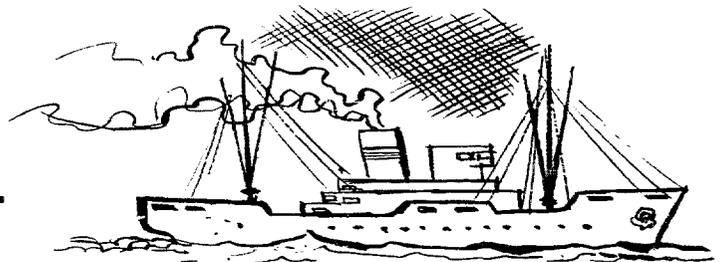


FOR INDUSTRIAL WORKERS THEMSELVES



FOR OTHER EMPLOYEES AND CONSUMERS

AND FOR EXPORT

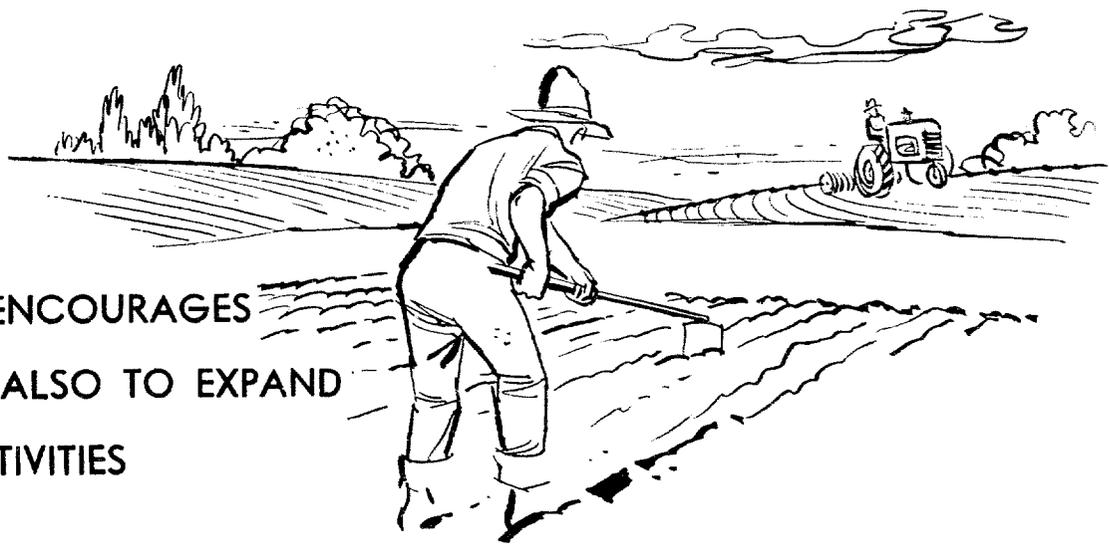


ALSO-INDUSTRY HELPS AGRICULTURE

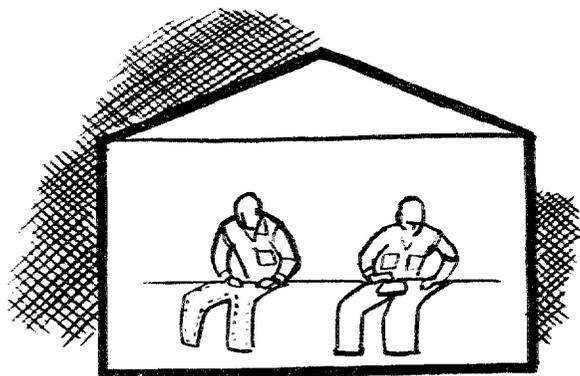


BECAUSE MORE INDUSTRIAL
WORKERS PROVIDE A BIGGER
MARKET FOR FARM PRODUCTS

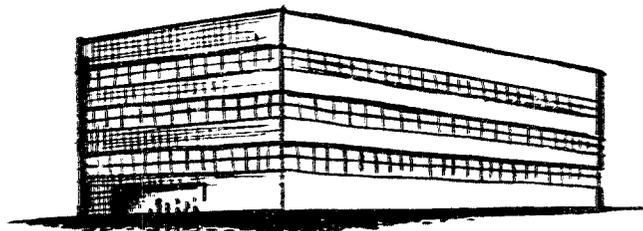
AND SO ENCOURAGES
FARMERS ALSO TO EXPAND
THEIR ACTIVITIES



INDUSTRIES THAT BRING THESE BENEFITS COME IN ALL SIZES



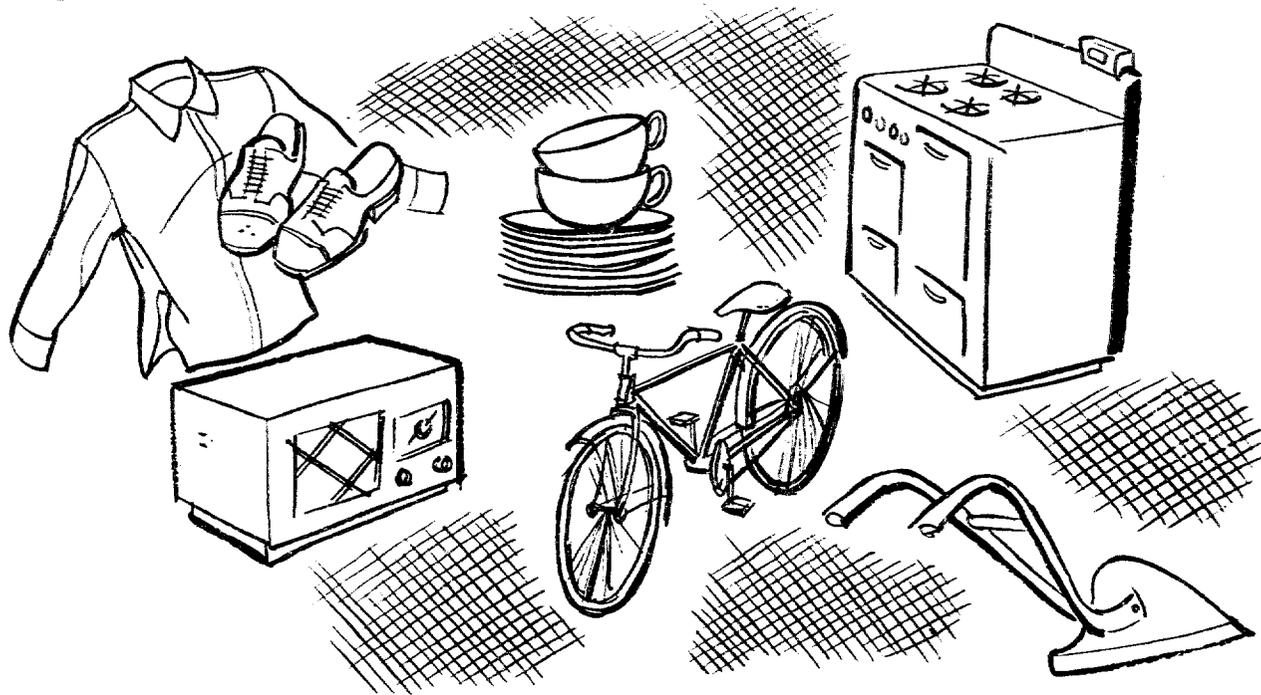
FROM SMALL



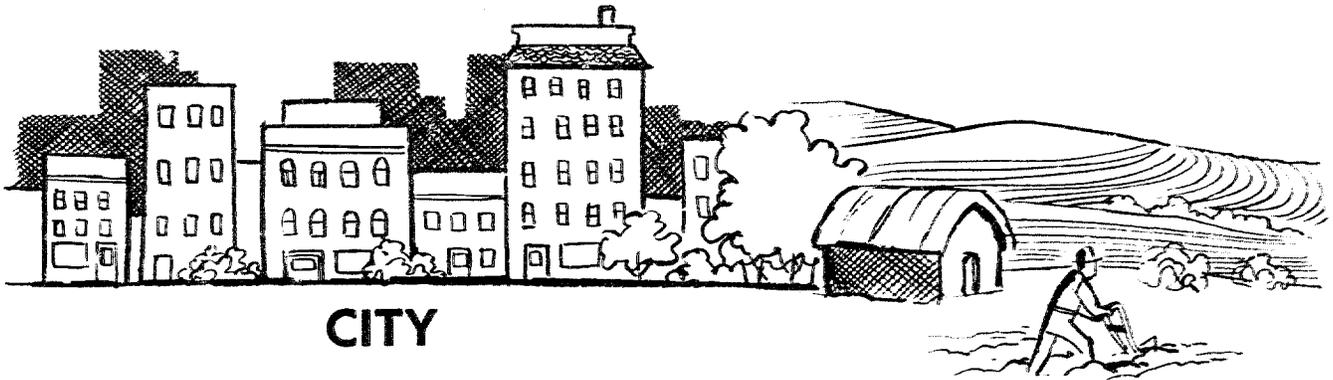
TO LARGE



AND MAKE ALL SORTS OF GOODS

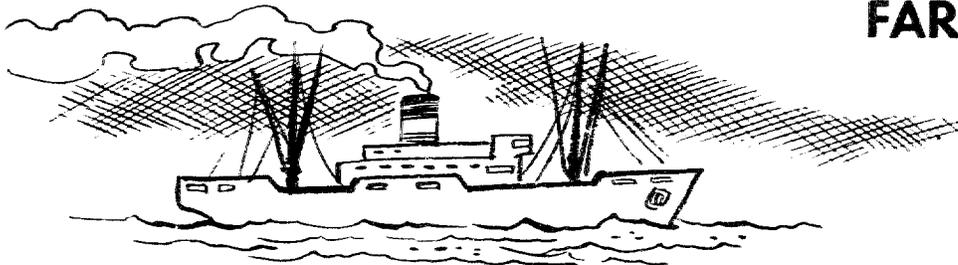


FOR ALL SORTS OF MARKETS



CITY

FARM



EXPORT

THE FOLLOWING 11 PAGES SHOW A FEW PRIVATELY OWNED INDUSTRIES THAT HAVE OFTEN BEEN STARTED IN EXPANDING COUNTRIES.

YOUR GOVERNMENT'S INDUSTRIAL DEVELOPMENT OFFICE WILL GLADLY FURNISH YOU BOOKLETS DESCRIBING THE SPECIFIC REQUIREMENTS FOR ESTABLISHING THESE AND SIMILAR INDUSTRIES. SEE INSIDE BACK COVER FOR A LIST OF THESE REPORTS.

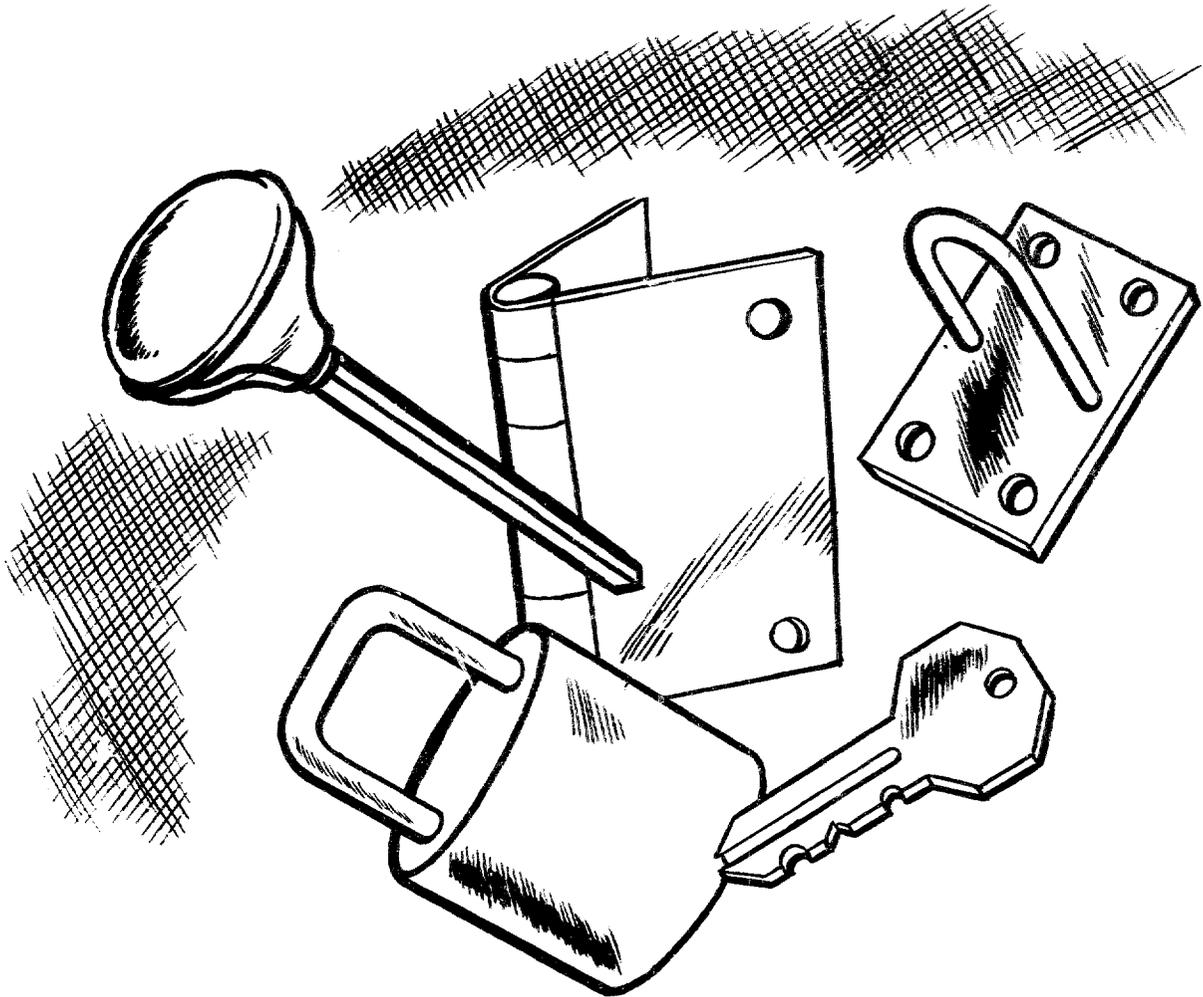
THE COST FIGURES REPRESENT COSTS IN THE UNITED STATES AND MUST, OF NECESSITY, BE ADJUSTED TO LOCAL CONDITIONS.

A BRASS FOUNDRY



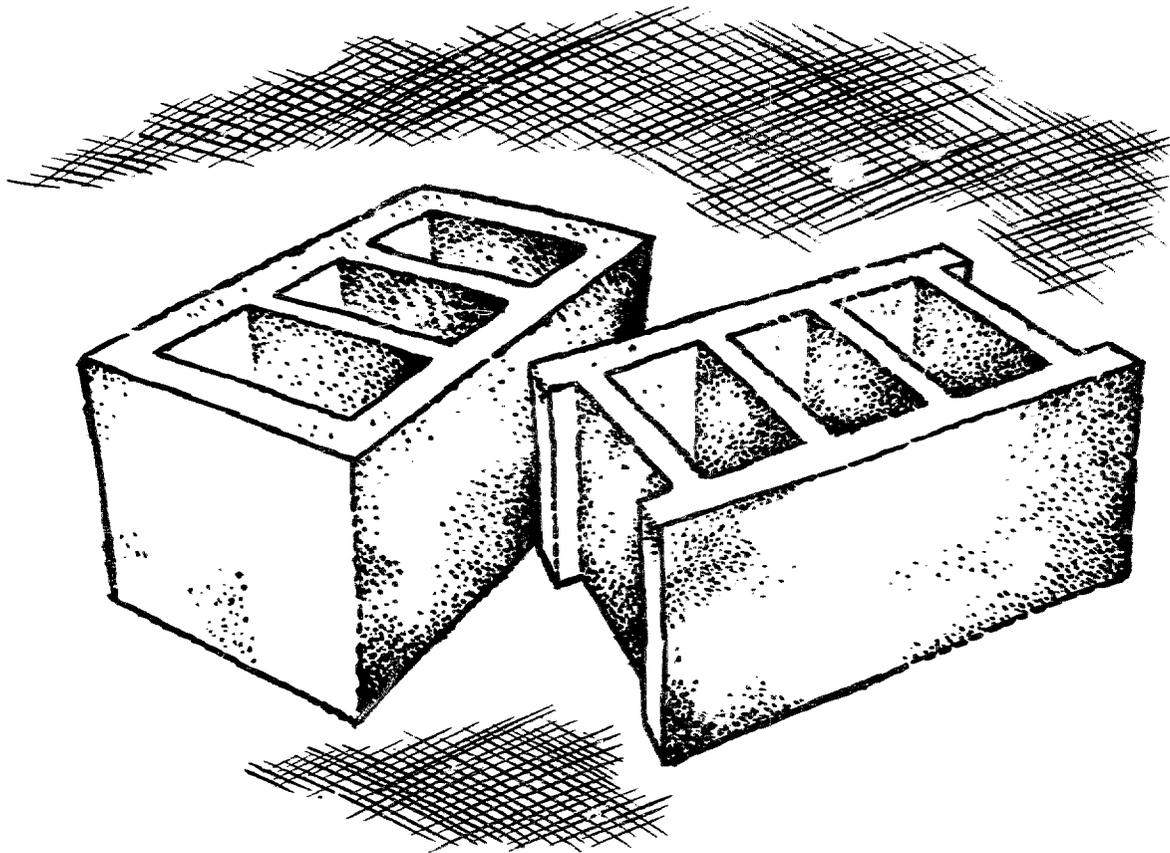
Workers	44
Building	\$12,000
Equipment	\$11,800
Working capital	\$71,000
(including necessary reserves)	
Capacity	831,000 pounds first year

A PLANT FOR THE MANUFACTURE OF BUILDING HARDWARE



Workers	42
Building	\$ 12,600
Equipment	\$ 94,600
Working capital	\$123,500
Capacity	6,000 dozen per week

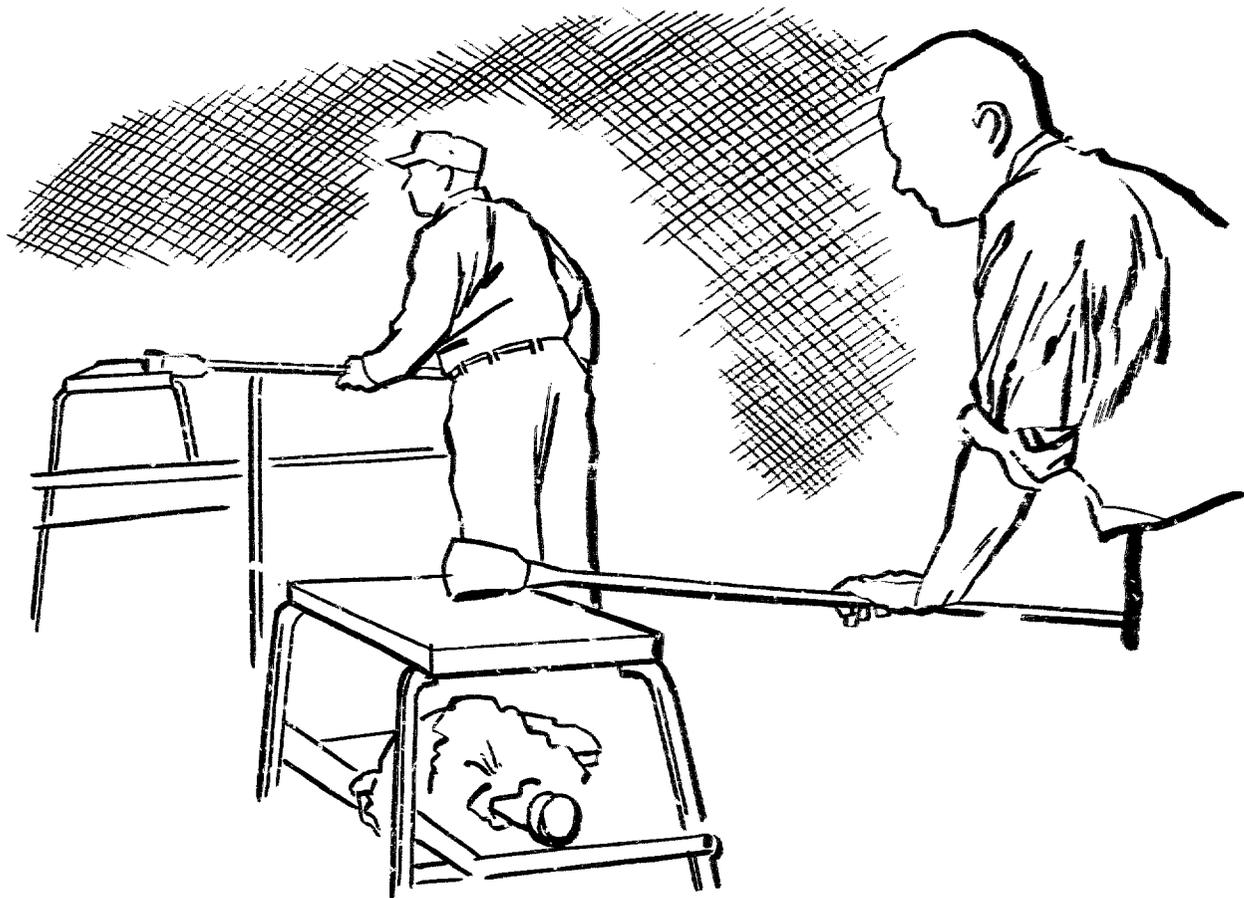
A PLANT FOR THE MANUFACTURE OF CONCRETE BLOCKS AND SLABS FOR WALLS



Workers	19
Building and yard improvements	\$ 9,750
Equipment	\$57,100
Working capital	\$45,500
Capacity:	
Slabs:	1,600 square feet per day
Blocks:	2,000 per day

NOTE: "In view of the considerable capital investment needed to set up both the block and slab operations, it might be worth while considering starting with just one of the operations. Either of them could probably be set up for between \$60,000 and \$80,000. The chances are the block plant would be preferable, however, as the blocks are generally more widely accepted, can be sold easier and can be stocked."

A PLANT FOR THE MANUFACTURE OF FLAT GLASS



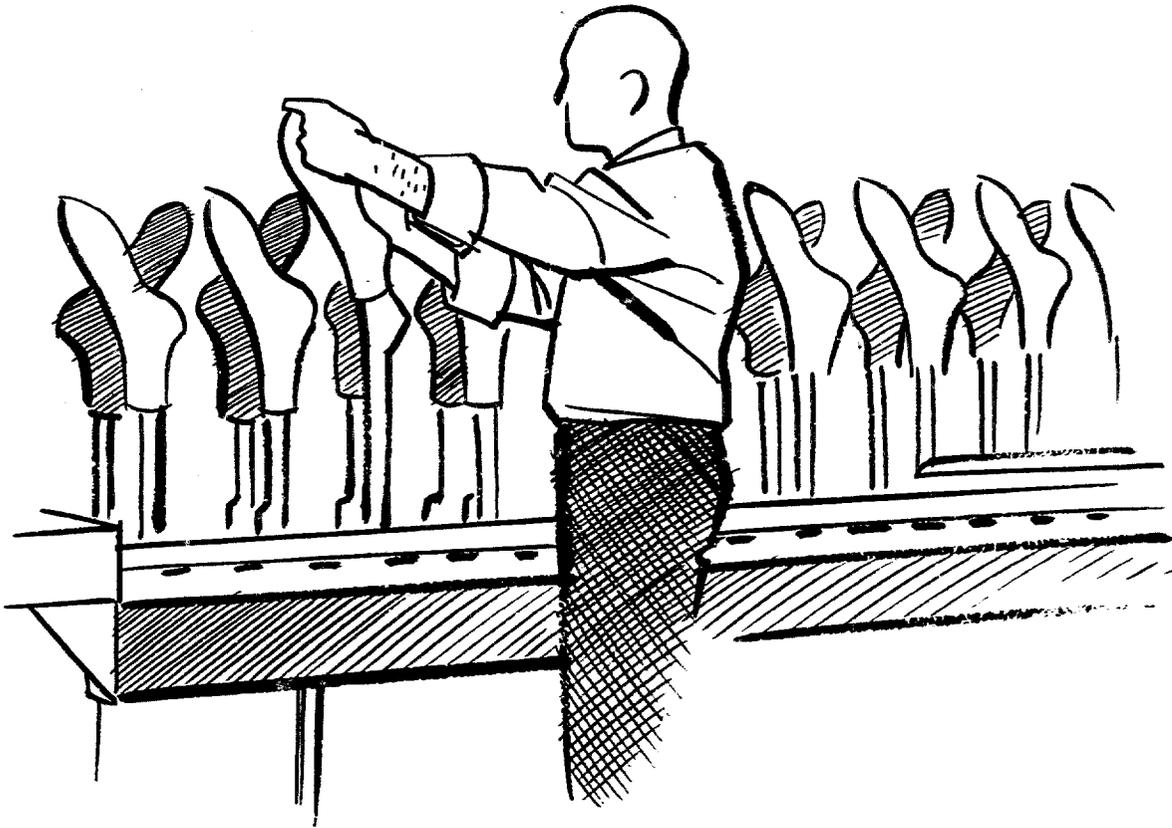
Workers	15
Building	\$18,000
Equipment	\$28,340
Working capital	\$37,600
(including necessary reserves)	
Capacity	1,600,000 square feet per year

A PLANT FOR THE MANUFACTURE OF GLASS CONTAINERS



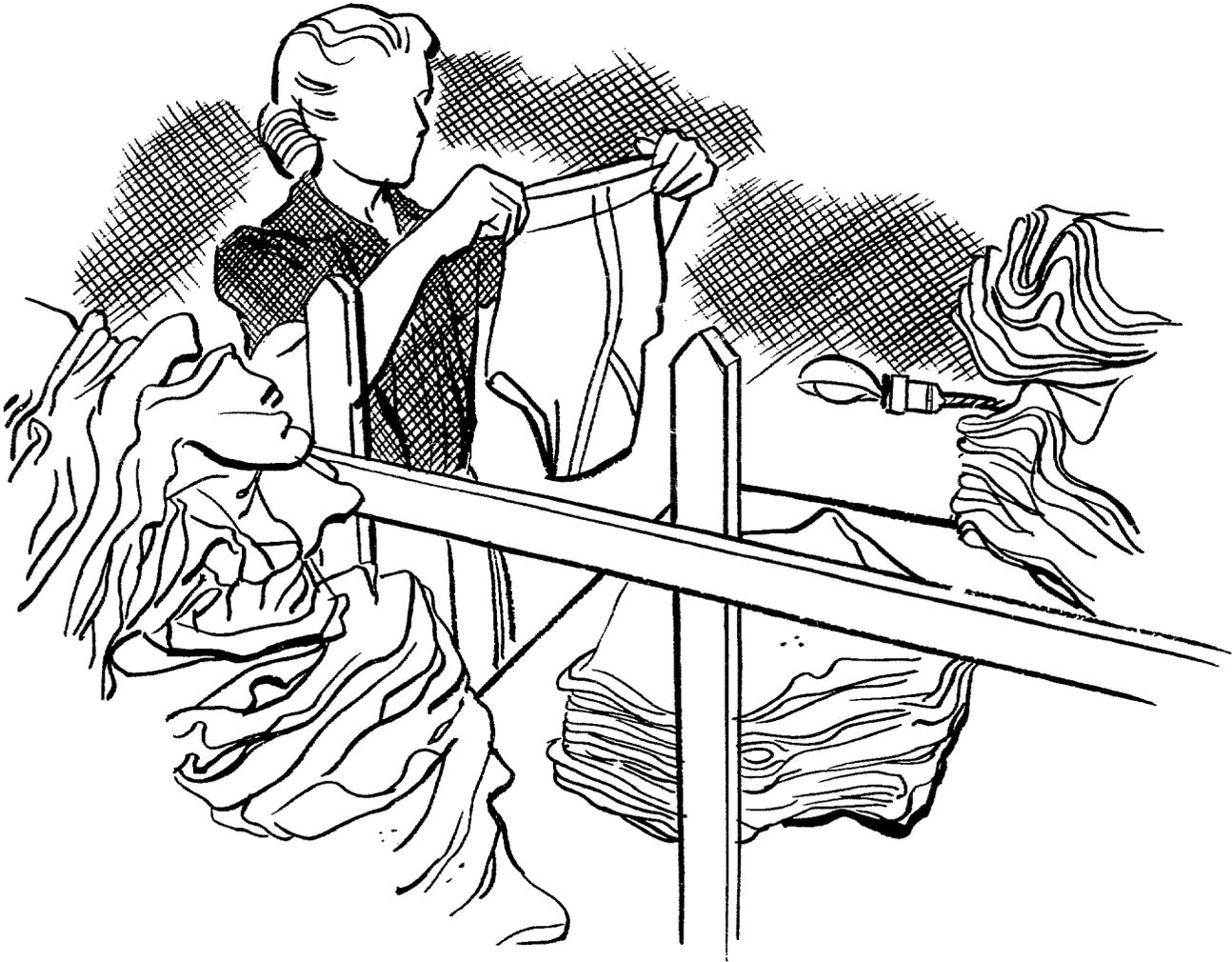
Workers	15
Building	\$32,000
Equipment	\$40,000
Working capital (including necessary reserves)	\$30,500
Capacity	5 tons per day

A PLANT FOR THE MANUFACTURE OF MEN'S HOSE



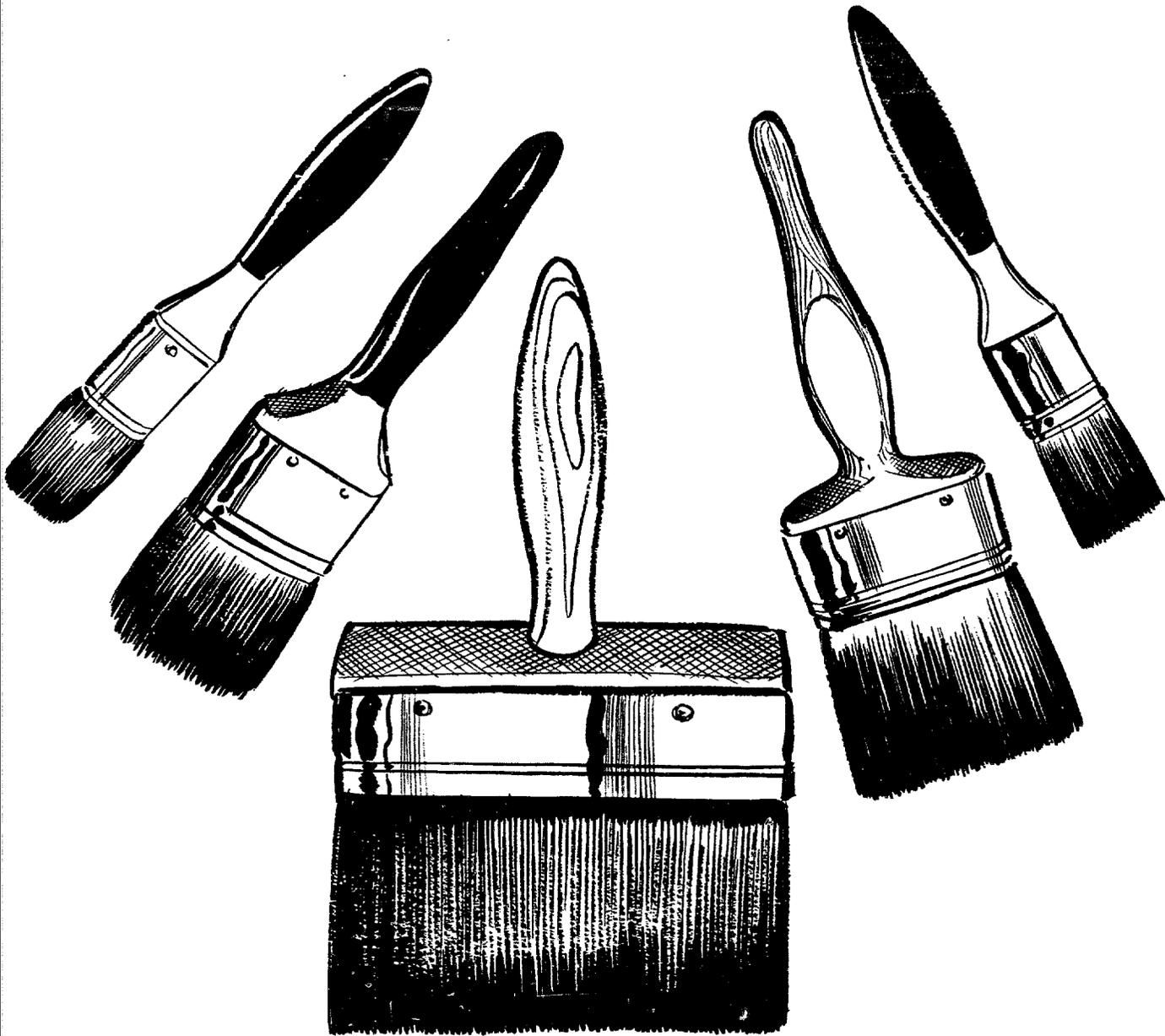
Workers	12
Building	to be rented
Equipment	\$44,000
Working capital	\$36,000
(including necessary reserves)	
Capacity	160 dozen pairs daily

A PLANT FOR THE MANUFACTURE OF MEN'S UNDERWEAR



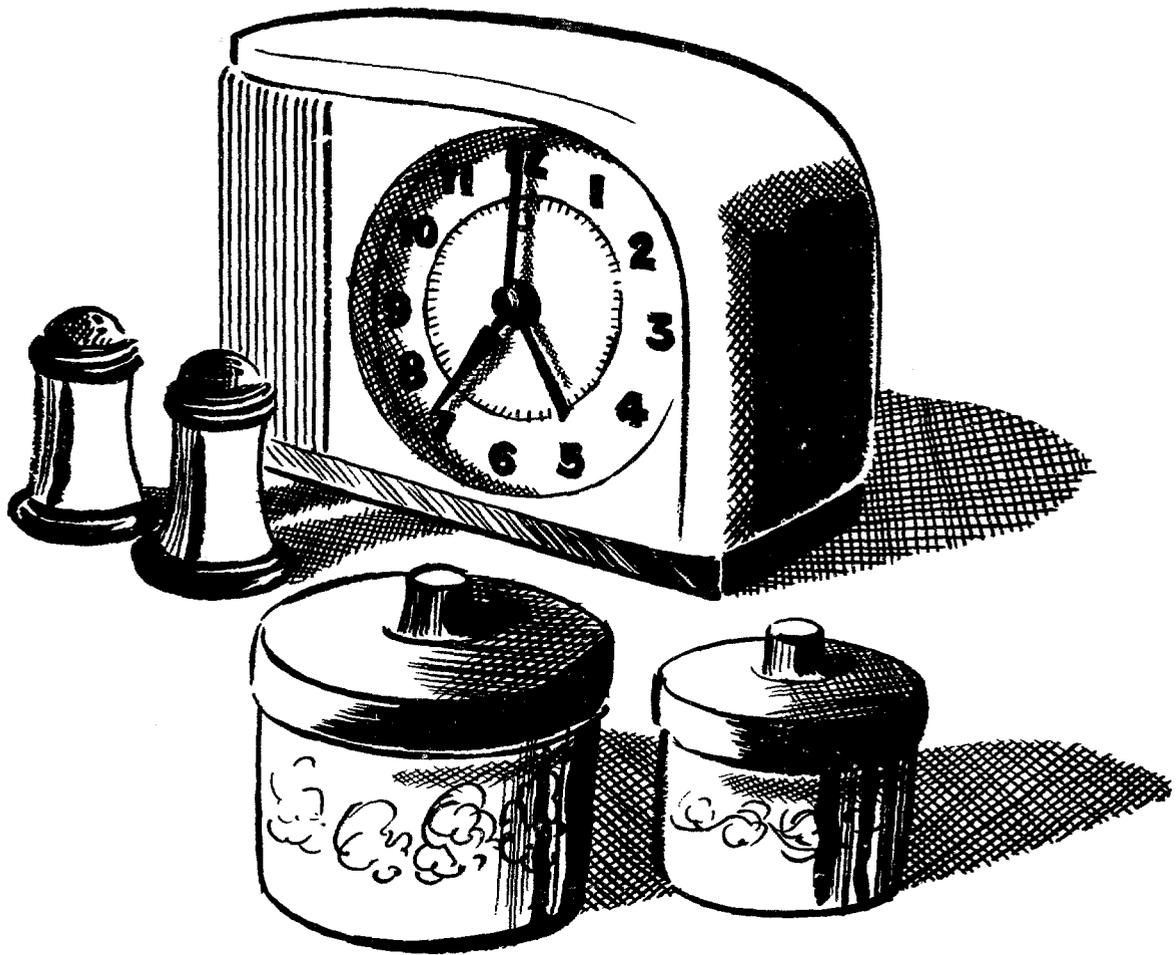
Workers	29
Building	\$12,600
Equipment	\$33,000
Working capital	\$76,500
(including necessary reserves)	
Capacity:	
T-shirts	64 dozen daily
Briefs	120 dozen daily

A PLANT FOR THE MANUFACTURE OF PAINT AND VARNISH BRUSHES



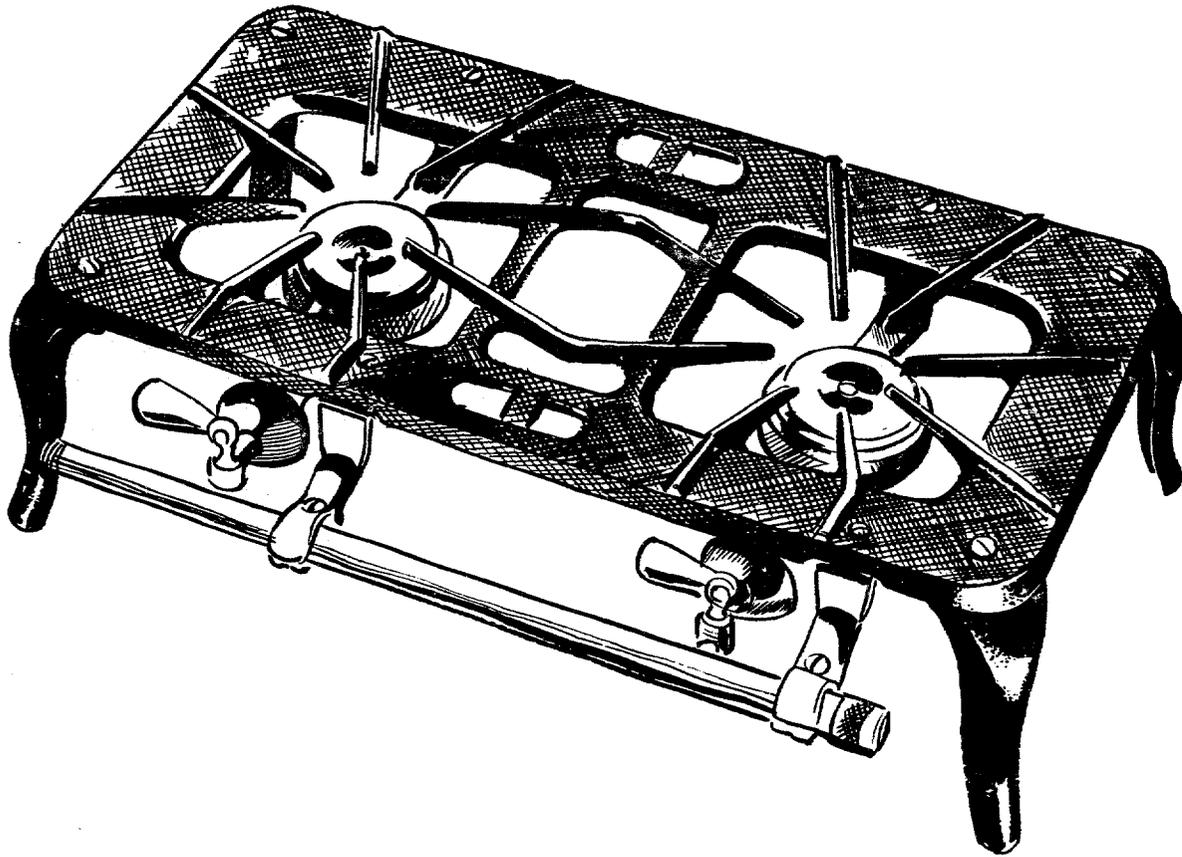
Workers	36
Building	\$40,000
Equipment	\$30,000
Working capital (including necessary reserves)	\$60,000
Capacity	118,800 per month

A PLANT FOR THE MANUFACTURE OF PLASTICS



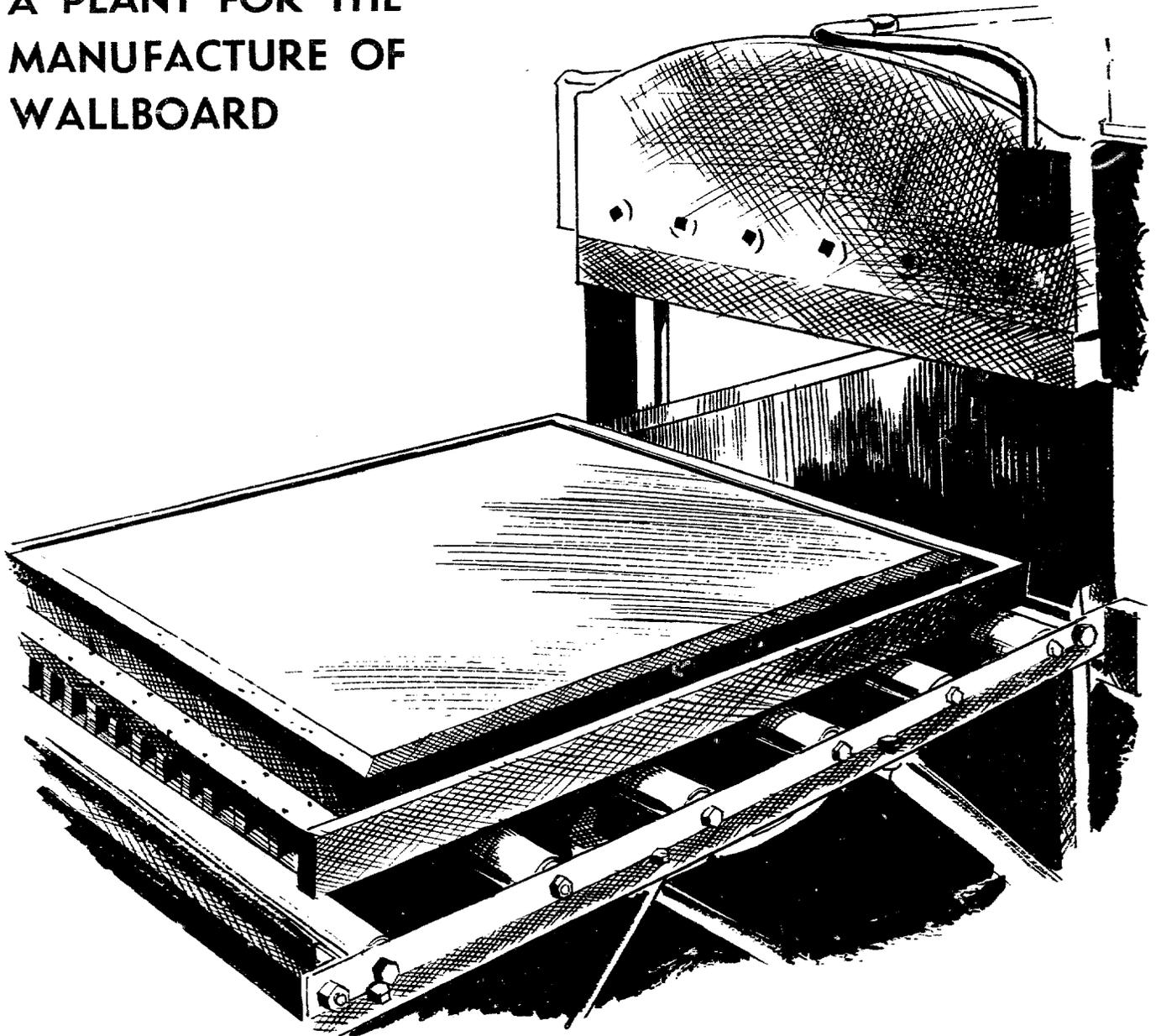
Workers	14
Building	\$17,500
Equipment	\$48,000
Working capital	\$68,000
Capacity	54,000 pounds per month

A PLANT FOR THE MANUFACTURE OF TWO-BURNER GAS PLATES



Workers	4
Building	\$ 3,750
Equipment	\$ 4,400
Working capital (including necessary reserves)	\$11,850
Capacity	100 units daily

A PLANT FOR THE MANUFACTURE OF WALLBOARD

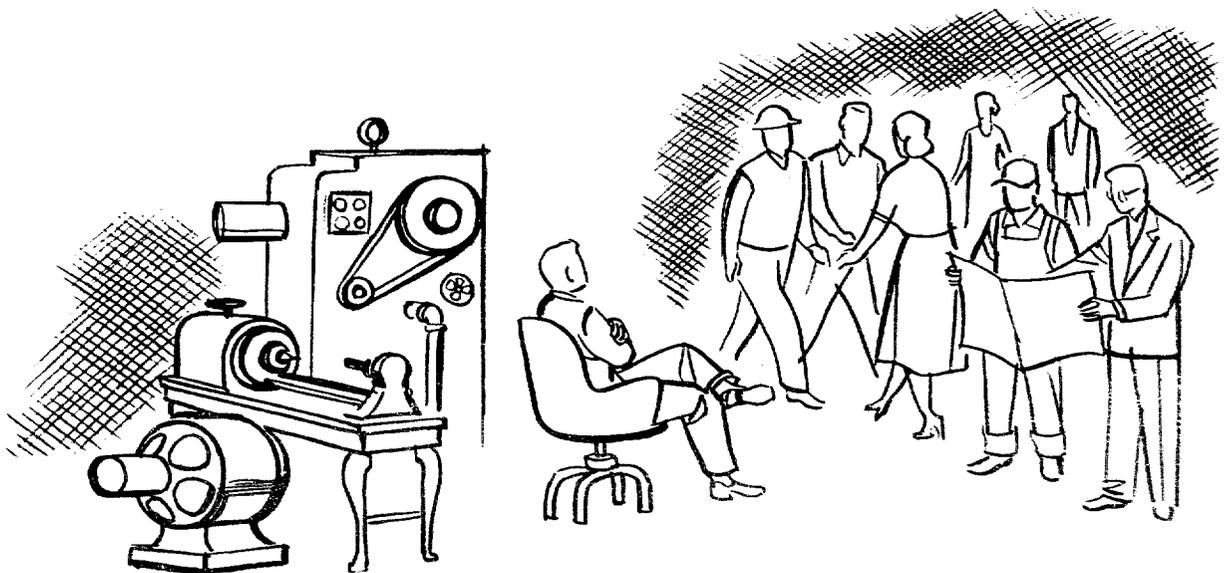


Workers	9
Building	\$18,000
Equipment	\$45,500
Working capital (including necessary reserves)	\$21,250
Capacity	112,500 square feet per month

*How
Industries
Grow*

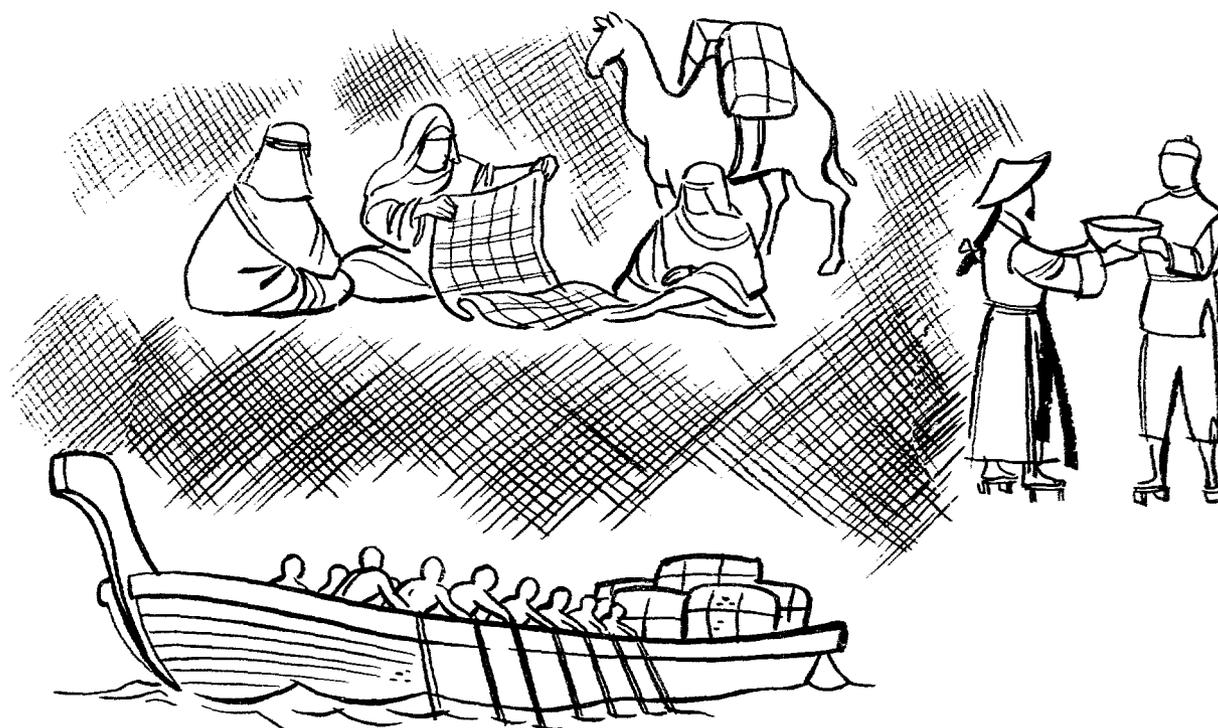
INDUSTRIES, like other forms of organizations, have natural patterns of growth affected by local circumstances. Certain conditions must be fulfilled in a region before an industry can come into existence at all. Some industries will be established before others, the order of establishment depending on the region and its trade. Some industries will be based on local resources, others on imported materials. Some will be created by capital and management from abroad, others by local capital and management, and still others by a combination of both. Most new industries will start small and will grow to the degree that they are successful. But in whatever way the particular pattern develops in any region, there are certain features that are common to all industrial growth.

TO BEGIN with, remove for a while your attention from machinery and technology. The use of power-driven machinery for working materials is the most striking and persistent feature of modern industry. But machinery and power simply make possible the production of large quantities of goods at low cost per unit of goods. This indeed expands markets and creates more wealth for all, but the machines themselves do not make markets or organize businesses. Markets are made up of people and businesses are run by people. So to understand the growth of industry we must first understand something of the manner in which people organize to do business.



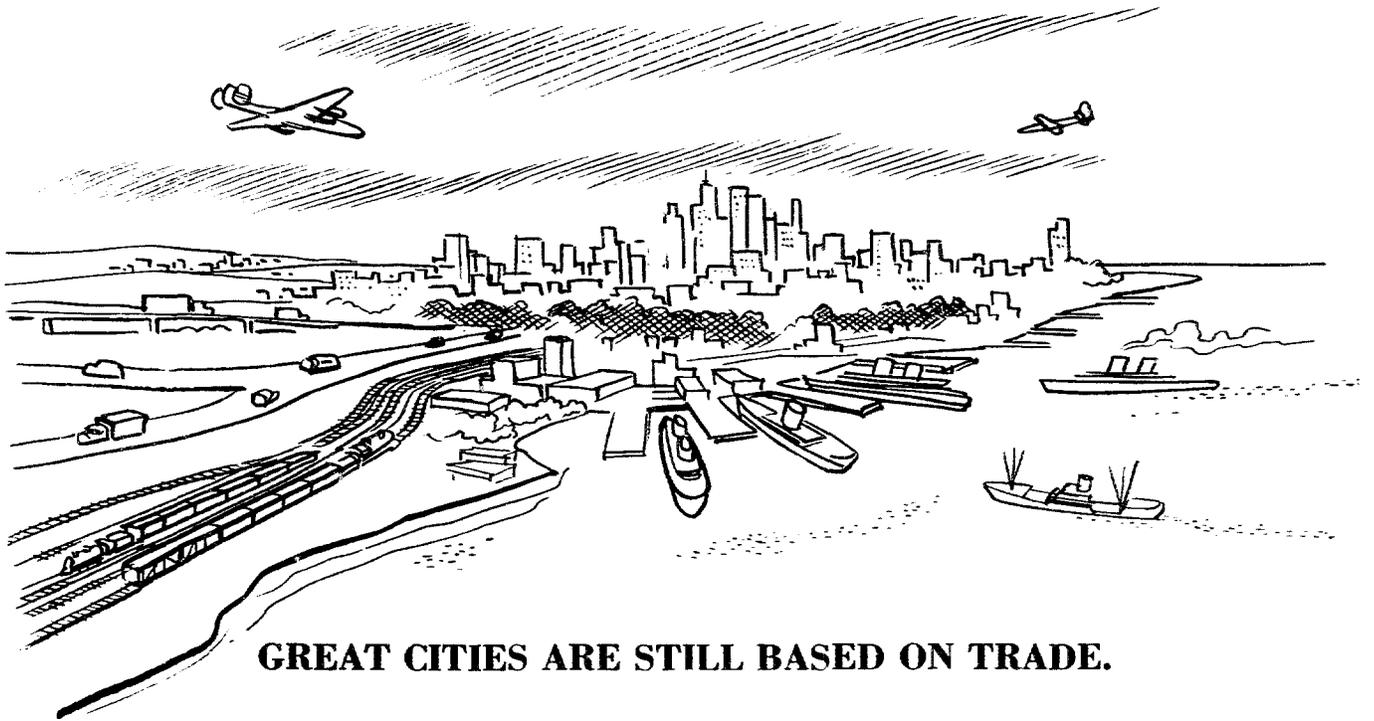
TURN YOUR BACK ON MACHINES—WATCH PEOPLE.

Trading the Essence of Business. The first businessman was a trader. All businessmen are essentially traders. They buy and they sell. And since they buy only to sell, not to consume themselves, they cannot become successful businessmen unless they have a market for their goods. Also, in order to get goods to sell, they have to have money. They must have goods of their own or entrusted to them or money of their own or entrusted to them. Basically, the elements out of which a business is built and from which modern industry has grown are: (1) markets, (2) management (i.e., traders or merchants), and (3) money or goods.



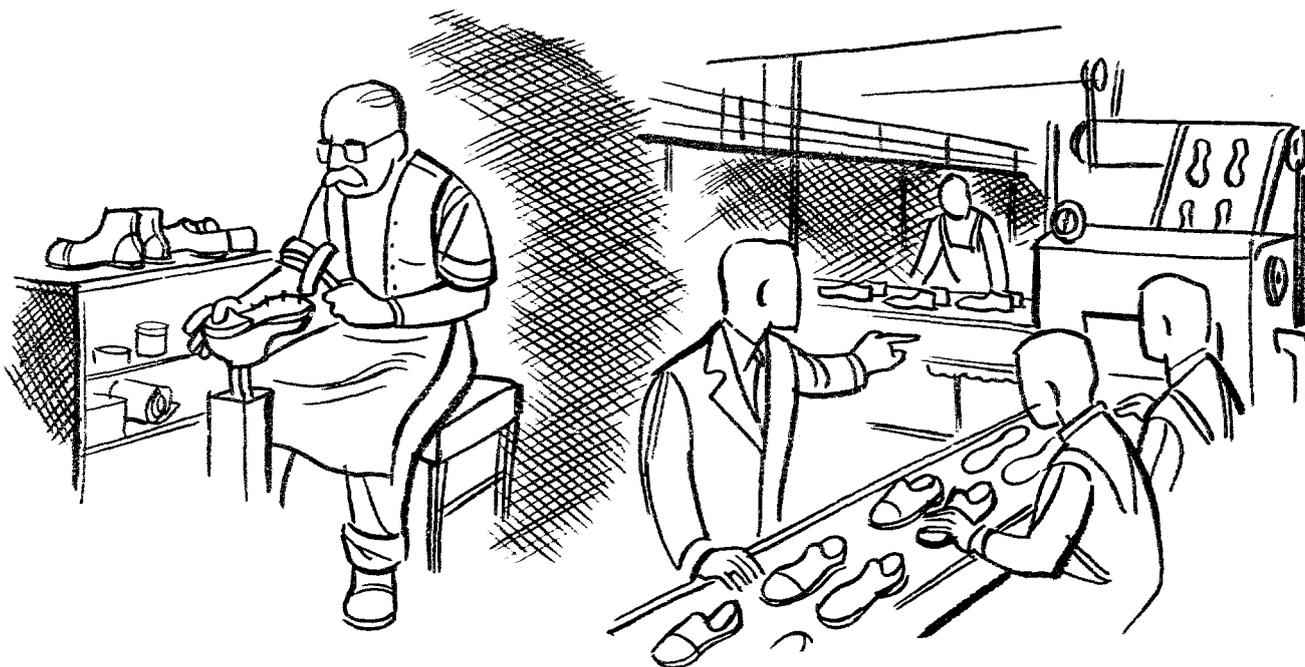
THE FIRST BUSINESSMEN WERE TRADERS.

Traders have gradually built the world and regional economies that we now know. With caravans and with ships they have been linking peoples even before the beginning of recorded history. The first towns, as distinct from agricultural villages, grew around bazaars and market places. In the early days, trade at any great distance was restricted to items of light weight and high value; cloths, spices, furs, rare metals and jewels. These were the products of special skills or crafts or special climates and were the forerunners of modern industrial products. Today, with highly developed means of transport, even such relatively crude products as timber are often shipped halfway-around the world. But even today, the principal cities of each country and of the world are primarily commercial cities, market places, and centers for trade.



GREAT CITIES ARE STILL BASED ON TRADE.

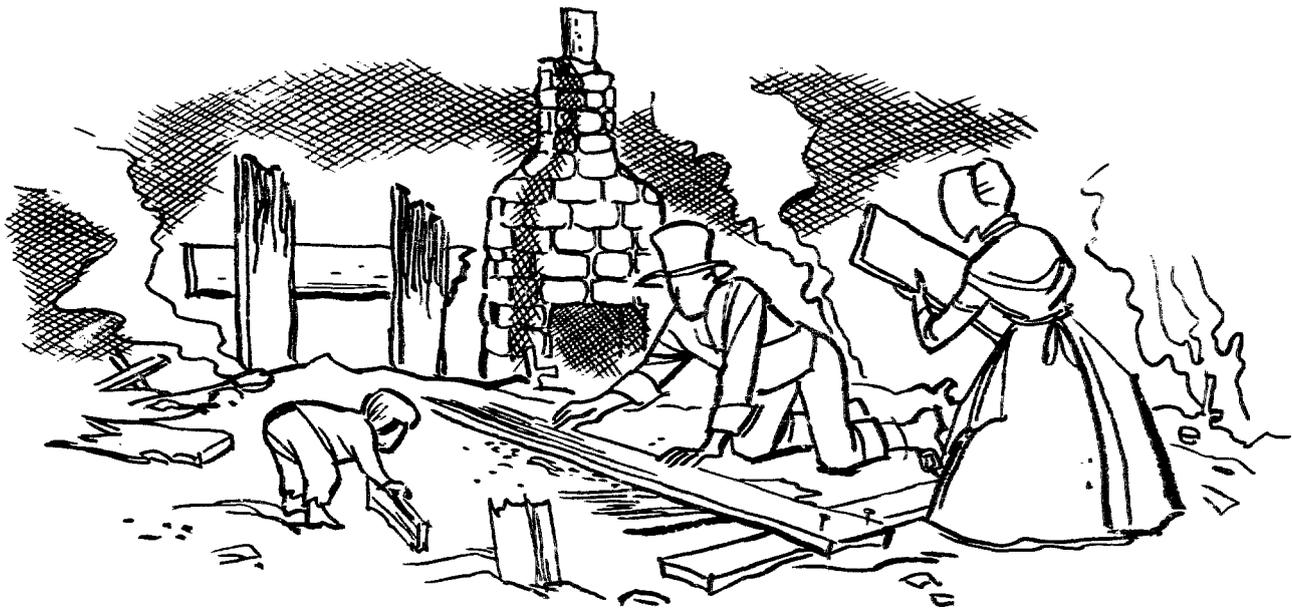
Trade Comes Before Manufacturing. Manufacturing first grew out of trade and still, wherever it is first started, grows most naturally and successfully out of trade. This is because the trader has built up a market for goods. Customers know him and he knows his customers. He can estimate their demand. This knowledge and these connections are essential to the manufacturer, since the characteristic of machinery is to turn out goods in great quantities.



**THE CRAFTSMAN BUILDS ONE AT A TIME—
THE MANUFACTURER BY THOUSANDS.**

A CRAFTSMAN may produce his articles one by one and hope to sell them to a few people passing by. But a manufacturer, producing articles by the thousands, must have an organized and well-known market. Hence it comes about that the trader or merchant, who has the market, is usually the one who gets manufacturing started. Either he goes into manufacturing himself or he agrees to take the output of the manufacturer.

This was the way in which the first large industries in the United States were started about a hundred and fifty years ago. Before the United States became independent, the colonists shipped fish, timber, rice, cotton and other raw products to the home country and imported clothes, hardware and other finished goods in return. After the United States became independent, the merchants who had been importing clothes thought they might get clothes more cheaply if they had their own local sources of supply. So they set up their own textile mills to supply a market that they had already established with imported goods. They bought the raw materials for the mills and sold the finished clothes, always acting as traders and bankers. To this day, the chief executive officer of a New England textile mill is known as the "treasurer", reflecting the early merchant-banking control.



EARLY COLONISTS BURNED ABANDONED HOUSES TO RETRIEVE NAILS.

Growing with New Markets. Nails for housebuilding were imported to the colonies. They were so valuable there that a settler who was leaving one location to take up new land would burn down his old house in order to recover the nails in it. With such a strong market, constantly enlarged by new immigrants, iron working was sure to grow. Men who had learned the iron business in Scotland or Northern England came to America and established small furnaces, smelting ore with charcoal. From such beginnings, the American steel industry grew as the country grew, and the market expanded from nails, chains and horseshoes to rails, beams, pipe, wire and steel sheets. As the industry grew, new developments were licensed from Europe—the Bessemer converter, the open hearth furnace and the by-product coke oven. It was the domestic market that made the industry possible.

After oil was discovered in 1859, markets at first seemed automatic, as kerosene for lighting replaced the more expensive whale oil. But when more wells were drilled, access to markets was essential to business survival. The largest American oil company of that time soon merged with the oldest traders in whale oil because these traders controlled the channels to market. The merged firm became larger than ever.

Wholly New Industries. An industry based on a well known technology, such as the technology of textiles, can start on as large a scale as the existing market will permit. But an industry based on a new technology must always start small, usually virtually as a handicraft. This was the case both with automobiles and with aeroplanes, for which at first there were hardly any markets. Henry Ford built his first car with his own hands in a one-room shop. Dozens of other men were doing the same, producing automobiles one at a time at high prices. Ford's business started to grow when he designed a very simple car that could be produced at a low price. The price opened up a broad market which in turn supplied the funds to lower production costs further. The first aeroplane was built in a bicycle repair shop as a part-time hobby. Even after it flew, many years passed before the building of aeroplanes grew out of the handicraft stage. The market for aeroplanes was then, and still is, largely determined by military demands.

The same small starts for large industries are found in all countries. The glass bangle industry in India has grown from a single shop to a production complex occupying all the workers in a city of 60,000 people. The photographic industry grew out of the studio of a single Frenchman, Daguerre. Modern printing with moveable type in the West began in the small shop of Gutenberg in Germany. The first steam engine was developed in England to pump water from mines. Many years passed before this crude machine was improved by Watt so that it could be used on ships and locomotives. The cocoa industry on Africa's Gold Coast was started only sixty years ago with the planting of a few trees. Cocoa trees are still cultivated on small holdings, but all the holdings together now supply one third of the world's market.



HENRY FORD STARTED SMALL.

Merchants Examine Markets. In countries where modern industry using machinery and power is not widely established, most businessmen are chiefly concerned with trade rather than with the conversion of materials through manufacturing. They collect various raw materials and sell them as exports. They buy finished goods abroad and re-sell locally, sometimes as agents for firms abroad, sometimes on their own account. Knowing the markets, both export and import, they are in position to determine what manufacturing might be undertaken with success.

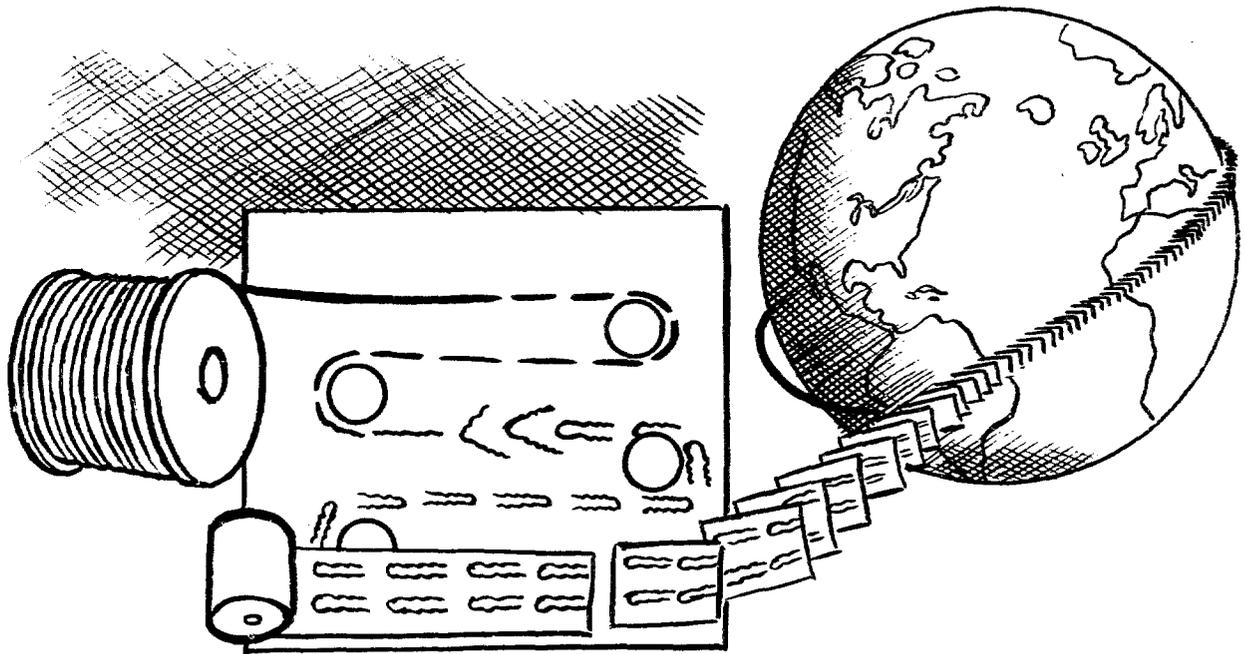
Before undertaking any new production, merchants will hesitate between this kind of investment and other investments that may be open to them. An investment in land or in buildings may seem to offer good returns and perhaps greater security than investment in new production. But on reflection they may decide that in view of present trends, as well as their own and their country's interests, it would be wisest to undertake new production.

With this decision made, merchants considering new local industries will generally investigate food, clothing and shelter needs, because these are universal human needs. Much of the food supply is usually produced locally. Some industries may be established in the preserving of food by drying, freezing, preserving or canning. The possibilities of such industries, as of others, depend on the number of people able and willing to buy a processed food at a certain price. Certain special food products may be sold abroad. There may be industrial opportunities in processing such a product fully or in part before it leaves the country. These opportunities will depend on the nature of markets abroad.

In many countries clothing has until recent years been an import. Now, cloth in commercial quantities is being made more widely on powered machinery than before. Ready-made clothing is a relatively recent development in all countries, and is being widely adopted. While few countries have large enough markets to make all kinds of textiles, most countries can make some types of cloth and all countries can make some ready-made clothes on an industrial basis.

Construction materials, because of their weight, are nearly always locally produced for local consumption. Sawmills to produce boards and beams, kilns to produce bricks and tile, and cement for building and for cast concrete building products can be used in most countries where there is any effective demand created either by public works or by private building.

Finally, there is always a demand for household goods of all sorts: pots, pans, plates, bottles, utensils, lamps, floor coverings, furniture, small tools and agricultural implements—a wide variety of wares. Many of these items can be made locally if the local market is big enough to permit low unit costs and if quality comparable to the imported product is maintained. But certain products in strong demand cannot be profitably made in many countries. Diesel engines, for instance, are the product not of a single factory but of a whole industrial and engineering complex that takes a long while to grow to the point where good Diesels can be manufactured at a low cost.



ENOUGH HAIRPINS TO SUPPLY THE WORLD.

HAIRPINS and bobby pins, to take an example from the other end of the scale of complexity, are made and packaged on high speed automatic machines and are so cheap to ship that one or two factories can supply the entire world at a cost too low to match locally. Wooden furniture, on the other hand, is almost always produced to advantage locally, because it makes very bulky freight, the demand for certain furniture designs varies widely with local taste, and the principal raw materials are usually available locally.

The Money Problem. Once a businessman has decided that there is probably an adequate market for some product to be manufactured locally, he calculates costs and profits. In considering these he faces the same fundamental problems of finance that he would face as a trader, except that the problems are more complex and extend over a longer period of time. As a trader he is accustomed to borrowing money. He borrows, using goods in his possession as security for the loan.

The trader who contemplates manufacturing his own goods for sale rather than buying them ready made may finance some of his new operations just as he did when he was a simple trader. He will have a stock of raw materials that might be sold as they stand and so serves as security for a loan. He will also have a stock of finished goods against which he may borrow exactly as he did when he was a trader in finished goods only. But in addition he will have goods in process, machinery and equipment, and a building.

Goods in process are not readily saleable as raw material, as they call for more expenditure, mostly in wages, before they have any market value as finished goods. So the amount that can be borrowed against goods in process is usually small in relation to their cost.

Machinery and equipment, when well maintained, last a long time and always have some resale value. And because a business depends on machines and the machines make earnings possible, machines are regarded as good security for loans. Machine suppliers, finance companies or banks may lend money to buy machinery. A down payment is made and then the balance of the price of the machinery is paid over a period of years. In this way, only the down payment need be counted as a starting capital requirement. The remainder is paid out of earnings.

The cost of a building may be treated in somewhat the same way and over a longer period of time. In some cases a suitable building may be rented, and then the rental charge is a cost of operating and may be paid from earnings. If a building must be built, an owner may be found who is willing to pay for it as an investment, taking his return in rentals. Or the trader-manufacturer can build it, borrowing a substantial portion of its cost on a loan that he will pay off only over a long period of years. The building makes good security for a loan because, if the manufacturer fails, it can be used for other purposes.

Character the Greatest Asset. When a lender who may make a manufacturing enterprise possible by giving credit on materials, goods, equipment or building examines the proposed enterprise, he appraises, of course, the estimate of markets and of costs. But most of all, he judges the character and ability of the man or men who are asking for credit. If their business record is good, and if they appear to be responsible in every way, then their chances of getting credit are good. One of the tests of their responsibility will be the care and thoroughness with which they have estimated every aspect of their proposed business and the provision they have made for taking care of the technical aspects of the business with which they may not have had previous experience.



MARKETING IS KEY BUSINESS ART—ACCOUNTING THE KEY SKILL.

Technical skills are important to every manufacturing business and must be provided. But such skills can usually be hired or acquired. Technical skills are concerned only with the handling of machines and materials—inanimate things. But the essential skill for business success is skill in judging and adjusting to markets. And markets are

not inanimate—they are made up of people. Judging and adjusting to markets call more for a certain kind of temperament that comes from an interest in and a knowledge of human behavior. In going over your own qualifications for starting a new business, you should examine your experience for all evidences of success in dealing with people. But you should always remember that while marketing is a key business art, accounting is a key business skill. An ability to calculate expense and income is essential to success. A businessman is judged by the awareness he shows of the importance of careful accounting.

Here is a check list for your use:*

I. Has the new product a good chance?

- a. Which of the following qualifications will the proposed new product meet?
- _____ 1. An entirely new product that will be accepted by consumers in adequate volume because it satisfies some need in the home and sells at a price consumers will pay.
- _____ 2. In an already developed field, a new product that offers some important competitive advantage such as better flavor (or other demonstrable quality), improved convenience (or other basis for greater consumer satisfaction), new selling point (or superior promotion point) or greater value in terms of price.
- _____ 3. A new product, even without competitive superiority, in a relatively undeveloped field where there appears to be ample opportunity for another product to obtain satisfactory volume by sales to new users.
- b. Will the product have a new name, or shall we trade on an existing name?

II. Market data.

- a. Characteristics of the potential market:
- _____ 1. What is the present consumption of this type of product or products of similar characteristics?
- _____ 2. What is the potential size of the market? Are there limitations of geography, age groups, income groups, living habits, climatic factors?
- _____ 3. Are prospects likely to be sectionalized or scattered throughout the country?
- _____ 4. Is the market for the product likely to change in the next 2, 5, 10 years and, if so, how?
- _____ 5. What is the frequency of purchase and use?
- _____ 6. Is use even or seasonal?
- b. Competition.
- _____ 1. How firmly entrenched is present competition?
- _____ 2. Is other competition likely to follow your entry into the market?
- _____ 3. Can other competitive items be quickly developed?
- c. Legal restrictions.
- _____ 1. Are there any legal restrictions that apply to the product, its package, label, advertising, shipment?

* Reprinted from PRINTERS' INK, May 20, 1955. Copyright 1955 by PRINTERS' INK Publishing Company, Inc., 205 E. 42d St., New York 17, N. Y.

III. Product research and development.

- _____ a. What preliminary laboratory research is needed?
- _____ b. What is estimate of time it will take? How much will it cost?
- _____ c. Are any unusual patent or legal problems likely to be involved?
- _____ d. Does it appear you may secure patent protection?
- _____ e. Will successful small-scale tests insure successful large-scale operations?
- _____ f. Have adequate plans been made for kitchen, consumer and spoilage tests?
- _____ g. Will these plans allow for ample time before test markings?
- _____ h. Does technical research department give final approval to the product?

IV. Marketing plans.

a. Distribution.

- _____ 1. At what types of stores do consumers now buy this type of product?
- _____ 2. Will contemplated selling methods fit the company's present sales organization?
- _____ 3. If not, how much do you know about this type of distribution?
- _____ 4. How do your proposed selling methods compare with competitors' methods?
- _____ 5. What changes in or additions to your present sales force will be needed?

b. Test marketing.

- _____ 1. Is it needed?
- _____ 2. Does the proposed test area represent a segment of the population that is typical of the national population with regard to consumption of this type product?
- _____ 3. Is the sample large enough for reliability?
- _____ 4. Does it represent a true cross section with regard to:
 - _____ • division between urban and rural markets?
 - _____ • economic status?
 - _____ • geographical variations affecting consumption?
 - _____ • age factors?
 - _____ • educational, religious or racial diet habits?
- _____ 5. What are estimates of advertising and selling costs for the proposed market test?
- _____ 6. How much should be invested to find potential market levels?
- _____ 7. What are the criteria of success for the market test operation?

V. Advertising and sales promotion.

- _____ a. What approaches or appeals will be made, and how will these compare with competitive claims?
- _____ b. What media will be used?
- _____ c. How are advertising and sales promotion budgets to be determined?
- _____ d. How much and what kind of sales promotional assistance should be given your salesmen and jobbers' salesmen?
- _____ e. Has original publicity been decided upon?
- _____ f. What types of introductory offers, deals and premiums (if any) are contemplated?

VI. The product itself.

a. Packaging.

1. Are packages being considered from standpoint of:

- _____ • attractiveness?
- _____ • convenience?
- _____ • size?
- _____ • pack?
- _____ • resistance to spoilage?
- _____ • cost?
- _____ • legality?
- _____ • instructions for use?

b. Raw materials.

- _____ 1. What new materials are required?
- _____ 2. Are adequate supplies assured?
- _____ 3. Are sources of supply dependable?
- _____ 4. What inventories will be required?
- _____ 5. What substitutes are available?
- _____ 6. How will substitution affect quality? Cost?

c. Production facilities.

- _____ 1. Can new product be made at existing plant?
- _____ 2. Will new facilities interfere with present operations?
- _____ 3. Is wholly new plant required?
- _____ 4. If so, have all factors determining location been considered?
- _____ 5. Will plant operation be flexible enough for adjustment to periods of unexpected heavy or low demands?

VII. Final financial considerations.

- _____ a. What capital investment will be required in plant, equipment and inventories?
- _____ b. How much (if any) new capital is required?
- _____ c. Have budgets been made up estimating, at various volume levels the:
 - _____ 1. manufacturing and distribution costs?
 - _____ 2. prices and gross margins?
 - _____ 3. selling and administrative expenses?
 - _____ 4. net profit or loss?
- _____ d. Does prospective profit warrant risk under the most adverse circumstances anticipated?

VIII. Company objectives.

- a. Which of the following purposes would the new product serve
 - _____ 1. round out company's present line?
 - _____ 2. fill idle time of plant and equipment?
 - _____ 3. utilize by-products otherwise less profitable?
 - _____ 4. help the long range growth and security of the business?

*Questions For
Starting A Factory
Or Shop*

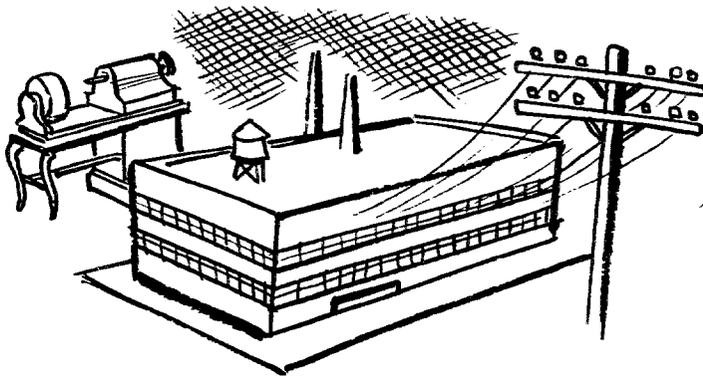
Everyone first needs facts on these subjects



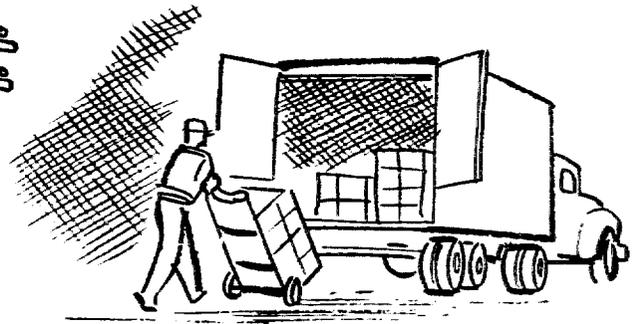
MARKETS?



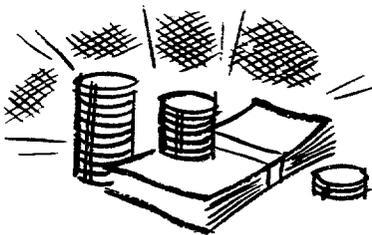
PERSONNEL?



**EQUIPMENT,
BUILDING & UTILITIES?**



**MATERIALS
& TRANSPORT?**



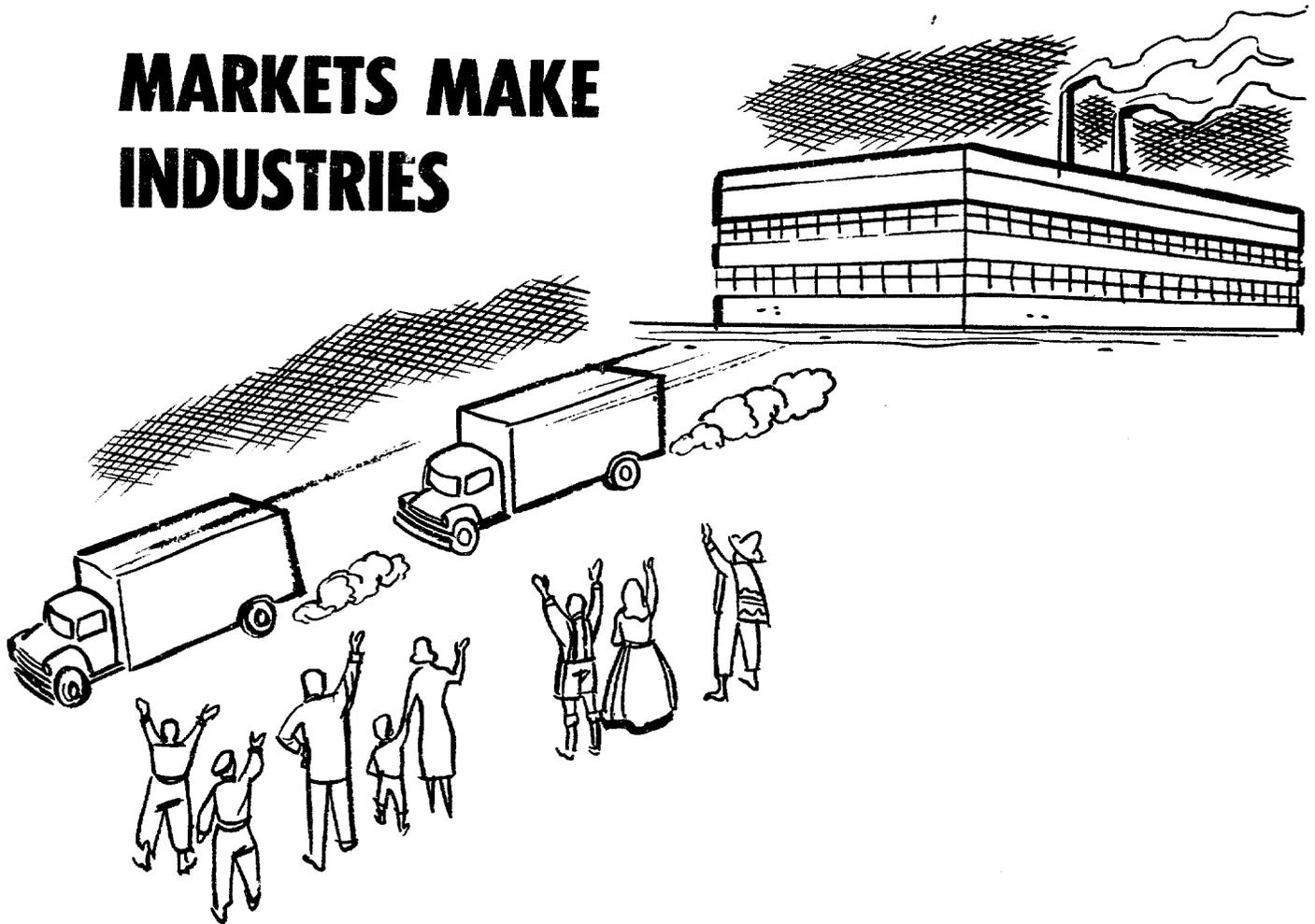
FINANCE?

**THE KINDS OF QUESTIONS THAT WILL
BRING OUT THESE FACTS ARE GIVEN
ON THE FOLLOWING PAGES**

**YOU CAN ANSWER SOME OF THE
QUESTIONS YOURSELF.**

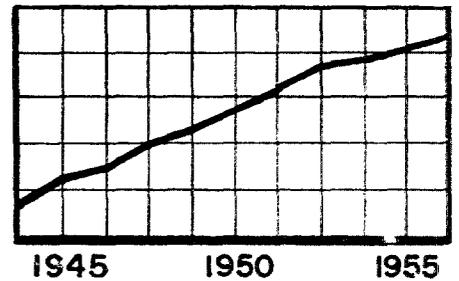
**BUT TO ANSWER OTHERS, YOU
MAY NEED TECHNICAL HELP.**

MARKETS MAKE INDUSTRIES

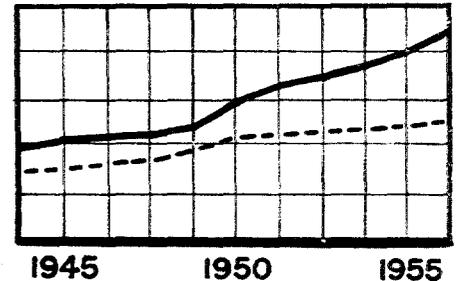


YOU MUST FIRST PROVE THAT PEOPLE WANT AND WILL PAY FOR WHAT YOU PROPOSE TO SUPPLY. YOU DO THIS BY GETTING ANSWERS TO QUESTIONS LIKE THOSE THAT FOLLOW.

**IS THE MARKET FOR YOUR
PROPOSED PRODUCT EX-
PANDING?**



**WILL YOUR PRODUCT TAKE
THE PLACE OF IMPORTS?
WILL IT EXPAND THE USE
OF LOCAL RAW MATERIALS?**



**HOW WILL THE QUALITY
AND PRICE OF YOUR PRODUCT
COMPARE WITH WHAT IS NOW
ON THE MARKET? WILL IT
BE COMPETITIVE?**



**WHAT DO YOUR PROPOSED
CUSTOMERS HAVE TO SAY
ABOUT YOUR PRODUCT?**

**WILL THEY GIVE YOU
ADVANCE ORDERS?**

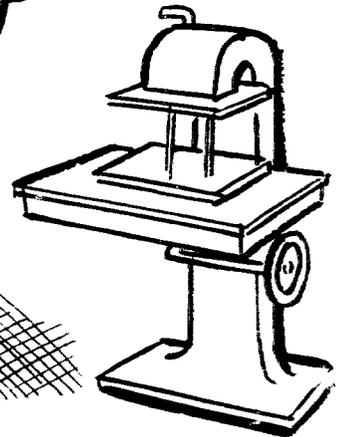
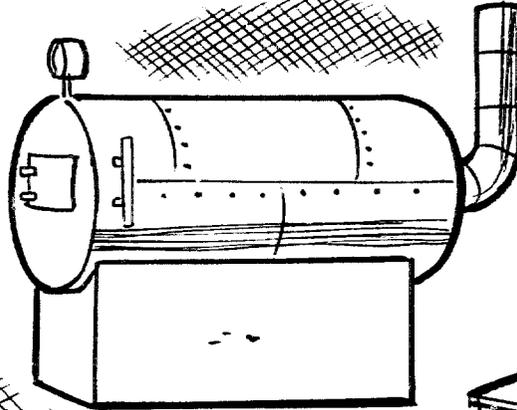
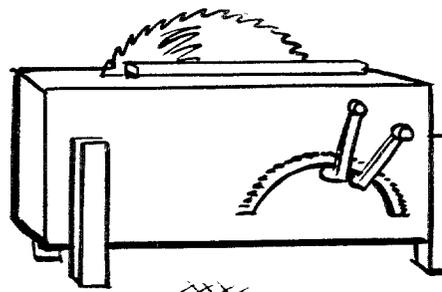
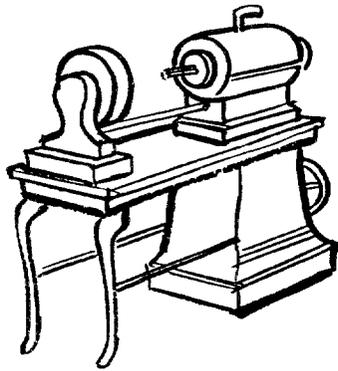
WILL YOUR SALES BE

- SEASONAL?**
- STEADY?**

WILL YOU SELL—

- DIRECTLY TO USERS?**
- TO RETAILERS ?**
- TO WHOLESALERS?**
- ON CONTRACT?**

EQUIPMENT



WHAT EQUIPMENT WILL YOU NEED?

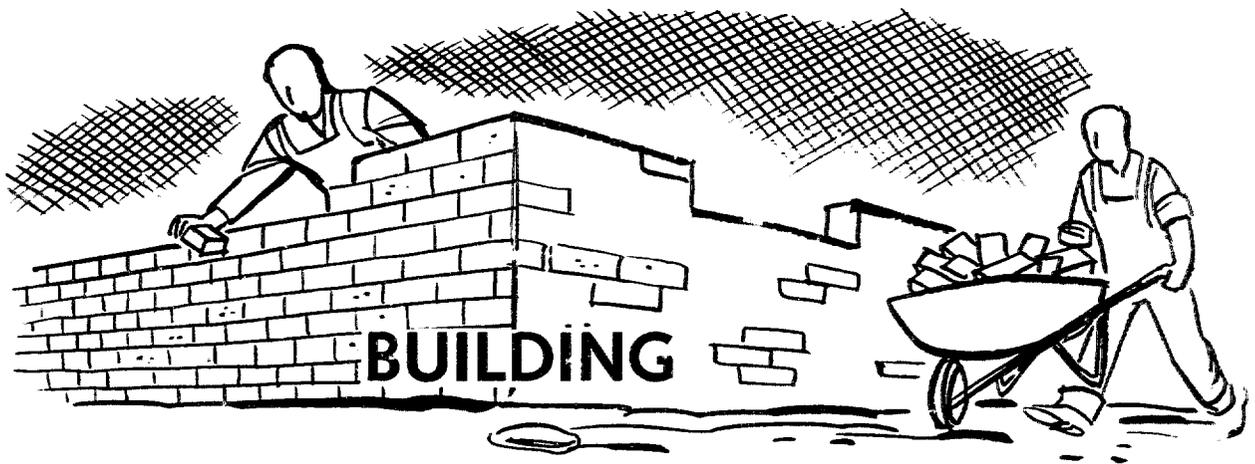
IS IT AVAILABLE?

WHERE?

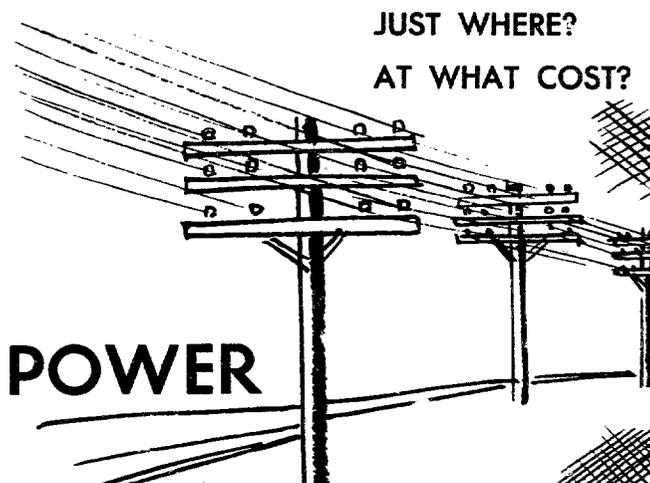
NEW OR USED?

COST?

IF IT HAS TO BE IMPORTED, ARE YOU
ABLE TO OBTAIN THE NECESSARY
FOREIGN EXCHANGE?

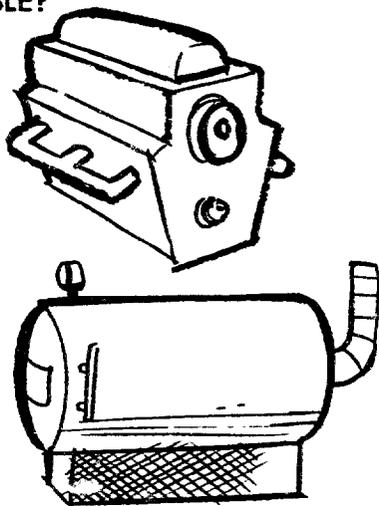


WOULD YOU BUILD OR RENT?
JUST WHERE?
AT WHAT COST?



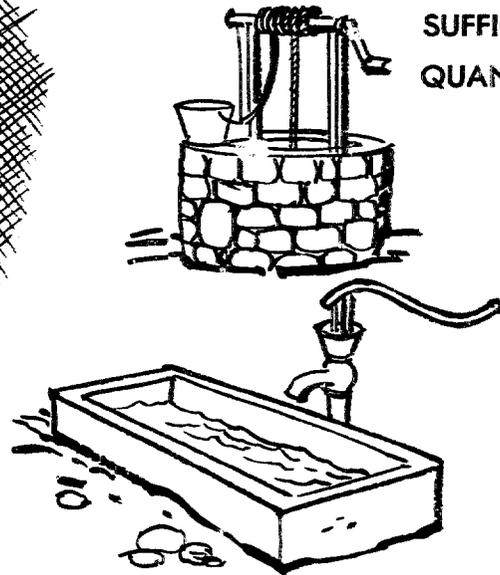
POWER

WHAT KIND IS REQUIRED
AND IS IT
AVAILABLE?

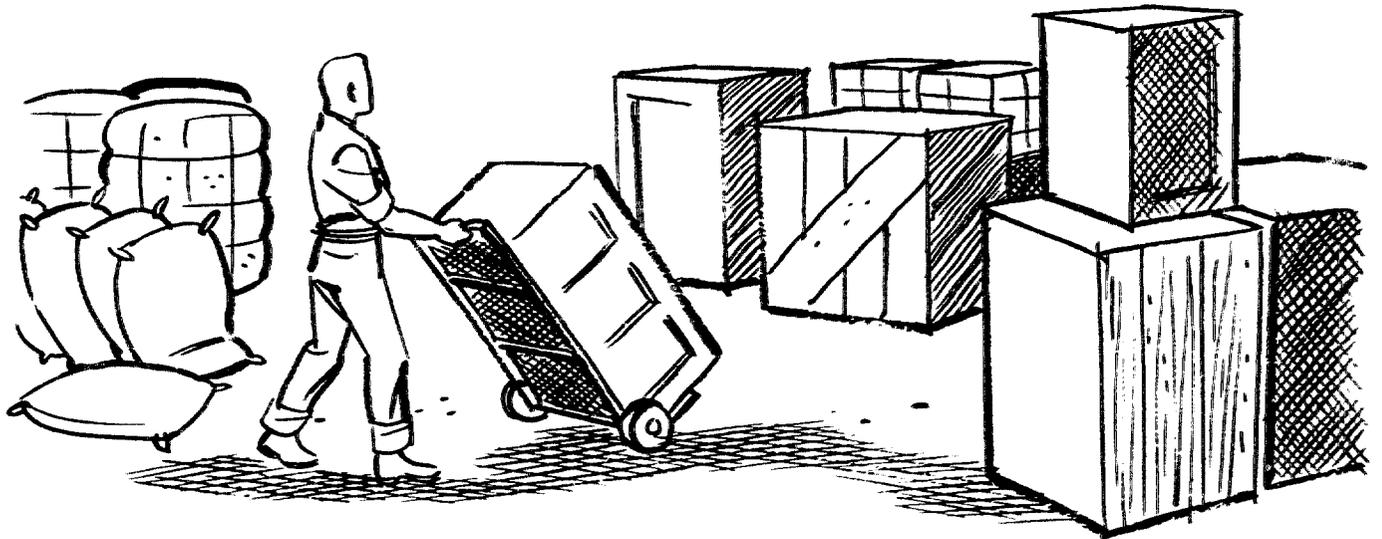


WATER

IS IT AVAILABLE IN
SUFFICIENT
QUANTITY?



MATERIALS



WHAT RAW MATERIALS WOULD YOU NEED?

ARE SUCH MATERIALS LOCALLY AVAILABLE OR WOULD THEY HAVE TO BE IMPORTED?

IF IMPORTED, WILL THE NECESSARY FOREIGN EXCHANGE BE AVAILABLE?

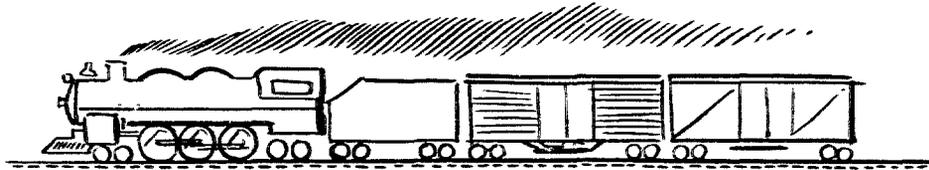
HAVE YOU ACCURATE FIGURES ON THE COST?

TRANSPORTATION

Is There Adequate Transportation From
Your Proposed Plant To The Market?

WOULD YOU SHIP BY

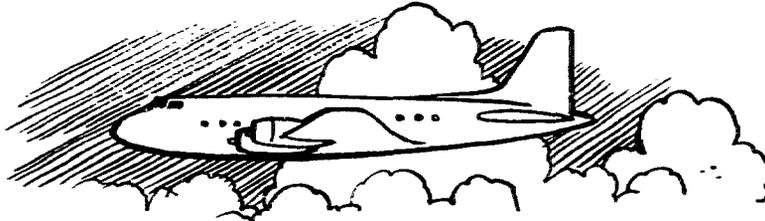
RAIL?



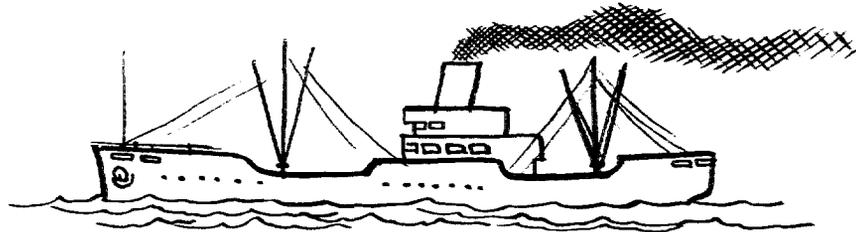
TRUCK?



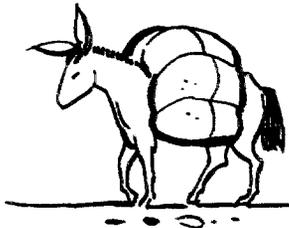
PLANE?



SHIP?



PACK ANIMAL?



COST OF SHIPPING RAW MATERIALS?
COST OF SHIPPING FINISHED PRODUCT?
TERMINAL HANDLING COSTS?

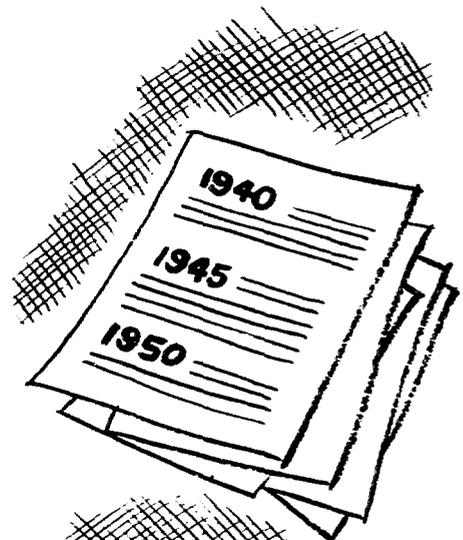
PERSONNEL?

**HOW GOOD WILL YOUR MANAGEMENT BE?
WILL IT BE ADEQUATE FOR YOUR PROPOSED VENTURE?**



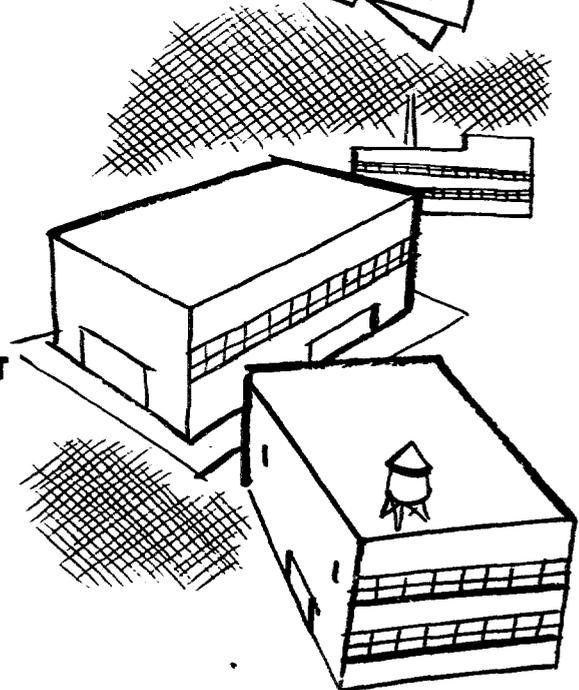
CHARACTER?

**CAN YOU OBTAIN FAVORABLE OPINIONS—
INCLUDING BANK REFERENCES—OF
WELL-KNOWN PEOPLE WHO HAVE KNOWN
YOU OR YOUR ASSOCIATES FOR MANY
YEARS?**



EXPERIENCE?

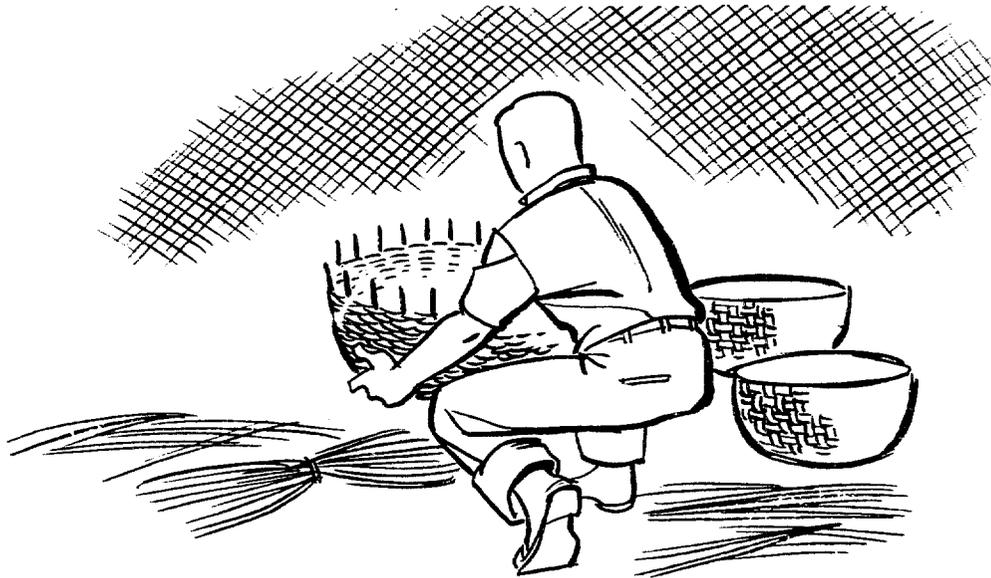
**DO YOU THINK THE PREVIOUS BUSINESS
EXPERIENCES OF YOURSELF AND YOUR
ASSOCIATES ARE SUFFICIENT TO JUSTIFY
YOU IN GOING AHEAD?**



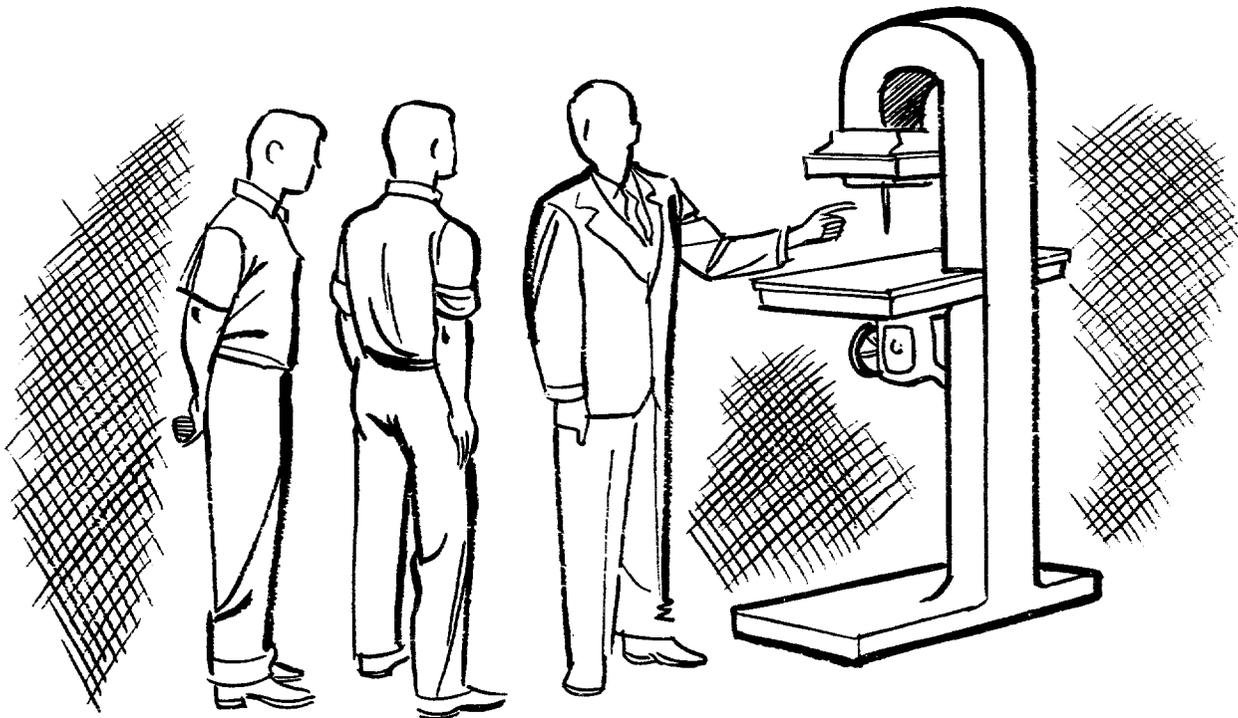
CONNECTIONS?

**CAN YOU NAME BUSINESS HOUSES THAT
ARE PREPARED TO DO BUSINESS WITH
YOU AS SUPPLIERS, CUSTOMERS OR
ASSOCIATES IN YOUR VENTURE?**

**WHAT SKILLS DO YOUR
PROPOSED WORKERS HAVE NOW?**

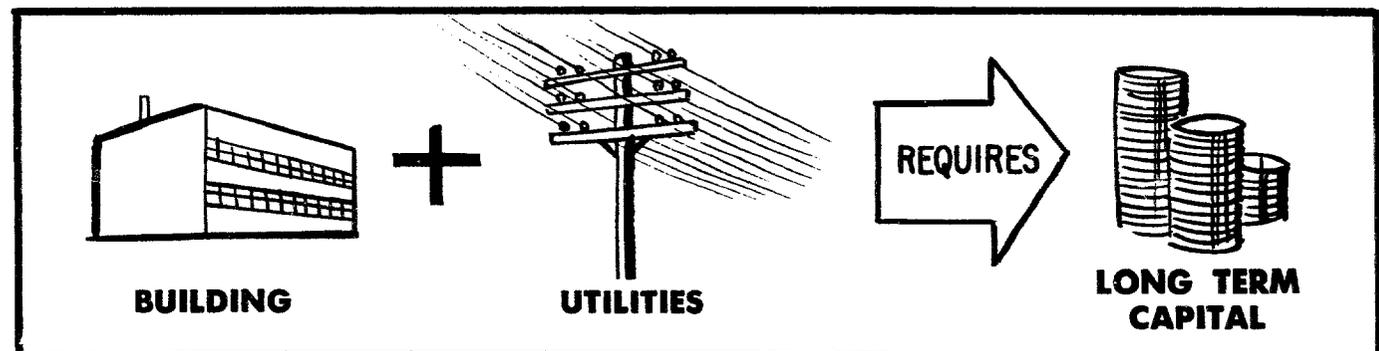
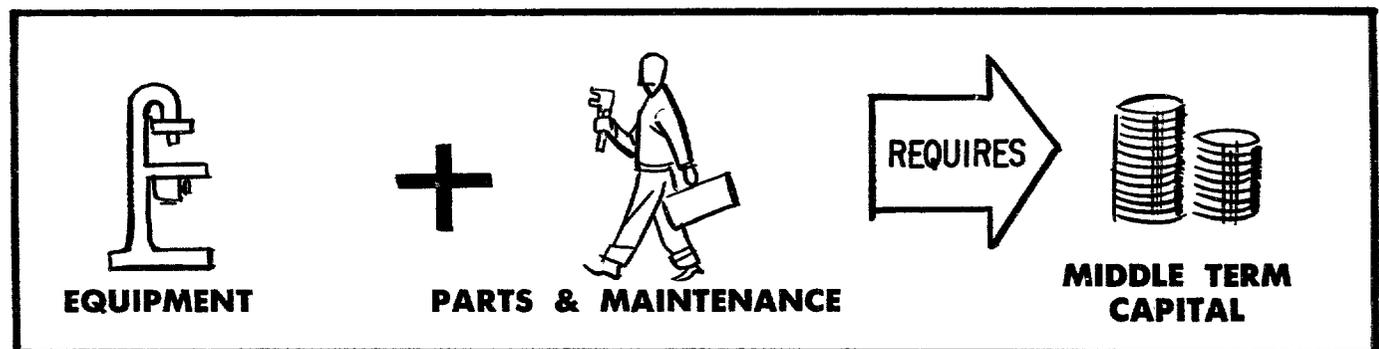
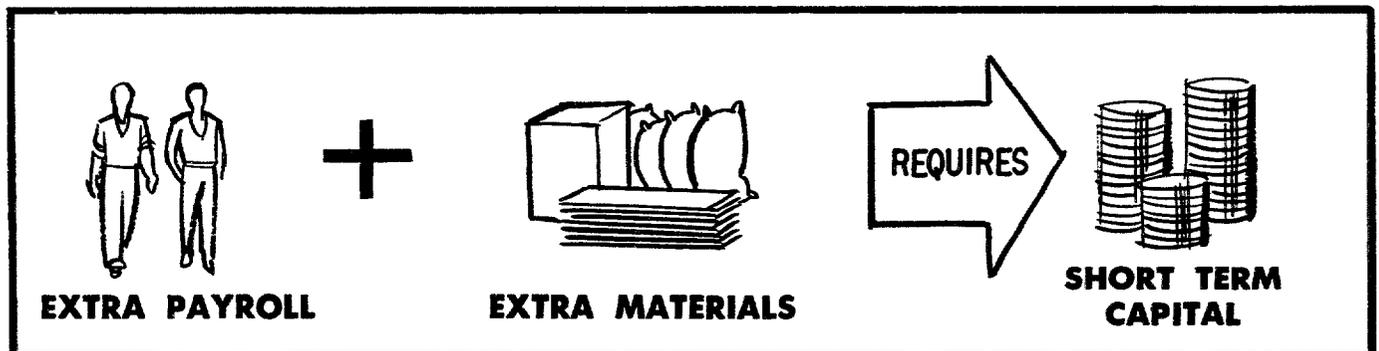
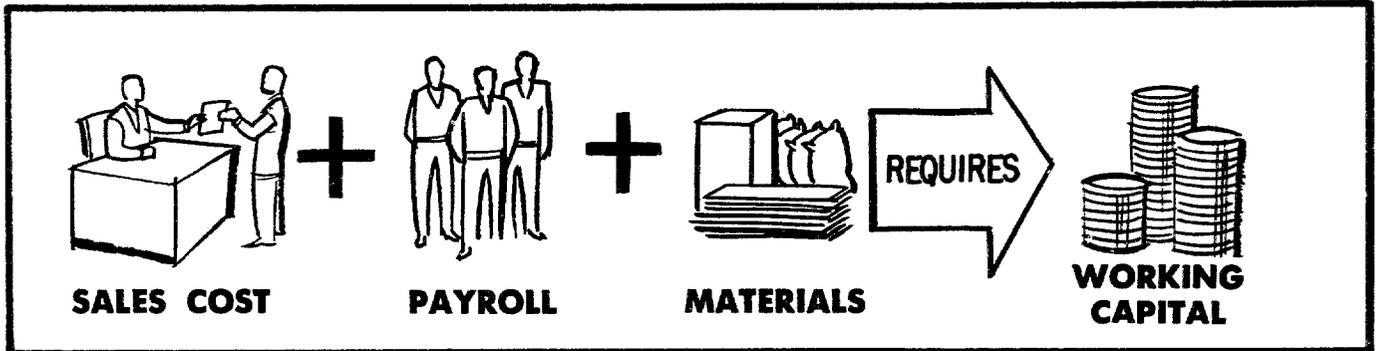


**WHAT ADDITIONAL TRAINING WOULD
THESE WORKERS NEED?**



WHAT WAGE RATES WILL YOU HAVE TO PAY?

**TO PAY FOR YOUR VARIOUS BUSINESS COSTS,
YOU WILL REQUIRE DIFFERENT KINDS OF FINANCING—FOR EXAMPLE:**



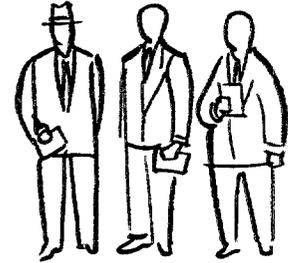
**DO YOU AND YOUR ASSOCIATES HAVE THE NECESSARY CAPITAL
OR DO YOU NEED ADDITIONAL FINANCES?**

SUCH FINANCING MAY COME FROM SEVERAL SOURCES DEPENDING UPON THE CREDIT PRACTICES IN YOUR COMMUNITY—FOR EXAMPLE:



WORKING CAPITAL

MUST BE PROVIDED BY



YOURSELF AND YOUR ASSOCIATES



SHORT TERM CAPITAL—(SEASONAL ADDITIONAL WORKING CAPITAL)

MAY BE PROVIDED BY

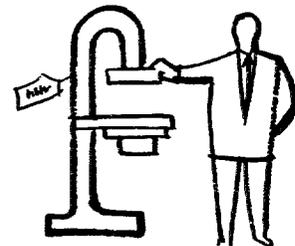


A BANK



MIDDLE TERM CAPITAL

MAY BE PROVIDED BY

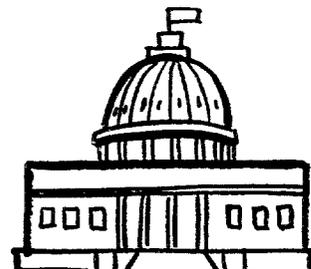


EQUIPMENT SUPPLIERS



LONG TERM CAPITAL

MAY BE PROVIDED BY



GOVERNMENT OR PRIVATE LOANS

See those who are interested in helping to develop privately owned businesses:

MERCHANTS

LOOKING FOR NEW SOURCES
OF MERCHANDISE

SUPPLIERS

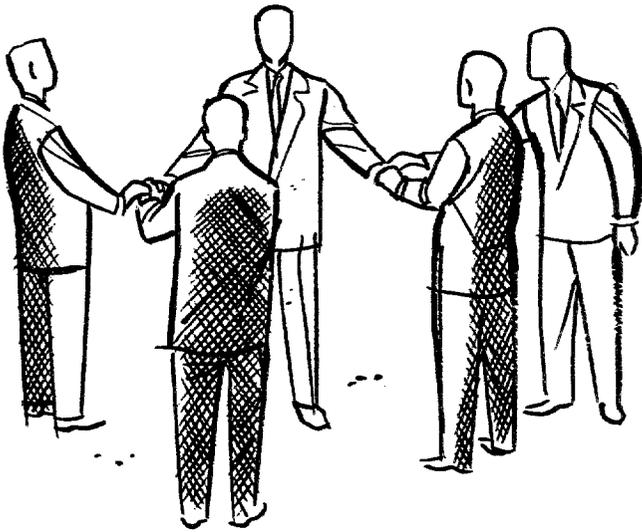
WANTING NEW CUSTOMERS
FOR MACHINERY AND MATERIALS

BANKS

SEEKING TO MAKE
PROFITABLE LOANS

GOVERNMENT AGENCIES

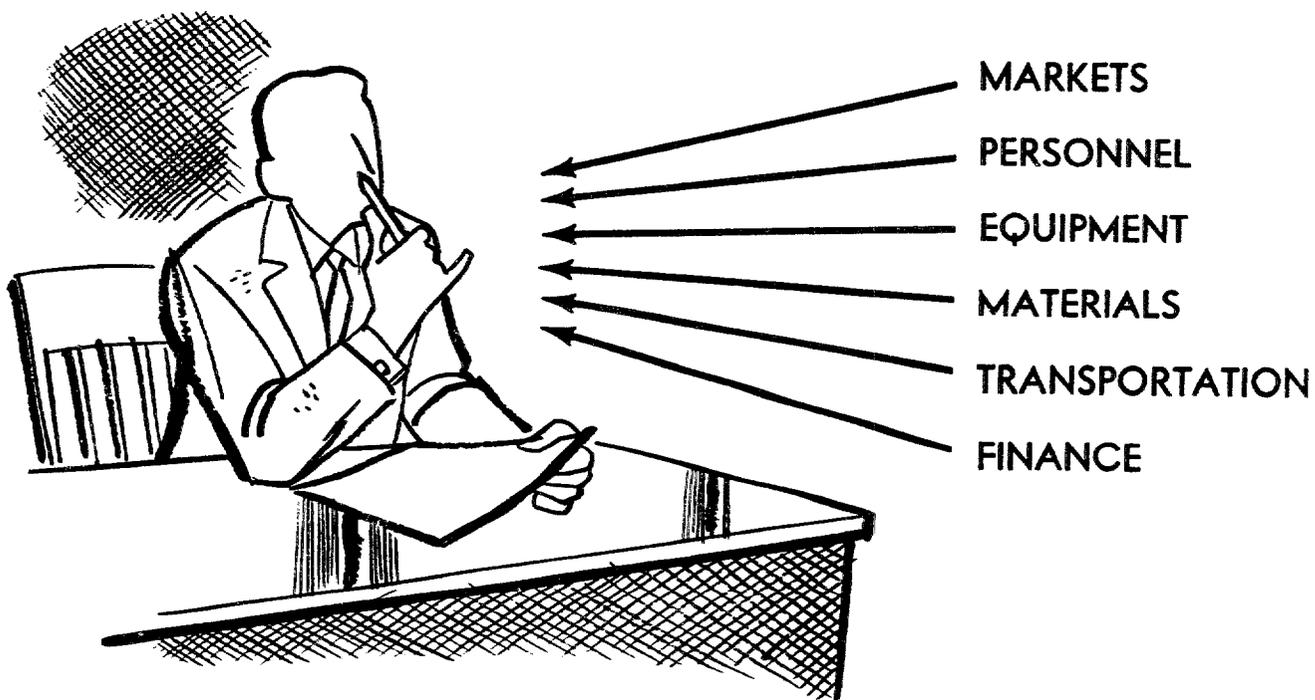
PROMOTING THE GENERAL
WELFARE OF THE COUNTRIES



ALL CAN HELP YOU START A NEW FACTORY OR SHOP

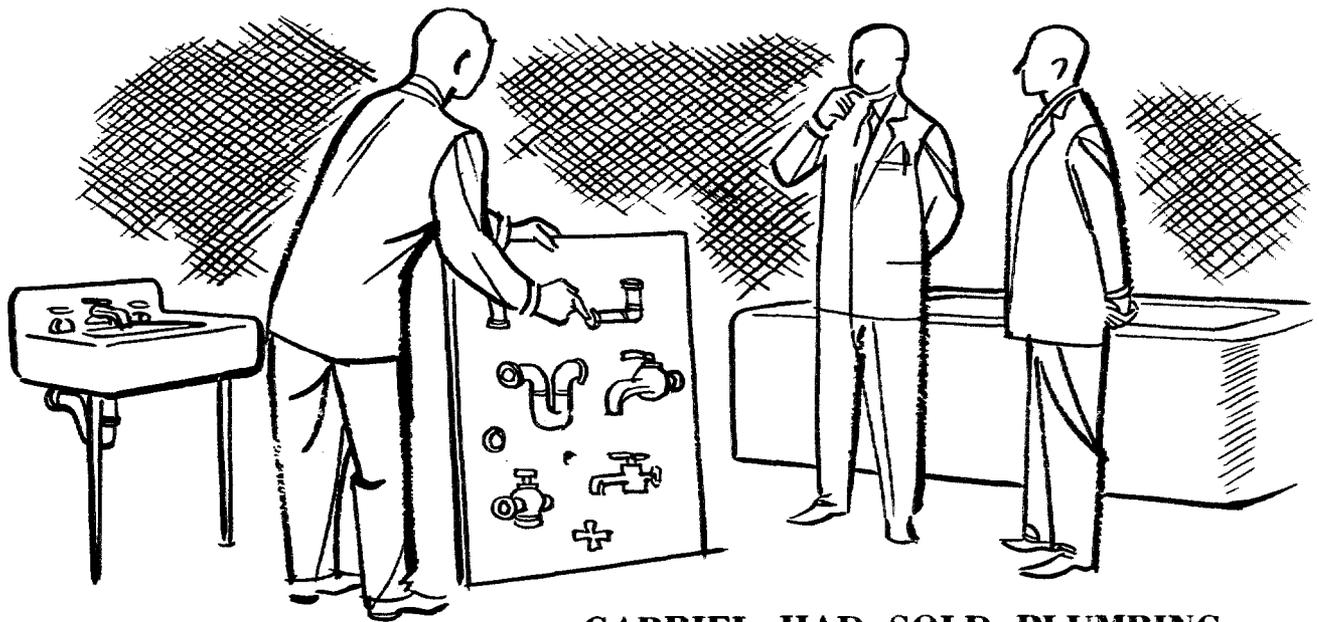
After studying this pamphlet and more detailed booklets, if you are interested in starting a particular business of your own

YOUR FIRST STEP IS TO PREPARE A PRELIMINARY STATEMENT GIVING AS MUCH AS YOU NOW KNOW ON ALL OF THE PERTINENT QUESTIONS INCLUDING:



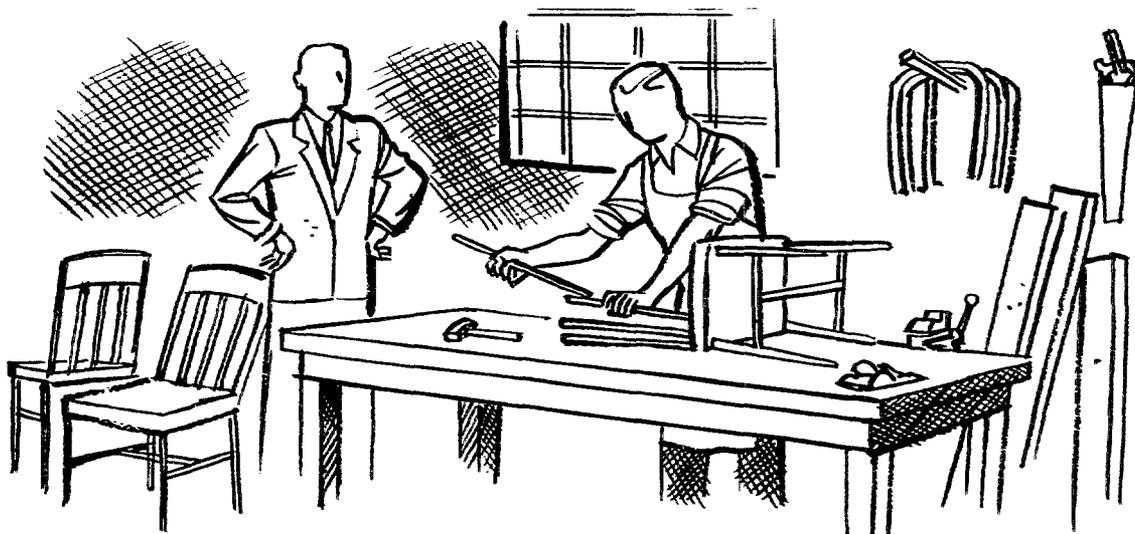
If your preliminary statement seems to have merit and if your analysis and forecast seem sound your bank or Government industrial development office will give you or secure for you the necessary assistance in preparing a final prospectus. That will present clearly all the facts that anyone will need in order to determine whether to invest in the proposed business, or participate personally in it.

*Sample Study Of A Fictitious
New Business*



GABRIEL HAD SOLD PLUMBING.

WHEN Gabriel Endor was a lad, and even later when he was a young man earning his own living, there had been no furniture factory in his native country of Avalia. Leaving school at the age of eighteen, he found a job with the wholesale firm of Bornefeller and Company and learned to get orders from retail shops, first for piece-goods and later for imported plumbing fixtures and kitchenware. While talking to customers and business friends, he heard constant complaints about the high price of imported furniture—\$600 for one steel desk, \$75 for a chair, and so on.



PRODUCTION WAS SLOW.

QUITE a lot of furniture was then being made from the beautiful local Pendulosa wood, but it was all made by hand. Production was very slow, mostly in little workshops in the side streets, and was quite unable to keep pace with the growing demand. For example, a desk could be made and sold at a profit for \$200, a chair for \$25, but because it took weeks to make a single article there were not nearly enough of them.

Gabriel noticed this and discussed it with many businessmen. He found that nearly all of them would rather have bought locally-made wooden desks for their offices than imported steel ones, but they could not wait for months while they were being made.

Pursuing his inquiries he discovered that the Government had wanted to place an order for 1200 school chairs with wide right arms for writing on. They had not found anyone able to produce them. The Florianda hospital had tried to buy 170 bedside tables made from the local wood, but in the end they had had to get them made in the hospital basement by the building contractor, using imported plywood.

And as a young married man Gabriel knew from his own experience that there was a great shortage of simple, cheap, straight chairs for household use. One of the leading merchants of Agregia told him that he would be glad to sell such chairs if they could be produced to sell for less than \$10 each.

A Project Takes Shape. So gradually an idea took shape in his mind—a factory, with machines, to make all sorts of good furniture quickly and cheaply. He felt sure he could sell such furniture, but doubted that he knew enough about machinery and manufacturing processes to handle the production side.

Fortunately he did not have to. About this time he met and became friendly with a young man named Eugene Dolamore. Eugene was twenty-nine. He had studied mechanical engineering at a technical institute abroad for two years. Since returning to Avalia he had been engaged in construction work on his family's ranch near Estandia.



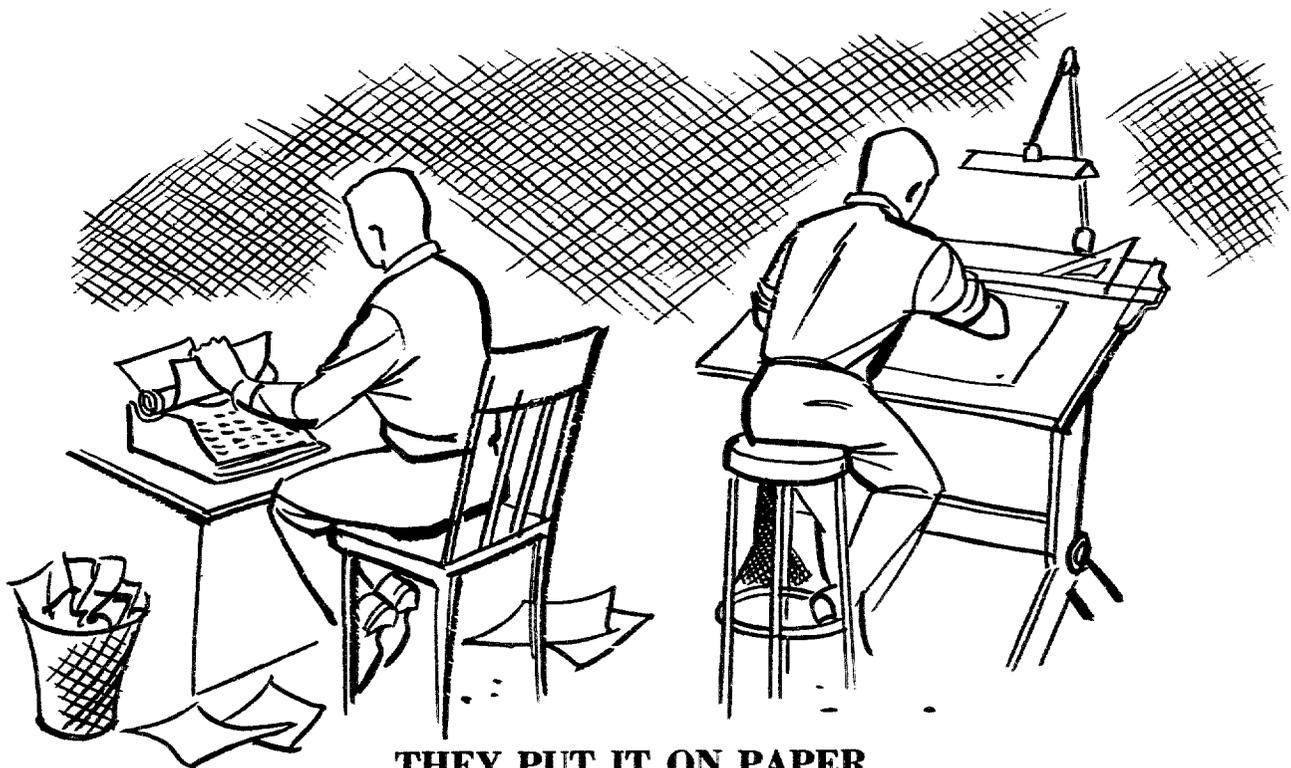
HE FOUND A PARTNER.

Gabriel suggested a partnership, and Eugene, after studying the possibilities, accepted the idea with enthusiasm. He knew something about the sort of machinery that would be required. He spoke to three skilled cabinet workers, who had made furniture for his father's house, and they promised to join the undertaking as foremen.

And so it went on. They spent many evenings discussing the type of building they would need, the various equipment, how much money they would need to get started. Between them, with what they had saved and could borrow, they figured they could invest \$30,000 in the venture. But it wasn't enough. They saw they would need more capital—to build the factory, buy equipment and materials, and carry them over the early period until they had received payment for some finished products.

So they went to their banks, relatives and friends and explained their idea. Many had money which they were willing to invest, but they didn't want to lose it. They wanted to know *exactly* what the factory was going to cost, *exactly* how it would operate, *exactly* what the prospects were for making a good profit. They asked many searching questions. Some of these questions Gabriel and Eugene could not, they found to their shame, answer. They had not thought and planned sufficiently.

Getting the Answers on Paper. In this period, while they were trying to get their business started, Gabriel and Eugene learned many things. But the chief thing that they learned is that it is not enough to have a good idea. The idea must be fully worked out and presented in writing, on paper, in such a way that people with money to invest will understand it, will find all their questions answered, and will be persuaded that the idea is a good one.

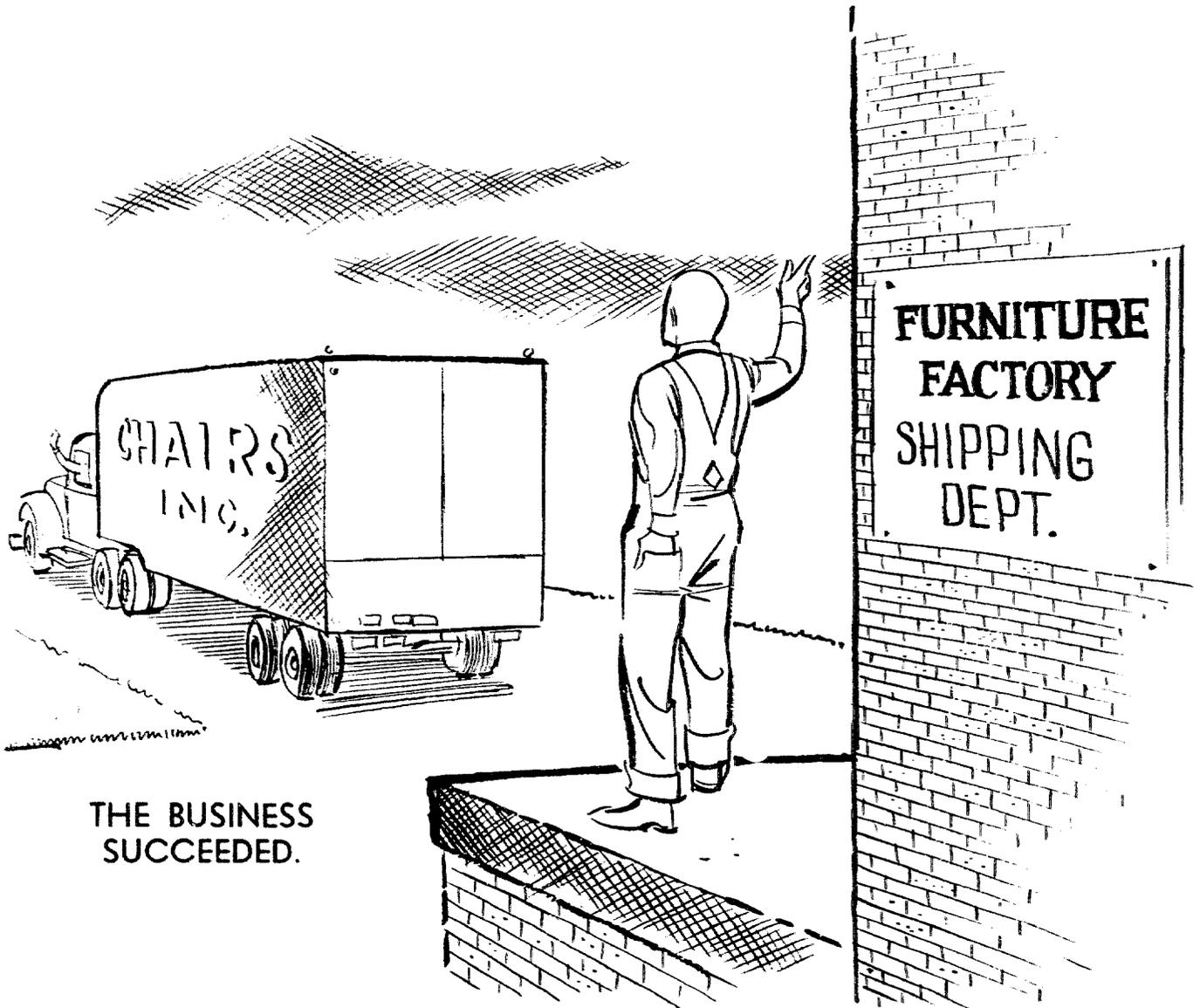


THEY PUT IT ON PAPER.

They also discovered that they could have saved much of their own time and energy, and the time of their friends, if they had tried to put their ideas on paper from the very beginning, instead of just talking about it. Set out on paper, in outline, an idea like this is called a preliminary statement. It is the first real step, an important step, in starting a new business.

The preliminary statement finally prepared by the two friends was a good one. The need for cheap but good machine-made furniture was obvious, once they had collected the facts. The factory could be built, the equipment could be obtained, and the wood was available. Gabriel and Eugene were known to be intelligent, hardworking, reliable and ambitious young men. Once their final prospectus was prepared properly, they were able to get the capital they needed.

From the beginning the business was a success. Starting with ten people, including the partners and office help, by the end of the second year they had fifty men working for them; five years later, they had more than a hundred. More furniture factories were built, competing with theirs, but Gabriel and Eugene did not mind; there was more than enough work for all, and competition kept them on their toes.



**THE BUSINESS
SUCCEEDED.**

A Preliminary Statement. Because each industry is different from other industries and each prospectus on a new factory must go into details, only the essential points of a prospectus based on the Endor-Dolamore case history are outlined. In each place where detail is required, the supporting document that is required is shown. Thus it will be seen that indications of markets may be based on government statistics, offers to buy, and conversations with potential customers and that all of these sources need to be given fully. Character should be covered by letters. Machinery should be explained by responsible firms. Production cost estimates should be made and checked. Figures should be prepared showing the financial status of the business well into the future, giving conservative assumptions for costs and prices.

A complete prospectus, supported by detailed documents, then may follow such an outline. The following paragraphs may be taken as the backbone of the complete prospectus submitted by Messrs. Endor and Dolamore that enabled them to get the necessary credit to start a woodworking plant.

Markets. Expansion in business and government offices, in hospitals and schools, and in small houses and apartments has led to an increasing demand for furniture. This increase has been reflected in furniture imports, which have climbed from a U.S. dollar figure of \$47,375 five years ago to \$228,521 last year.

No comparable figures are available for local production of furniture. The Avalian furniture industry is still a handicraft trade. The Ministry of Economics lists 1527 firms or individuals as engaged in cabinet making or wood working, but with the exception of two sawmills, no unit employs more than five people. Nearly all use hand tools. A rough estimate would place output of the industry at the equivalent of \$750,000 a year. While traditional design prevails, all local furniture is made to individual order.

Imported steel office desks sell for the equivalent of \$600 each, steel office chairs for \$50 to \$100. High freight costs and a tariff of 50% help account for these prices. By contrast, an office desk of the same size as the imported desk can be made from the beautiful local *Pendulosa* wood and sold profitably for about \$200. Arm chairs can be made to sell for \$25, and straight chairs for less than \$10.00. A number of such chairs and desks have been made by local craftsmen and have proven satisfactory to customers. A personal inquiry to the heads of eight business houses that have recently expanded their offices reveals the fact that six of these houses would have bought local furniture if it had been available for delivery.

NOTES ON INTERVIEWS CONDUCTED BY GABRIEL ENDOR

1. *William Ralier, Vice President, Merchants Discount Bank.* "When we furnished the second floor this year to have more clerical space and conference rooms, we wanted the finest local furniture. But we could not be assured that the wood would be cured properly and would not crack. So we reluctantly bought steel furniture. If you are ready to give us good wooden furniture, we'll buy it from you the next time we expand. We are planning a further expansion now, so we'll be in the market soon."
2. *Hernando Filamonte, managing director, La Esmeralda cotton textile mill.* "This new office of ours, as you see, has all steel furniture. Frankly, I don't like it. It works all right, but is cold and to me it's unattractive. We will be setting up a branch office in Porto Rondo next year, and I hope you'll be able to supply us with wooden furniture at that time. If you are, I have a mind to sell this stuff, too, and refit with local furniture."
3. *Abdul Nasro, senior partner Nasro and Company, piece goods importers.* "Our office is right here at the back of the shop, but still we need proper furniture. I got rid of an old oak desk because splinters used to get in the samples spread out on it. But with a properly finished desk of Pendulosa wood, that shouldn't happen. I'd buy such a desk and several chairs, if you had them."
4. *Luigi Gramont, building superintendent, Mercantile Exchange Building.* "Last year when we were completing this new office building, many of the tenants came to us and asked where they could get furniture for their offices. We had to suggest imported steel furniture because we knew they could not get local furniture for many months. Our syndicate is going to put up another building across the square next year. If you are ready by that time, I will be glad to recommend your furniture to our tenants there."

Republic of Avalia
Department of Education

Agregia, May 5, 195.....

Dear Mr. Endor:

This is to confirm our conversation in regard to the school chairs we have been seeking.

This Department wishes to purchase 1200 sturdy wooden chairs for the use of school children. Each chair must have a broad arm to serve as a writing surface and the legs must be strongly cross braced as in the drawing I showed you.

We believe that these chairs, in the quantity we desire, can be produced at a price of \$11.75 apiece. We are prepared to issue an order at this price to a responsible manufacturer who will supply us. We will assure prompt cash payment upon delivery of acceptable chairs in lots of 50 or more within three months of our placement of the order.

Yours truly,
(signed) Samuel Sirine
Chief of Procurement

THE EMPORIUM
Plaza of the Republic
Agregia

May 10, 195.....

Dear Mr. Endor:

This will express formally our desire to offer to our public a line of straight household chairs such as you propose to supply.

These chairs, made to the design and specifications we are agreed upon, should sell in our store for not more than \$10. I suggest \$9.75 a piece as a good price. We would expect to buy these from you in quantities at a 40% discount, making a price to you of \$5.50 a piece. We would expect a further discount of 2% for payment within 15 days of delivery.

Since we have a large trade in draperies, floor coverings and kitchenware, I expect that our public will welcome your chairs. We plan to advertise them in our newspaper space and will display them in our windows. I estimate that we will be able to move at least 50 a week on an average. Our first order to you, when you are ready to name a delivery date, will be for 100, and we will re-order as necessary thereafter.

Yours truly,
for "The Emporium"
(signed) George Magma
Managing Partner

Management. Gabriel Endor, age 31, married, 3 children, a native of Agregia. He entered the house of Bornefelter & Co. at the age of 18 as a salesman of piece goods to retail shops. In recent years he has handled certain imported plumbing and kitchenware lines which his firm represents in Avalia. He has a wide acquaintance in the business community and in governmental circles.

Eugene Dolamore, age 29, married, one child, a native of Estandia, a farming community fifty miles from Agregia. He studied mechanical engineering abroad for two years. Since returning to Avalia, he has been engaged in construction work on his family's ranch near Estandia.

Mr. Endor would spend most of his time at sales while Mr. Dolamore will devote his time to production.

Three skilled cabinet makers have already assured Mr. Dolamore that they would be prepared to join the enterprise as working foremen.

BORNEFELTER & CO.
Established 1893
15 Avenue of the Palms
Agregia

May 29, 195.....

Dear Gabriel:

Although I am sorry to see you leave us, I am glad to give you a reference, and I wish you well in your venture, which I am sure will succeed.

Please feel free to refer to me any people who may wish to know about your business background with us. As you know, it has been satisfactory in every way. I am confident that you have acquired the necessary business experience to do well on your own.

Yours sincerely,
(signed) A. J. Zildor

Chamber of Commerce of Agregia
Bazaar Building

May 18, 195.....

To Whom It May Concern:

Mr. Gabriel Endor has been known to me for the past seven years. He has been active in the business life of this city and is well and favorably known to many members of this organization.

Yours truly,
(signed) Gregory Amsten
Executive Secretary

Avalia Bottling Works

Office of the President

Agregia, May 2, 195.....

Dear Mr. Dolamore:

I am pleased to be a witness to your technical skill. When our big bottle washing machine broke down last year, I thought we would have to get an engineer from abroad to fix it. But you managed to get it in working order again in a few days, and it has been operating perfectly since. The men in the works here are all great admirers of yours. The bottle inventory system you established at the time you worked on our machine has saved everybody trouble. I wish you the best of success.

Yours sincerely,
(signed) Sigismund Reefer

Mt. Mackoline Quarry Corporation
Estandia, Avalia

May 10, 195.....

Dear Eugene:

Your new venture should make good use of the technical institute knowledge you acquired abroad. It was a pleasure to work with you when you were here on those building jobs, because you understood our production problems as well as your own. I'll never forget how you got our donkey engine going again when the foreman thought it was broken for good.

All best wishes to you.

Yours sincerely,
(signed) Simon Ontoly,
Resident Manager

Great Eastern Bank
Resources in Excess of \$20,000,000

Agregia, May 20, 195.....

Dear Mr. Endor:

I am glad to testify to our acquaintance and to assure you that any inquiry addressed to us regarding you will be answered to the best of our ability. We hope that we may be able to serve you in the business venture you are contemplating.

Yours truly,
(signed) F. K. Diltone

Danton Brothers
P. O. Box 861, Agregia

Cables: Dantobro

May 2, 195.....

Dear Eugene:

I am glad to know that you and Gabriel are now definitely decided on going into business together and that we may share with you to a limited extent in your capital. By all means refer to me anyone who may want to know more about your character and resources.

Yours sincerely,
(signed) Uncle Manfred

Equipment and Building. The equipment required for a plant that could produce economically a wide range of products is as follows:

- 1 band saw
- 2 circular bench saws
- 1 planer
- 2 jointers
- 1 lathe
- 1 drill press, equipped for mortising, etc.
- 2 spray guns and accessories

This equipment, complete with motors, will cost about \$10,000 delivered in Agregia and installed in the plant.

A simple shed-type earth-floor building of about 5,000 square feet will be required. This will allow sufficient space for storage of materials and work in progress. The cost of this building, including machine foundations and wiring, should not exceed \$10,000.

International Machinery Company
Offices in Major Cities

Representative for Avalia: R. L. Jenkins
Mr. Eugene Dolamore
Estandia

Agregia, May 2, 195.....

Dear Mr. Dolamore:

Following our conversations, this is to confirm that we can supply the following equipment you require for your proposed woodworking plant; 1 handsaw, 2 circular bench saws, 1 planer, 2 jointers, 1 lathe, 1 drill press, 2 spray guns and accessories. I have sent to the home office for extra catalogue sheets on all these items and will forward them to you as soon as they arrive.

From the notes made during our conversation, I can now quote you a price of \$9,332.16 for this equipment delivered in Agregia at your plant. One of our factory men will be glad to come to Avalia when you have received the equipment and to help you in the installation of it. He could come for ten days and the total cost of his trip, which we would expect you to pay, will come to about \$800. We will make no charge for his time.

Yours truly,
(signed) R. L. Jenkins

International Machinery Company
Offices in Major Cities

Representative for Avalia: R. L. Jenkins
Mr. Eugene Dolamore
Estandia

May 15, 195.....

Dear Mr. Dolamore:

We have checked your calculations on the production of 100 straight chairs, 25 armchairs, and 5 desks in a two-week period and believe they are realistic.

We should point out, however, that at this rate of production you will not be using the full capacity of the equipment you are contemplating. We believe you can get at least twice as much production with the layout we have designed, and we assume that you expect to use this capacity as your orders expand.

Yours truly,
(signed) R. L. Jenkins

Lester Grockel and Son
Building Contractors

May 20, 195.....

Dear Mr. Dolamore:

You want a building 40 feet wide and 125 feet long. We can build that with wooden uprights and trusses 25 feet apart. We would cross-brace the uprights and run stringers to hold the roof. We would cover the roof and sides with corrugated iron and leave a space above the sides for ventilation. This building will cost you \$8,000. We want a down payment on taking the job and progress payments every two weeks after the material is on the site. After the material arrives, construction should take about ten weeks.

We can provide concrete bases for eight machines for \$400. Wiring, from the meter outside the building to the machines, as well as a lighting circuit, should come to about \$1500.

Yours truly,
(signed) Lester Grockel

Materials. While wood is not abundant in Avalia, there are some fine furniture grades and a relatively small amount of timber will provide a great deal of furniture. The plant would get its supplies in the form of rough cut boards from the sawmills mentioned earlier.

This is green lumber and would have to be held three months for drying. Delivery would be by truck from sawmill to plant and payment would be expected within 30 days of delivery. Materials would be in process for an average period of one month. Delivery to customers would be by truck.

Riflin Lumber Company

May 8, 195.....

Dear Mr. Dolamore:

We can supply green lumber as follows:

Pedulosa	\$0.18	board	foot
Ash	\$0.12	"	"
Gum	\$0.08	"	"

We will not deliver less than 5,000 board feet at one time at these prices, but the order can be mixed. These are prices delivered at your plant in Agregia.

Yours truly,

(signed) Abner Riflin

Raymond Cortin

Can supply Pedulosa and Gum, but Ash is hard to get here. You must send truck to pick up what you want. Pedulosa fifteen cents a board foot, Gum six cents.

Read and initialled: R. C.

(Note: Mr. Cortin does not have any letterheads at his sawmill, so the above comments were read to him and he initialled them. Cost of hired truck with two men for two days to fetch this lumber would be about \$50.)

Finance. Messrs. Endor and Dolamore are prepared to put \$30,000 into the furniture business. They seek aid in financing their building and equipment. They will also need help in working capital. Since they will be capable of producing about \$100,000 worth of products, they may need as much as \$20,000 in working capital to carry materials and goods in process and goods delivered. Some large customers may make down payments with orders and banks may carry some of the peak inventory, but still the working capital problem is serious if an adequate stock of seasoned wood is to be carried.

Messrs. Endor and Dolamore have worked out schedules of estimated production costs which were carefully checked by International Machinery Company. These show that with a building to cost \$10,000, machinery and equipment costing approximately the same amount and working capital of not to exceed \$30,000 they should be able to produce in the first year 2600 straight chairs, 500 arm chairs and 130 desks which, if sold at gross prices (before discounts, salesmen's commissions, etc.) of \$9.75, \$20.00 and \$200.00 respectively should yield a profit of approximately \$10,000. The detailed figures are naturally confidential but they will be readily made available to any responsible person interested in investing in the business.

This production could be increased in the second and subsequent years without additional equipment and it is anticipated that such will prove the case.

Messrs. Endor and Dolamore have worked out a table of anticipated annual income and expense, and an anticipated balance sheet.

1. *Income and Expense for a Year*

Gross Income at rate shown in cost estimates—Rate I		\$45,000
Gross Income at twice this rate—Rate II		\$90,000
<i>Expenses</i>	<i>Rate I</i>	<i>Rate II</i>
Materials	\$ 5,000	\$10,000
Labor	5,000	10,000
Overhead & administrative salaries	15,000	20,000
Equipment (20% amortization)	2,000	2,000
Building (10% amortization)	1,000	1,000
Interest on loans	3,600	4,800
	<hr/>	<hr/>
	\$31,600	\$47,800
Profit before taxes	\$13,400	\$42,200
Taxes at 20%	2,680	8,440
	<hr/>	<hr/>
Net profit	\$10,720	\$33,760

2. *Balance Sheet at end of Year*

	<i>Rate I</i>	<i>Rate II</i>
<i>Assets</i>		
Cash	\$10,000	\$20,000
Receivables	4,000	8,000
Raw materials (4 months supply)	2,000	4,000
Work in process	1,000	2,000
Inventory	1,000	2,000
Equipment	10,000	10,000
Building	10,000	10,000
	<hr/>	<hr/>
	\$38,000	\$56,000
<i>Liabilities</i>		
Payable to trade creditors	\$ 2,000	\$ 4,000
Bank loans	10,000	20,000
Taxes accrued	2,200	7,600
Due on machinery (over three years)	6,000	6,000
Due on building (over nine years)	9,000	9,000
Partner's interest	8,800	9,400
	<hr/>	<hr/>
	\$38,000	\$56,000