



MoDKa Electronic book library

Bringing youths back to books

Presenters

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Order of presentation

- Introduction
- Problem and solution
- Market and customers
- Competition
- Calculation of investments
- Total costs
- Self costs
- Price definition
- Cash flow and return on equity(10 years)
- Conclusion

Introduction

Idea: electronic library – stationary and rentable

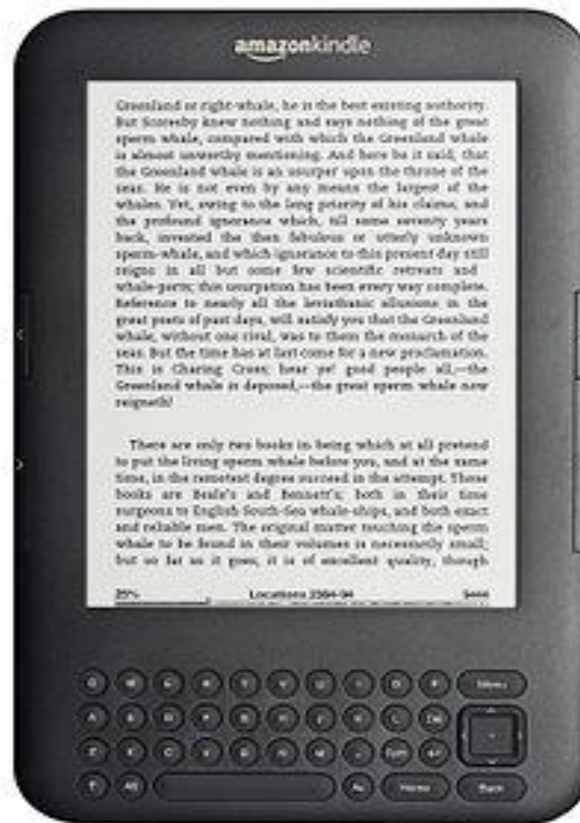
- Some important details on various subjects, topics and case studies are only found in books and special magazines and newspapers
- The number of books needed for standard referencing increase yearly
- In Cameroon, most libraries are not well equipped because of the high shipping and storage costs
- 21st century concepts:
faster, lighter, smaller, easier and affordable

Problem

- The interest in carrying these books around the “constantly moving world” is reducing drastically
- Cameroonian libraries need cost-effective ways of acquiring the necessary number of books, magazines and reference articles especially for schools and universities
- Libraries on the other hand have to be modernised, so that the youth can be drawn back to books

Solution

- Electronic books on electronic book readers



Market and customers

- Bamenda, Cameroon. Population of about 269,530
- Almost all children between ages of 10 and 14 years go to school
- Numerous secondary and vocational schools and colleges.
- Numerous schools of higher education
Bamenda University of Science & Technology,
Catholic University of Cameroon-Bamenda, St.
Thomas Aquinas Regional Major Seminary e.t.c.
- Adult literacy rate: > 70%

Competition

- **British council Library, Bamenda**
Books and games for kids
Novels for youths
- **Bookshops**
New school text books
Second hand school text books
Second hand magazines and Newspapers
- **Exchange stores**
Exchange of school books “in-hand” with “needed” school books

Competitive Advantage

Advantages of an electronic book library

- Number of books
- Range of books and subjects
- Weight and size advantage
- Storage costs
- Personnel costs
- Timesaving

Calculation of investments

| investment and depreciation | | | |
|---------------------------------|------------------|------------|------------------|
| investment goods | Expenditure in € | Depr. in % | Depr. Costs in € |
| Rents | 1832 | 0 | 0 |
| registration of business | 3108 | 0 | 0 |
| Electricity | 16427 | 4 | 657 |
| Additional charges (Water, ...) | 916 | 2 | 18 |
| E-book reader | 83600 | 20 | 16720 |
| E-book purchase | 3500000 | 0 | 0 |
| EAS-security system | 2300 | 20 | 460 |
| Transport equipment | 10000 | 20 | 2000 |
| Forniture | 4641 | 10 | 464.1 |
| Unforeseen | 1527 | 0 | 0 |
| Total expenditure: | 3624351 | | |
| Total depreciation: | | | 20319.5 |

Calculation of costs

- **Personnel**

3 Partners

6 trained staff

2 guards

1 cleaner

1 driver

- **Furniture**

- **Security**

Total costs

| investment goods | Expenditure in € |
|-------------------------------|-------------------------|
| labour costs | 85727 |
| administrative costs | 2748 |
| marketing costs | 1527 |
| | |
| Total investment: | 3714353 |
| 10% own capital: | 371435.3 |
| 90% outside financing: | 3342917.7 |

Financing costs

| Year | Balance of debt | interest rate in % | interest costs paid p.a. | paying back loan p.a. |
|----------------------------|-----------------|--------------------|--------------------------|-----------------------|
| 1 | 3342917.7 | 11 | 367720.95 | 334291.77 |
| 2 | 3008625.93 | 11 | 330948.85 | 334291.77 |
| 3 | 2674334.16 | 11 | 294176.76 | 334291.77 |
| 4 | 2340042.39 | 11 | 257404.66 | 334291.77 |
| 5 | 2005750.62 | 11 | 220632.57 | 334291.77 |
| 6 | 1671458.85 | 11 | 183860.47 | 334291.77 |
| 7 | 1337167.08 | 11 | 147088.38 | 334291.77 |
| 8 | 1002875.31 | 11 | 110316.28 | 334291.77 |
| 9 | 668583.54 | 11 | 73544.19 | 334291.77 |
| 10 | 334291.77 | 11 | 36772.09 | 334291.77 |
| Total interest paid | | | 2,022,465 € | |
| Total repayment | | | | 3,342,918 € |

Self costs

| | costs per year | | |
|---------------------------|------------------|------------------|------------------|
| | year 1 | year 2 | year 3 |
| Library cards for L.P* | 5% | 6% | 7% |
| | 9434 | 11320 | 13207 |
| E-book readers to let | 750 | 800 | 850 |
| E-book readers in library | 250 | 250 | 250 |
| Total: | 1000 | 1050 | 1100 |
| costs | | | |
| depreciation costs | 20,320 € | 21,156 € | 21,992 € |
| financing costs | 367,721 € | 330,949 € | 294,177 € |
| labour costs | 85,727 € | 85,727 € | 85,727 € |
| utilities costs | 4,275 € | 4,275 € | 4,275 € |
| total costs: | 478,042 € | 442,106 € | 406,170 € |

L.P* = literate population of Bamenda (70%); Population of Bamenda = 269530

Self costs

self costs for 10 years

| year | Library cards for L.P. | depreciation costs | financing costs | labour costs | utilities costs | sum of costs |
|------|------------------------|--------------------|-----------------|--------------|-----------------|--------------|
| 1 | 9434 | 20,320 € | 367,721 € | 85,727 € | 4,275 € | 478,042 € |
| 2 | 11320 | 21,156 € | 330,949 € | 85,727 € | 4,275 € | 442,106 € |
| 3 | 13207 | 21,992 € | 294,177 € | 85,727 € | 4,275 € | 406,170 € |
| 4 | 15094 | 22,828 € | 257,405 € | 85,727 € | 4,275 € | 370,234 € |
| 5 | 16980 | 23,664 € | 220,633 € | 85,727 € | 4,275 € | 334,298 € |
| 6 | 18867 | 24,500 € | 183,860 € | 85,727 € | 4,275 € | 298,362 € |
| 7 | 18867 | 25,336 € | 147,088 € | 85,727 € | 4,275 € | 262,426 € |
| 8 | 18867 | 26,172 € | 110,316 € | 85,727 € | 4,275 € | 226,490 € |
| 9 | 18867 | 27,008 € | 73,544 € | 85,727 € | 4,275 € | 190,554 € |
| 10 | 18867 | 27,844 € | 36,772 € | 85,727 € | 4,275 € | 154,618 € |

Price definition and turnover

Year one

- 1000 E-book readers – 1400 books per E-book reader
- 250 E-books for the library
- 750 E-books to be rented by universities and schools

Prices

- One library card p.a. = 18.32 €
- One e-book reader p.a. = 1025.95 €

Turnover / revenue

| year | library cards | | turnover - cards | E-readers | turnover - Readers | total revenue |
|------|---------------|-------|------------------|-----------|--------------------|-------------------|
| 1 | 5% of L.P | 9434 | 172828.40 | 750 | 769465.65 | 942294.05 |
| 2 | 6% of L.P | 11320 | 207394.08 | 800 | 820763.36 | 1028157.44 |
| 3 | 7% of L.P | 13207 | 241959.76 | 850 | 872061.07 | 1114020.82 |
| 4 | 8% of L.P | 15094 | 276525.44 | 900 | 923358.78 | 1199884.21 |
| 5 | 9% of L.P | 16980 | 311091.11 | 950 | 974656.49 | 1285747.60 |
| 6 | 10% of L.P | 18867 | 345656.79 | 1000 | 1025954.20 | 1371610.99 |
| 7 | 10% of L.P | 18867 | 345656.79 | 1050 | 1077251.91 | 1422908.70 |
| 8 | 10% of L.P | 18867 | 345656.79 | 1100 | 1128549.62 | 1474206.41 |
| 9 | 10% of L.P | 18867 | 345656.79 | 1150 | 1179847.33 | 1525504.12 |
| 10 | 10% of L.P | 18867 | 345656.79 | 1200 | 1231145.04 | 1576801.83 |

Cash flow

| | year 1 | year 2 |
|---------------------------|---------------------|---------------------|
| turnover revenue | 942,294 € | 1,028,157 € |
| depreciation costs | 20,320 € | 21,156 € |
| financing costs | 367,721 € | 330,949 € |
| labour costs | 85,727 € | 85,727 € |
| utilities costs | 4,275 € | 4,275 € |
| loss carried forward | | 0 € |
| profit before tax | 464,252 € | 586,051 € |
| Taxes (38.5%) | 178,737 € | 225,630 € |
| profit after taxes | 285,515 € | 360,421 € |
| Cash-flow | 305,834 € | 381,577 € |
| repayment credit | 334,291.77 € | 334,291.77 € |
| dividend | -28,457.54 € | 47,285.15 € |

Cash flow

| year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| turnover revenue | 942,294.0 € | 1,028,157.4 € | 1,114,020.8 € | 1,199,884.2 € | 1,285,747.6 € | 1,371,611.0 € | 1,422,908.7 € | 1,474,206.4 € | 1,525,504.1 € | 1,576,801.8 € |
| depreciation costs | 20,319.5 € | 21,155.5 € | 21,991.5 € | 22,827.5 € | 23,663.5 € | 24,499.5 € | 25,335.5 € | 26,171.5 € | 27,007.5 € | 27,843.5 € |
| financing costs | 367,721.0 € | 330,948.9 € | 294,176.8 € | 257,404.7 € | 220,632.6 € | 183,860.5 € | 147,088.4 € | 110,316.3 € | 73,544.2 € | 36,772.1 € |
| labour costs | 85,727.0 € | 85,727.0 € | 85,727.0 € | 85,727.0 € | 85,727.0 € | 85,727.0 € | 85,727.0 € | 85,727.0 € | 85,727.0 € | 85,727.0 € |
| utilities costs | 4,275.0 € | 4,275.0 € | 4,275.0 € | 4,275.0 € | 4,275.0 € | 4,275.0 € | 4,275.0 € | 4,275.0 € | 4,275.0 € | 4,275.0 € |
| loss carried forward | | 0.0 € | 0.0 € | 0.0 € | 0.0 € | 0.0 € | 0.0 € | 0.0 € | 0.0 € | 0.0 € |
| profit before tax | 464,251.6 € | 586,051.1 € | 707,850.6 € | 829,650.1 € | 951,449.5 € | 1,073,249.0 € | 1,160,482.8 € | 1,247,716.6 € | 1,334,950.4 € | 1,422,184.2 € |
| Taxes (38.5%) | 178,736.9 € | 225,629.7 € | 272,522.5 € | 319,415.3 € | 366,308.1 € | 413,200.9 € | 446,785.9 € | 480,370.9 € | 513,955.9 € | 547,540.9 € |
| profit after taxes | 285,514.7 € | 360,421.4 € | 435,328.1 € | 510,234.8 € | 585,141.5 € | 660,048.1 € | 713,696.9 € | 767,345.7 € | 820,994.5 € | 874,643.3 € |
| Cash-flow | 305,834.2 € | 381,576.9 € | 457,319.6 € | 533,062.3 € | 608,805.0 € | 684,547.6 € | 739,032.4 € | 793,517.2 € | 848,002.0 € | 902,486.8 € |
| repayment credit | 334,291.8 € | 334,291.8 € | 334,291.8 € | 334,291.8 € | 334,291.8 € | 334,291.8 € | 334,291.8 € | 334,291.8 € | 334,291.8 € | 334,291.8 € |
| dividend | -28,457.5 € | 47,285.1 € | 123,027.8 € | 198,770.5 € | 274,513.2 € | 350,255.9 € | 404,740.7 € | 459,225.5 € | 513,710.2 € | 568,195.0 € |
| Total dividend = 2,911,266.42 € | | | | | | | | | | |

Return on equity

| Equity | Dividend | Interest made on equity | |
|----------|-----------------|-------------------------|---------|
| 371435.3 | -28457.5 | -7.7% | year 1 |
| 371435.3 | 47285.1 | 12.7% | year 2 |
| 371435.3 | 123027.8 | 33.1% | year 3 |
| 371435.3 | 198770.5 | 53.5% | year 4 |
| 371435.3 | 274513.2 | 73.9% | year 5 |
| 371435.3 | 350255.9 | 94.3% | year 6 |
| 371435.3 | 404740.7 | 109.0% | year 7 |
| 371435.3 | 459225.5 | 123.6% | year 8 |
| 371435.3 | 513710.2 | 138.3% | year 9 |
| 371435.3 | 568195.0 | 153.0% | year 10 |

Conclusion

- Financially profitable business
- Advantageous to:
 - students, pupils - grades, general knowledge
 - parents and community
 - government - employment and literacy rates
- Potential growth
 - Regions, subjects, topics



Dutch proverb

Teachers die, but books live on



Thank you!