

# **PROJECT PROFILE**

ON

## **COMPUTER DATA ENTRY**

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## INTRODUCTION

Data in its most useful form is well presented and informative. This is what data processing aims to do. Global corporations with their large numbers of customers, products, dealers, affiliates, and shareholders are finding that their data processing needs are ever-growing and adding to operational overheads. Outsourcing data processing to India provides cost-effective, reliable solutions to the day-to-day running of a business.

A few years ago, data processing was as simple as entering data into a computer. However, the digital revolution has changed this definition. The scope and range of processing have grown and will continue to grow.

Equally diverse is the input-output media and software used in the processing. Since India has become a leader in providing these services to companies around the globe, Indian companies have become skilled enough in managing this diversity.

**Data processing** services include extracting data off the Internet and entering it into an excel spreadsheet, editing and tagging digital photos, online monitoring of competitor pricing and much more. The range also includes more typical services like converting and processing printed documents, forms, vector plans, maps and so on.

## Specific projects and services that can be outsourced

- **Data mining** refers to entering foreign language directories into a database manually; entering product descriptions from hard copy catalogues to online client web based system and categorizing comments for coding and for converting them to XML or analysis.

- **Form Conversion** refers to conversion from paper to electronic form like converting data from PDF files to Excel format.
- **Data capture** refers to scanning paper documents and converting them to electronic format.
- **Legal Document** preparation and organization.
- **Digitizing** courthouse records and extracting property legal descriptions for title companies.
- **Form processing** using OCR or manually if necessary.
- **Data Extraction** from a variety of sources with or without extraction software

Data Entry is a process of entering basic data into a computer system. In this case, Data Entry is considered as a separate project by which industries, institutions and other corporate entrust the data entering process as a job work. This saves their in house and expensive resources for their own more meaningful usage and helps them save computer time and cost. The data entry work is normally entrusted to job workers and through floppy discs / CD-ROM, the data is brought back. Sometimes, the customers need print-outs of the data entered. Since voluminous data has to be processed in all leading institutions and corporate, there is a good potential for setting up data entry centres. The data entry jobs can be started on a tiny scale also.

## **PRODUCT SPECIFICATION & USES**

The data entry jobs are wide and varied in nature. The jobs can be classified as:

- a. Share applications
- b. Financial Statements
- c. Applications processing for recruitment
- d. Dividend warrants
- e. Inventory Statements
- f. Word Processing
- g. Units Applications

- h. Directory information
- i. Address data saves
- j. Yellow Pages

The charges are collected as per data basis or per page basis.

## **MARKET POTENTIAL**

India has made rapid strides in telecommunications and internet connectivity in the past few years. India has matured as an outsourcing destination and well-established outsourcing service providers have global-class buildings and infrastructure with back-up generators, fiber-optic connectivity and 24x7 support.

When one outsources to India, one can expect a **quality of service** that is on par with any Western company. In fact, because such a large volume of work is being done in India, sometimes our skills surpass those of many international companies.

### **Some data processing trends are:**

- Usage of various **software programs** to speed up processing.
- Much of the processing work is done **online**.
- There is a big movement in India to increase **data security**.
- Data entry from product catalogs to web based systems
- Data entry from hard/soft copy to any database format
- Insurance claims entry
- PDF document indexing

### **Online Capture Services**

- Data entry from images
- Online order entry and follow up

**Creation of new databases** and updates to existing databases for banks, airlines, government agencies, direct marketing services and service providers

- Web based indexed document retrieval services, tools and support
- Mailing lists
- Data mining and warehousing
- Data Cleansing
- Audio Transcriptions
- Legal Documentation
- Indexing of vouchers and documents
- Hand written ballot/cards entry
- Online completion of surveys and responses of customers for various companies, at call centers
- E-book and e-magazine publications on the internet
- Hospital records, patient notes and accident reports
- Business card indexing
- Custom data export/import interfaces with audits
- Bonded mail handling Cash, credit and check processing

In the domestic market also there is good scope for data entry. The requirement of data entry jobs arises because of repetitive nature of jobs in computer data processing. Several existing companies who are going in for computerisation need data entry jobs. Similarly new concerns also require data entry. The user industries where computerisation takes place have been growing well all over these years.

With stock markets in a state of flux and stagnating industrial output, Indian industry is looking to the Government for rapid implementation of second generation economic reforms. These are considered critical in the areas of labour, infrastructure, financial services and agriculture as well as privatisation of the public sector. A push in these sectors is expected to help boost economic growth from the present level of 5-6 per cent to 8-9 per cent annually over the next few years.

Considering the expected growth in all sectors of the economy the data entry jobs also will gain momentum.

## **TECHNICAL ASPECTS**

### **INSTALLED CAPACITY**

The Data Entry unit envisaged in this project is with 2 computers. The computer time to be used is 24 hours each on three shifts basis. The unit will work for 300 days in a year.

The unit's nature of data entry is divided in two forms namely 1) based on number of entries 2) Kilo bytes of data entry from a text. It is assumed that for data entry an average rate of 75 ps. per entry and Rs.7.50 per kilo bytes. The capacity at 100% utilisation will be as under.

No. of entries 360 entries per hour x 16 hours x 300 days	[Income p.a]
= 1728000 entries @ Re.0.75 per entry	1296000
Work Process text – 18 kilo bytes per hour x 16 hours x 300 days	
= 86400 kilo bytes @ Rs.7.50 per kilo byte	648000
<b>Total</b>	<b>1944000</b>

## **MACHINERY & EQUIPMENT**

The following items of machinery & equipments are required.

	<b>Item</b>	<b>Value Rs. lakhs</b>
a.	Pentium – 2 Nos.	0.60
b.	UPS	0.05
d.	Lazer Printer	0.06
e.	Inkjet Printer	0.04
f.	Misc. items	0.05
g.	Software	0.30

	<b>Total</b>	<b>1.10</b>
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## **LAND & BUILDING**

The total area required to start a data entry unit is about 500 sqft. This can be arranged on rental basis. The monthly rent is assumed at Rs.10000. An advance of Rs.100000 is provided.

## **MATERIALS:**

The Materials required for data entry operations are consumables such as floppy disc drives, stationery etc. These can be procured locally from dealers.

## **UTILITIES**

### **POWER:**

The power requirement for operating computers and accessories is domestic power connection.

### **WATER:**

Water is required only for human consumption.

### **MAN POWER:**

The operators are readily available.

<b>Category</b>	<b>Nos.</b>	<b>Monthly</b>	<b>Total</b>
Computer Operators	4	6000	24000
Supervisors	1	8000	8000
Office Boy	2	4000	8000
<b>Total</b>			<b>40000</b>
Add : 20% benefits			8000
			48000
Total salary per annum (Rs.lakhs)			Rs.5.76 lakh

## **IMPLEMENTATION SCHEDULE**

If financing arrangements are made, the project can be implemented within one month period.

## **ASSUMPTIONS**

- The Installed capacity of the unit is assumed at 1728000 entries per annum and work process text at 86400 kilo bytes per annum at 100% utilisation. During first 60% capacity utilisation is assumed, This will be increased to 70% and 80% in subsequent years.
- The rate charged is Re.0.75 per entry. This works out to Rs.12.96 lakhs per annum. The rate charged for work process text is Rs.7.50 per kilo byte, this works out to Rs.6.48 lakhs per annum at 100% capacity utilisation
- Cost of consumables is estimated at Rs.1.08 lakhs per annum at 60% capacity utilisation.
- Rent is assumed at Rs.1.20 lakh per annum.
- Power charge is estimated at the current rate, which works out to Rs.0.30 lakh per annum. (Rs. 2.500 per month)
- Wages & Salaries are estimated at Rs.5.76 lakhs per annum as per the breakup given above with annual increase of 5%.
- Repairs & Maintenance is estimated at Rs. 0.24 lakh per annum Rs.2000 per month with annual increase of 5%.
- Depreciation is calculated on WDV method at 10% plant on equipment.



- Selling, General & Adm. expenses is Rs. 0.24 lakh per annum Rs.20000 per month, which includes sales promotional expenses and Administrative expenses such as office expenses etc. with annual increase of 5%.
- Interest on Term Loan borrowing is estimated at 12%.p.a.
- Income tax is provided at 33.22% on taxable income.

## **LIST OF MACHINERY SUPPLIERS**

1. M/s.Wipro Infotech Ltd., No.85, TTK Road, Chennai 600 018.
2. M/s.CCS Infotech Ltd., III floor, No.18-A, Periyar Road, T.Nagar, Chennai - 17.

## **SEVERAL OTHER COMPUTER MANUFACTURERS AND DEALERS**

### **COMPUTER PERIPHERALS**

1. M/s. Surya Peripherals, 5, 1<sup>st</sup> Floor, No.83, TTK Road, Alwarpet, Chennai 600 018
2. M/s. Pacific Micro systems Pvt. Ltd., No.16, IInd floor, 141 Eldams Road, Teyanmpet, Chennai 600 018.

## **ADDRESS OF RAW MATERIALS SUPPLIERS**

Items like computer consumables, floppies, and stationery items can easily be procured from various dealers in the local market.

## FINANCIAL ASPECTS

### 1. COST OF PROJECT

	[Rs. lakhs]
Building (Advance)	1.00
Equipments	1.10
Other Misc. assets	0.20
Pre-Operative expenses	0.30
Working Expenses	0.10
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	2.70

### 2. MEANS OF FINANCE

Capital	1.87
Term Loan	0.83
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	2.70

### 3. COST OF PRODUCTION & PROFITABILITY STATEMENTS

Years	1	2	3
Installed capacity			
No. of entries per annum (360 entries/hour x 16 hr.x 300 days)	1728000	1728000	1728000
Work process text (kilo bytes) (18 KB/hour x 16 hr.x 300 days)	86400	86400	86400
Occupancy/Utilisation	60%	70%	80%
No. of entries p.a.	1036800	1209600	1382400
No. of KB of text	51840	60480	69120
Rates			
- Entries	Rs.0.75	per entry	
- Work process text	Rs.7.50	per KB	
Income from Entries --- > (A)	7.78	9.07	10.37
Income from WPT ---> (B)	3.89	4.54	5.18

Income per annum (Rs. lakhs) [A+B]	11.67	13.61	15.55
Computer consumables - Stationery	1.08	1.13	1.19
Rent	1.20	1.26	1.32
Electricity	0.30	0.32	0.34
Salaries	5.76	6.05	6.35
Repairs & Maintenance	0.24	0.25	0.26
Depreciation	0.11	0.10	0.09
Selling, Admin, & General expenses	2.40	2.52	2.65
Interest on Term Loan	0.10	0.09	0.06
Total expenses	11.19	11.72	12.26
Profit Before Tax	0.48	1.89	3.29
Provision for tax	0.00	0.00	0.78
Profit After Tax	0.48	1.89	2.51
Add: Depreciation	0.11	0.10	0.09
Cash accruals	0.59	1.99	2.60

#### 4. PROFITABILITY RATIOS BASED ON 80% UTILISATION

$\frac{\text{Profit after Tax}}{\text{Income}}$	$\frac{2.51}{15.55}$	16%
$\frac{\text{Profit before Interest and Tax}}{\text{Total Investment}}$	$\frac{3.35}{2.70}$	124%
$\frac{\text{Profit after Tax}}{\text{Promoters Capital}}$	$\frac{2.51}{1.87}$	134%

#### 5. BREAK EVEN LEVEL

Fixed Cost (FC):

	[Rs.lakhs]
Wages & Salaries	6.35
Rent	1.32
Repairs & Maintenance	0.26
Depreciation	0.09
Admin. & General expenses	2.65
Interest on TL	0.06
	<u>10.73</u>

Profit Before Tax (P)

3.29

$$\text{BEL} = \frac{\text{FC} \times 100}{\text{FC} + \text{P}} = \frac{10.73}{10.73 + 3.29} \times \frac{80}{100} \times 100$$

61% of installed capacity