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NESTLE LTD.



INTRODUCTION

Nestlé S.A. (French pronunciation: [nɛslɛ]) is a multinational packaged food company founded and headquartered in Vevey, Switzerland, and listed on the SWX Swiss Exchange with a turnover of over 87 billion Swiss francs. It originated in a 1905 merger of the Anglo-Swiss Milk Company for milk products established in 1866 by the Page Brothers in Cham, Switzerland, and the Farine Lactée Henri Nestlé Company set up in 1866 by Henri Nestlé to provide an infant food product. The two world wars both affected growth: during the first, dried milk was widely used but the second war caused profits to drop by around 70%. However, sales of the instant coffee Nescafé were boosted by the US military. After the wars, growth was stimulated by acquisitions expanding its range and taking control of several well known brands, so they now include Maggi, Thomy and Nescafé that are known globally. It is the world's largest food company, with Kraft Foods being second

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Nestlé *Good Food, Good Life*

Type	Public (SIX: NESN)
Founded	Vevey , Switzerland (1866)
Founder(s)	Henri Nestlé
Headquarters	Vevey, Switzerland
Area served	Worldwide
Key people	Peter Brabeck-Letmathe (Chairman), Paul Bulcke (CEO)
Industry	Food processing
Products	Baby food, coffee, dairy products, breakfast cereals, confectionery, bottled water, ice cream, pet foods, more...
Revenue	CHF 109.9 billion (2008)
Operating Income	▲ CHF 15.68 billion (2008)
Profit	▲ CHF 18.04 billion (2008)
Total Assets	CHF 106.2 billion (2008)
Total Equity	CHF 54.92 billion (2008)
Employees	283,000 (2008)
Website	Nestle.com

VISION STATEMENT

The strategic priorities of Nestle Pak Ltd are focused on delivering shareholder value through the achievement of sustainable, capital efficient and profitable long term growth. Improvements in profitability will be achieved while respecting quality and safety standards at all times.

In line with this objective, Nestle Pak Ltd envisions to grow in the shortest possible time into the number one food company in Pakistan with the unique ability to meet the needs of consumers of every age group - from infancy to old age, for nutrition and pleasure, through development of a large variety of food categories of the highest quality.

Nestle Pak Ltd envisions the company to develop an extremely motivated and professionally trained work force, which would drive growth through innovation and renovation.

It aspires, as a respected corporate citizen, to continue playing a significant role in the social and environmental sectors of the country.

MISSION STATEMENT

Nestlé's mission is to provide the best food to people throughout the world.

OBJECTIVE

At the threshold of this new millennium, Nestlé's objective is to consolidate and strengthen its leading position at the cutting edge of innovation in the food area in order to meet the needs and desires of customers around the world, for pleasure, convenience, health and well being.

NESTLE CORE VALUES

"The Nestlé global vision is to be the leading health, wellness, and Nutrition Company in the world. Nestlé Pakistan subscribes fully to this vision".

In particular, Nestle envision to:

- Lead a dynamic motivated and professional workforce – proud of its heritage and bullish about the future.
- Meet the nutritional needs of consumers of all age groups – from infancy to old age, from nutrition to pleasure, through an innovative portfolio of branded food and beverage products of the highest quality.
- Deliver shareholder value through profitable long-term growth, while continuing to play a significant and responsible role in the social, economic and environmental sectors of the country.
- We have profitable and diversified high quality food and beverage product portfolio, delivering 60:40+ advantage to consumers, available across all sales channels.
- Our brands are the preferred choice in their categories. Consumer insight drives all aspects of our marketing and communication efforts.
- Our communications to the consumer are relevant, cutting-edge, and adhere to the highest standards of responsible communication.
- Our company is seen as the No. 1 career destination for talented, motivated and ambitious professionals.
- Our result-oriented organizational structure ensures effective communication and empowered self-management.

- Our milk collection and agri services will continue to play the primary role in development of the dairy sector in rural Pakistan.
- Our proactive innovation and renovation culture is the key to our success in the marketplace.
- Fully integrated systems (Nestlé Pakistan, suppliers, customers) ensure efficient business processes.
- Non-strategic activities and products are outsourced or discontinued.

HISTORY OF NESTLE LTD.



In the 1860s Henri Nestle, a pharmacist, developed a food for babies which saved a child's life. People quickly recognized the value of the new product, and soon, Farine Lactee Henri Nestle was being sold in much of Europe. In 1905 Nestle merged with the Anglo-Swiss Condensed Milk Company. By the early 1900s; the company was operating factories in the United States, Britain, Germany and Spain. World War I created new demand for dairy products in the form of government contracts. By the end of the war, Nestle's production had more than doubled. The 1920s saw Nestle's first expansion into new products, with chocolate the company's second most important activity. The end of World War II was the beginning of a dynamic phase for Nestle. Growth accelerated and companies were acquired. In 1947 came the merger with Maggi seasonings and soups. Crosse & Blackwell followed in 1960, as did Findus (1963), Libby's (1971) and Stouffer's (1973). The first half of the 1990s proved to be favorable for Nestle: trade barriers crumbled and world markets developed into more or less integrated trading areas. Since 1996 there have been acquisitions including San Pellegrino (1997), Spillers Pet foods (1998) and Ralston Purina (2002). There were two major acquisitions in North America, both in 2002: in July, Nestle merged its U.S. ice cream business into Dreyer's, and in August, a USD 2.6bn acquisition was announced of Chef America, Inc.

HISTORY OF NESTLE PAKISTAN LTD.

As a consequence of joint venture arrangement between Nestle S.A. of Switzerland and Milkpak Ltd. in 1988, the existing production facility of Milkpak in Sheikhpura became a part of Nestle Milkpak.

Name of products and the year in which they were produced is as follows:

YEAR	PRODUCTS PRODUCED
1981	Commenced operations as a producer of UHT Milk.
1988	Butter, cream, desighee under the brand name of MILKPAK and juice drinks under brand name FROST.
1990	NIDO, and CERELAC.
1991	LACTOGEN 1 & 2.
1992	Tea whitener EVERYDAY.

1994	MILO and NESLAC.
1995	MILO RTD.
1996	NESTLE PURE ORANGE JUICE.
1997	NESTLE WHEAT and two variants of POLO viz. strawberry and orange.
1998	SWEET TREETTS and addition of two flavors of POLO: Blackcurrant and Strong Mint. Flavored milks under the brand FRESH & FRUITY. NESTLE PURE LIFE.
1999	Fruit Drops and BUTTER SCOTCH.
2000	NESCAFE Frothe Orignal, followed by its two other flavors: Mocha and French Vanilla. NESTLE PLAIN YOGHOURT.

NESTLE IN PAKISTAN

Nestle has been serving Pakistani consumers since 1988. Nestle acquires 40% share in Milkpak. In 1990, Sheikhpura factory started the production of Nido Milk Powder Cereals. In 1992, Nestle took over Kabirwala plant and began to develop its Milk collection network. In 1996, Milkpak was renamed to Nestle Milkpak Ltd. This was again renamed to Nestle Pakistan in 2005.

NESTLE BRANDS

Quality is an essential ingredient in all the Nestle brands and also Nestle brands maintain nutritional balance in a fast pace world, that is why people around the globe choose Nestle brands. The detail of the Nestle brands is as follows.



- ❖ Baby foods (Nestle Cerelac, NAN)
- ❖ Breakfast cereals (Nestle cereals)
- ❖ Dairy products (Milkpak, Nido, Nespray, Nestle yoghurts, Everyday)
- ❖ Ice-creams (Movenpick, Dreyer's)
- ❖ Chocolate confectionery (Kit Kat, Smarties, Toffo)
- ❖ Beverages (Nescafe, Milo, Nestle juices)
- ❖ Food service (Nestle Jumbo Bottle)
- ❖ Prepared foods (Maggi, Powered Soups)
- ❖ Bottled water (Nestle Pure Life, Nestle Aquaral)
- ❖ Pet care (Pro Plan, Purine, ONE, Fancy Feast, Dog Chow, Cat Chow, Felix, Alpo)
- ❖ Pharmaceuticals (Ophthalmic drugs, lens-care solutions & optical surgical Instruments)



NESTLE MILKPAK



Rich, delicious and nutritious Milkpak standardized UHT milk that benefits from Nestle's expertise in bringing you the very best in health, wellness and nutrition. Milkpak is a trusted brand known throughout the country for its nutritious wholesome goodness and pure natural taste. To secure a happier and healthier future, support of a strong partner like Milkpak is needed.

One glass of Milkpak fulfills 20% Iron, 41% Calcium, 18% Vitamin A and 20% Vitamin C of your daily requirements as per Nutritional Reference Values, CODEX Alimentarius.



COMPETITORS

The main competitors of Nestle Milkpak are as follows,

- 1) Good Milk
- 2) Olpers Milk
- 3) Haleeb Milk

COMPETITIVE ADVANTAGE

Nestle Milkpak never compromises on quality. Nestle's products are available in every city and town. It is using the latest technology in its production units. Nestle makes milk powder of the surplus milk in winter and converts this milk powder into UHT milk in summer.

DEPARTMENTS OF NESTLE LTD.

RESEARCH & DEVELOPMENT

Nestle, the world's biggest food Group, is also a global leader in the industry with regard to Research & Development (R & D). Neither any other food company matches the R & D presence of Nestle nor any other food company dedicates so many human and financial resources to R & D: an international staff of 3,500 engaged in the search for innovative new products and the renovation of existing ones. Year after year, Nestle invest some 800 million Swiss Francs into R & D as a major driving force of its double strategy: to strengthen the Company's brands worldwide and to continue to support future long-term growth and competitiveness through innovation and renovation.

At the threshold of this new millennium, Nestle's objective is to consolidate and strengthen its leading position at the cutting edge of innovation in the food area, in order to meet the needs and desires of consumers around the world, for pleasure, convenience, health and well being.

MARKETING DEPARTMENT

The Marketing Department is responsible for all sorts of activities including the promotion, advertising and tools used for generating demand.

The Marketing Department is also responsible for arranging stalls and functions for the promotional and official reasons respectively. These stalls are conducted in different public places so that more of the people become aware of the importance of products that ensure quality. These stall activities remain active for around 4-5 days. Thus, in a month 4-5 such stalls are managed.

After a stall activity finishes, the person who conducted the stall activity has to report to their seniors about the response they received from the public and the number of new customers they have been able to attract during their stall activity.

HR DEPARTMENT

Nestle ensures that they have all the right people with the right skills, in the right places at the right time.

People in Nestle are the bedrock of all their business strategies, it is their mandate to enhance the skills of people in Nestle with cutting-edge training and provide them with world-standard facilities.

They select flexible, innovative people who are ready to confront new challenges and make a difference. Nestle's groundbreaking Management Trainee Programme aims to develop talented young men and women and help them achieve their potential in a dynamic and enabling environment.

Over a hundred people travel out of the country every year to take advantage of Nestle's international training and development events.

ACCOUNTING DEPARTMENT

Accounts department of Nestle maintains audited accounts of the business. It provides in time reports to Nestle Management and makes claims as per company guidelines & verifies data. Accounting department of Nestle also ensures efficient operations.

PRODUCT RANKING

Product ranking is the best tool for pitching the customers according to their respective income levels and it is used to know about the market for the particular product in which you are interested in supplying. Product ranking also gives you the opportunity to get the all kinds of customers who are willing to get or use your product but due to their purchasing power they cannot purchase your product.

BENEFITS OF PRODUCT RANKING

- **Profit Making Strategy**

By ranking your product you can earn more profit.

- **Market Share**

Product ranking gives you benefit to get the market share more effectively.

- **Holding Over Competitors**

It also gives the company to hold over their competitors by giving different qualities of the same products.

- **Pitching Different Customers**

It helps to pitch the customers of different group according to their respective income levels.

If a person wants to use a brand like Nestle which he/she cannot afford to buy so for this purpose the companies have to categorize their products according to customers with different salary ranges.

SALARY RANKING

Salary Range (000)	No. of Persons (000)
10-20	150
20-30	130
30-40	110
40-50	100
50-60	90
60-70	80
80-90	70
90-100	60
110-120	50
120-more	40

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PRODUCTION RATIOS

Salary Range (000)	No. of Persons (000)	Product Price	Quality (%)	Cluster Data (%)	Production Return (%)	Production	Product Customer
10-20	150	20	50	10	9	13,500	3,375
20-30	130	25	55	20	18	23,400	5,850
30-40	110	30	60	30	27	29,700	7,425
40-50	100	35	65	40	36	36,000	9,000
50-60	90	40	70	50	45	40,500	10,125
60-70	80	45	75	60	54	43,200	10,800
80-90	70	50	80	70	63	44,100	11,025
90-100	60	55	85	80	72	43,200	10,800
110-120	50	60	90	90	81	40,500	10,125
120-more	40	65	95	10	9	3,600	900

Target Customer	New Customer	New Customer *20%	N.C*20%/5yrs	Increase/ Competitors*	New Target Customers	Production/ Month
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10,125	136,500	27,300	5,460	1,365	8,760	3,489
17,550	106,600	21,320	4,264	1,066	16,484	5,939
22,275	80,300	16,060	3,212	803	21,472	7,492
27,000	64,000	12,800	2,560	640	26,360	9,053
30,375	49,500	9,900	1,980	495	29,880	10,166
32,400	36,800	7,360	1,472	368	32,032	10,831
33,075	25,900	5,180	1,036	259	32,816	11,047
32,400	16,800	3,360	672	168	32,232	10,814
30,375	9,500	1,900	380	95	30,280	10,133
2,700	36,400	7,280	1,456	364	2,336	930

***NOTE:** We have assumed that there are THREE (3) competitors in the market who are producing the same commodity and hence we have divided the increase of customers over all competitors along with us i.e. over 4 = (3+1)

PRODUCT RANKING

Salary Range (000)	Product Price	Retail Price	Sale Price	Production	Profit/ month	Profit/ year	Selection
10-20	20	25	30	3,489	17,445	209,340	I
20-30	25	30	35	5,939	29,695	356,340	H
30-40	30	35	40	7,492	37,460	449,520	G

40-50	35	40	45	9,053	45,265	543,180	F
50-60	40	45	50	10,166	50,830	609,960	D
60-70	45	50	55	10,831	54,155	649,860	B
80-90	50	55	60	11,047	55,235	662,820	A
90-100	55	60	65	10,814	54,070	648,840	C
110-120	60	65	70	10,133	50,665	607,980	E
120-more	65	70	75	930	4,650	55,800	J

BUDGET

Salary Range (000)	Product Price	Production/ month	Investment	Investment/ year
10-20	20	3,489	69,780	837,360
20-30	25	5,939	148,475	1,781,700
30-40	30	7,492	224,760	2,697,120
40-50	35	9,053	316,855	3,802,260
50-60	40	10,166	406,640	4,879,680
60-70	45	10,831	487,395	5,848,740
80-90	50	11,047	552,350	6,628,200
90-100	55	10,814	594,770	7,137,240
110-120	60	10,133	607,980	7,295,760
120-more	65	930	60,450	725,400

BUDGET: 42 MILLION

INVESTMENT: 30 MILLION

INVESTMENT

Selection	Investment	Balance
A	6.6 MILLIONS	23.4 MILLIONS
B	5.8 MILLIONS	17.6 MILLIONS
C	7.1 MILLIONS	10.5 MILLIONS
D	4.8 MILLIONS	5.7 MILLIONS
E	7.2 MILLIONS	(1.5 MILLIONS)
F	3.8 MILLIONS	-
G	2.6 MILLIONS	-
H	1.7 MILLIONS	-
I	8.3 LAKHS	-
J	7.2 LAKHS	-

PRODUCT LIFE CYCLE

Product life cycle is a development of a product from introduction or birth, through various growth and development stages, to deletion or death. Names have been given to four stages in the life cycle: introduction, growth, maturity, and decline. It guides marketing managers in developing marketing strategy and decisions.

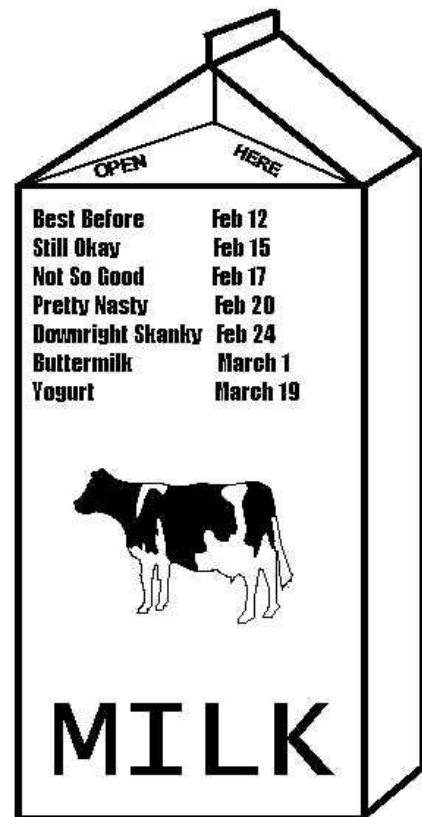
PRODUCT AGING

Product aging is that length of time that food, drink, medicine and other perishable items are given before they are considered unsuitable for sale or consumption. In some regions, a best before, use by or freshness date is required on packaged perishable foods.

Product aging is the recommendation of time that products can be stored, during which the defined quality of a specified proportion of the goods remains acceptable under expected (or specified) conditions of distribution, storage and display.

METHODS OF REDUCING THE LOSS FROM AGING

The different methods which help in reducing the loss faced by the different organizations due to the aging effect are as follows:



- Ratio Analysis
- Product Transfer Model
- Business Relation Model

PRODUCTION LIFE CYCLE

AGING

SUPPLY NETWORK

Batch No. 101

Mfg. Date: 02-10-2009

Production: 50,000

Exp. Date: 02-11-2009

Supply Date: 03-10-2009

Serial #	Shop Address	Quantity
1	4, Gulshan-e-Ravi, LHR.	1,500
2	6, Model Town, LHR.	2,700
3	8, Town ship, LHR.	900
4	10, Johar town, LHR	2,000
5	12, Link road, LHR.	1,800
6	14, Gulberg, LHR.	1,100
7	16, Samnabad, LHR.	3,000
8	18, Ichra, LHR.	2,500

9	20, Anarkali, LHR.	2,200
10	22, Faisal town, LHR.	1,800
11	24, Iqbal town, LHR.	3,200
12	26, Firdous market, LHR.	2,800
13	28, Rang mahal, LHR.	1,600
14	30, Sadar bazaar, LHR.	2,200
15	32, Garden town, LHR.	1,000
16	34, Main Liberty, LHR.	1,800
17	38, Defence, LHR.	2,500
18	40, Model town, LHR.	2,000
19	42, Gulberg, LHR.	1,500
20	44, Ichra, LHR.	2,400
21	46, Anarkali, LHR.	1,800
22	48, Sadar bazaar, LHR.	1,500
23	50, Rang mahal, LHR.	2,700
24	52, Samnabad, LHR.	2,000
25	54, Link road, LHR.	1,500

Aging Date: 24-10-2009

AGING FACTORS AND ITEM Q. (RATIO ANALYSIS)

Serial #	Shop Address	Quantity	Remaining Quantity	Ratio Analysis	Remaining Quantity After Ratio Analysis
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1	4, Gulshan-e-Ravi, LHR.	1,500	1,200	150	1,050
2	6, Model Town, LHR.	2,700	2,000	350	1,650
3	8, Town ship, LHR.	900	700	100	600
4	10, Johar town, LHR	2,000	1,500	250	1,250
5	12, Link road, LHR.	1,800	1,100	350	750
6	14, Gulberg, LHR.	1,100	900	100	800
7	16, Samnabad, LHR.	3,000	2,200	400	1,800
8	18, Ichra, LHR.	2,500	2,200	150	2,050
9	20, Anarkali, LHR.	2,200	1,600	300	1,300
10	22, Faisal town, LHR.	1,800	600	-	-
11	24, Iqbal town, LHR.	3,200	2,200	500	1,700
12	26, Firdous market, LHR.	2,800	1,800	500	1,300
13	28, Rang mahal, LHR.	1,600	900	350	550
14	30, Sadar bazaar, LHR.	2,200	1,800	200	1,600
15	32, Garden town, LHR.	1,000	700	150	550
16	34, Main Liberty, LHR.	1,800	500	-	-
17	38, Defence, LHR.	2,500	800	-	-
18	40, Model town, LHR.	2,000	1,200	400	800
19	42, Gulberg, LHR.	1,500	1,200	150	1,050
20	44, Ichra, LHR.	2,400	1,800	300	1,500
21	46, Anarkali, LHR.	1,800	1,400	200	1,200
22	48, Sadar bazaar, LHR.	1,500	300	-	-
23	50, Rang mahal, LHR.	2,700	1,800	450	1,350
24	52, Samnabad, LHR.	2,000	500	250	1,250

25	54, Link road, LHR.	1,500	1,100	200	900
		= 50,000	= 32,000	= 5,800	= 25,000

Result:

5,800 products had been adjusted with the help of ratio analysis out of 32,000 products; other products can be adjusted by using other models.

ADJUSTMENTS

P.P = RS. 20

R.P. = RS.25

PROFIT = RS. 05

1:16

Per K.M. cost = Rs. 80.

Total distance = 8 K.M.

Cost = $80 \times 8 = \text{Rs. } 640.$

Items adjustable = 150

Revenue = $150 \times 5 = \text{Rs. } 750$

PROFIT = $750 - 640 = \text{RS. } 110$

1:17

Per K.M. cost = Rs. 100.

Total distance = 5 K.M.

Cost = $100 \times 5 = \text{Rs. } 500$

Items adjustable = 50

Revenue = $50 \times 5 = \text{Rs. } 250$

LOSS = $500 - 250 = \text{RS. } (250)$

1:22

Per K.M. cost = Rs. 50.

Total distance = 6 K.M.

Cost = $50 \times 6 = \text{Rs. } 300$

Items adjustable = 300

Revenue = $300 \times 5 = \text{Rs. } 1,500$

PROFIT = $1,500 - 300 = \text{RS. } 1,200$

Net Profit = $110 + (-250) + 1,200 = \text{RS. } 1,060$.

Net Result:

500 out of 25,000 products had been adjusted through TRANSFER system and remaining items can be adjusted by using other models.

BUSINESS RELATION MODEL

Data:

Total Quantity = 50,000

Sales = 18,000

Remaining Item = 32,000

Ratio Analysis = 5,800

Transfer = 500

Remaining = 25,000

For the purpose of further adjustments of these remaining products in order to minimize the loss we have send business letters/proposals to 5 different companies offering them a deal of benefit. Specimen of those letters is shown below along with their responses.

ABC Company

456 Road, Lahore, Pakistan

PHONE: +92429876543

Respected Sir,

We the 'XYZ Company' has been working for decades now and has achieved remarkable success by providing the best quality at the most affordable rates to our respected customers. This 'DEF' product which is available in market at the price of RS. 35, our company is selling the same kind product with best quality at RS. 20. If you are interested in giving us a chance to serve you, then please contact us within 5 days.

Thanking you, with regards,

UZMA FARRUKH

123 Road, Lahore, Pakistan

PHONE: +92421234567

UZMA FARRUKH

Production Manager,

XYZ Company.

20th August, 2009.

BUSINESS RELATIONSHIP MODEL

Serial #	Company Name	Address	Phone No.	E.Mail	Alert Days	Maximum Supply	Rate
1	ABC. LTD.	123, Ali RD.	012345678	ab1@abc.com	5	500	10
2	DEF. LTD.	456, Bilal RD.	123456789	def2@def.com	4	400	15
3	GHI. LTD.	789, Omar RD.	234567890	ghi3@ghi.com	3	300	30
4	JKL. LTD.	012, Hall RD.	345678901	jkl4@jkl.com	2	200	20
5	MNO. LTD.	345, Mall RD.	456789012	no5@no.com	1	100	50

P.P = RS. 20

S.P. = RS. 30

PROFIT = RS. 10

BUSINESS ORDER LIST

Serial #	Company Name	Address	Phone No.	E.Mail	Order/Supply	Rate	P.P	P/L
1	ABC. LTD.	123, Ali RD.	012345678	ab1@abc.com	500	10	20	(5,000)
2	DEF. LTD.	456, Bilal RD.	123456789	def2@def.com	400	15	20	(2,000)
3	GHI. LTD.	789, Omar RD.	234567890	ghi3@ghi.com	300	30	20	3,000
4	JKL. LTD.	012, Hall RD.	345678901	jk14@jkl.com	200	20	20	-
5	MNO. LTD.	345, Mall RD.	456789012	no5@no.com	100	50	20	3,000
					=1,500			=(1,000)

Result:

1,500 products had been adjusted through business model out of remaining 25,000 products. Further remaining products can still be adjusted through other remaining models.

PRODUCT RELATIONSHIP

From our business relations or contacts we had make a deal with ABC Company. We will provide them our products to be further used in their production process and the profit will be share according to share percentages. Basic information is provided for your convenience.

▪ Data:

Product Price= RS.20

Sale Price= RS.30

Profit = RS.10

Price offered to ABC Company= RS.20

▪ **Proceedings:**

Business 1 (B1) = ABC Company

Business 2 (B2) =XYZ Company

New product Price:

B1 Price=RS.15

B2 price=RS.5

Total Price=RS.20

Sale Price=RS.30

Profit= RS.10

Share in profit of B1=0.75

Share in profit of B2=0.25

▪ **Per Product Calculation:**

Supply Price of “DEF” to B1= RS.20

Profit earned= 7.5

Total = 27.5

Net Profit on each product =27.5 – 20 = 7.5

Total Supply Made to B1= 1,500 items.

Result:

Further 1,500 remaining products had been adjusted through product relation model.

Remaining items are $(23,500 - 1,500) = 22,000$

REPRODUCTION MODEL

Transportation Cost per K.M. = RS.80

Reproduction Cost per product= RS.07

Product Price = RS.20

Serial #	Shop Address	Remaining Quantity	Distance	Cost
1	8, Town ship, LHR.	600	10	800
2	12, Link road, LHR.	750	08	640
3	28, Rang mahal, LHR.	550	06	480

4	32, Garden town, LHR.	550	04	320
5	40, Model town, LHR.	800	02	160

Reproduction Cost	Total Cost	Total Cost with Reproduction Cost	Saving Ratio
4,200	5,000	(12,000 + 5,000) = 17,000	7,000
5,250	5,890	(15,000 + 5,890) = 20,890	9,110
3,850	4,330	(11,000 + 4,330) = 15,330	6,670
3,850	4,170	(11,000 + 4,170) = 15,170	6,830
5,600	5,760	(16,000 + 5,760) = 21,760	10,240

Net Profit = (7,000+9,110+6,670+6,830+10,240) = RS. 39,850.

Result:

3,250 items have been adjusted here out of 22,000 remaining items.

Sample Project Report

CLOSING STATEMENT

Serial #	Model	Quantity (Adjusted)	P.P Cost	P/L
1	Ratio Analysis	5,800	116,000	116,000
2	Transfer System	500	10,000	1,060
3	Business Relationship	1,500	30,000	(1,000)
4	Product Relationship	1,500	30,000	11,250
5	Reproduction	3,250	65,000	39,850
			= 251,000	= 167,160

Supply =50,000

Initial Remaining Quantity = 32,000

Adjusted Quantity= 12,550

Remaining Quantity= 19,450

Loss=19,450*20=389,000

Result = loss of RS. 640,000 is minimized to RS. 389,000.

OUTSOURCING

Outsourcing is subcontracting a process, such as product design or manufacturing, to a third-party company. The decision to outsource is often made in the interest of lowering cost or making better use of time and energy costs, redirecting or conserving energy directed at the competencies of a particular business, or to make more efficient use of land, labor, capital, (information) technology and resources:

Contracting, sub-contracting, or 'externalizing' [non-core activities](#) to [free up cash](#), [personnel](#), time, and [facilities](#) for [activities](#) where the firm [holds competitive advantage](#). [Firms](#) having [strengths](#) in other areas may contract-out [data processing](#), [legal](#), [manufacturing](#), [marketing](#), [payroll](#) [accounting](#), or other aspects of their businesses to concentrate on what they do best and thus reduce [average unit cost](#). Outsourcing is often an integral part of [downsizing](#) or [reengineering](#). Outsourcing is also called [contracting out](#).

BENEFITS OF OUTSOURCING

Outsourcing is a powerful business tool used by millions of companies all over the world. Here's a closer look at the advantages of outsourcing:

- **Cost Savings**

Lower costs have always been the primary outsourcing advantage. Direct savings are made by the cost difference in salaries, benefits, and operational expenses between most Western countries and offshore destinations like India, China, and the Philippines. Indirect cost savings are often derived from the client's ability to refocus on its core business and outsource secondary processes to a specialized external provider.

- **Expertise**

Outsourcing gives you access to knowledge pools that you might not have inside your own company. Instead of trying to build your own creative design department, you could, for instance, outsource your web design and marketing materials development to specialized agencies. In the old economy, big companies had their own departments for every business requirement. In the network economy, companies go back to their core business and use a network of external partners to take care of the rest.

- **Availability**

In certain sectors, it can be very hard to find highly skilled people who are willing to join your company. Outsourcing provides a channel through which business can find readily available high-level expertise at affordable rates.

- **Flexible Capacity Management**

Outsourcing enables your company to manage its capacity and staff. The task of hiring personnel is passed on to an external provider with whom you can work out a deal based on a certain output quantity/quality, a certain number of hours, or any other type of commitment.

DRAWBACKS OF OUTSOURCING

Outsourcing can provide considerable benefits to your company. However, there are definitely a number of drawbacks that you need to be aware of in order to make a good assessment:

- **Management & Control Problems**

Effectively managing the operation of a department within your own company is challenging enough. Effectively controlling an offshore operation is difficult due to the geographical distance, time-zone difference, and lack of face-to-face communication.

- **Failure to Deliver**

With external sources, you are trusting a third party to deliver a certain quantity/quality of deliverables. Should your provider fail to deliver, you are likely to suffer the consequences despite the Service Level Agreements (SLAs) you had in place.

- **Exposure**

Outsourcing exposes a certain part of your business to a third party. Unless you completely shield your offshore operation, you might expose your company to a breach of confidentiality, malicious use of system access, and other vulnerabilities in your organization.

- **Negative Reputation**

Outsourcing has gained a negative reputation and even though studies have proven otherwise, the general public opinion remains that offshoring eliminates domestic jobs. Your employees, clients, and partners might not appreciate the fact that you are offshoring certain business processes especially if that means that you are terminating a part of your domestic operation.

- **Company Value**

The major risk of outsourcing is that you may not be building the value of your company in terms of personnel, in-house knowledge, and infrastructure. In this case, the value of an outsourcing agreement with a provider will be less effective than an internal department.

Overcoming these drawbacks will rely on identifying the right business processes for outsourcing, finding the best outsourcing provider, and setting up a good structure for your offshore operation. At MicroSourcing, we understand the level of trust it takes to outsource a process to a third party. This is why our first step in setting up an outsourcing solution is properly analyzing your requirements to see how the benefits of outsourcing can be maximized and the drawbacks minimized.

THE CONCEPT OF OUTSOURCING

OUTSOURCING WITH 'COMPANY B' (WITH BRAND NAME)

BUSINESS POLICY WITH 'COMPANY B'

TERMS AND CONDITIONS AGREED WITH 'COMPANY B'

- i. Outsourcing with Brand Name for 5 years.
- ii. Marketing expenses shared with the ratio of profit and loss sharing ratio.
- iii. Product marketing are not allowed individually for both the firms.
- iv. Multi-relations with other companies are allowed for 'Company A'.
- v. Profit sharing ratio for A is 10% and for B is 90%
- vi. ISO Agreement with 80% quality.
- vii. Per month supply 20,000.
- viii. Three years Marketing Plan, Cost of Marketing will be shared as profit sharing ratio.
- ix. Production Price is RS.200
- x. Retail Price is RS. 250.
- xi. Sale Price is RS. 300.
- xii. Profit/Unit is RS. 50.
- xiii. Supply/Month is 20,000.
- xiv. Marketing Cost/ Unit is RS. 4.
- xv. Marketing Cost/ Month is RS. 80,000.

Profit/loss of 60 months for both companies

Total profit after 5 years = supply per month*sixty months*per unit profit

$$60,000,000 = 20,000 * 60 * 50$$

Total marketing cost for 36 months =supply per month*thirty six months*per unit marketing cost

$$2,880,000 = 20,000 * 36 * 4$$

Net profit/loss of three years = Total profit of three years – Three years marketing cost

$$57,120,000 = 60,000,000 - 2,880,000$$

Profit/loss after 60 months for ‘Company A’

Total profit of 5 years = supply per month*sixty months*per unit profit

$$6,000,000 = 20,000*60*5$$

Total marketing cost for 60 months =supply per month*thirty six months*per unit marketing cost

$$288,000 = 20,000*36*0.4$$

Net profit/loss of five years = Total profit of five years – Three years marketing cost

$$5,712,000 = 6,000,000 - 288,000$$

Profit/loss after 60 months for ‘Company B’

Total profit of 5 years = supply per month*sixty months*per unit profit

$$54,000,000 = 20,000*60*45$$

Total marketing cost for 60 months =supply per month*thirty six months*per unit marketing cost

$$2,592,000 = 20,000*36*3.6$$

Net profit/loss of five years = Total profit of five years – Three years marketing cost

$$51,408,000 = 54,000,000 - 2,592,000$$

PFOFIT & LOSS SHEET FOR BOTH THE COMPANIES

MULTIPLE OUTSOURCING COMPANY A WITH B

PROFIT AND LOSS SHEET OF COMPANY A FOR FIVE YEARS

ORGANIZATION NAME: _____ SAMU _____

OUTSOURCING: _____ WITHOUT BRAND NAME _____

DATE _____ TO _____

PRODUCTION/MONTH _____ 20,000 _____

PROFIT AND LOSS RATIO: 10%

MARKETING EXPENSE RATIO: 10%

MARKETING COST/MONTH: 80,000

MARKETING COST/UNIT: RS.4

P.P = RS. 200

R.P. = RS. 250

S.P. = RS. 300

PROFIT = RS.50

COMPANY A

Serial #	Monthly Supply	Rate	Ratio 10%	Monthly Profit	Marketing Cost/Unit	Marketing Ratio 10%	Marketing Cost	Profit/Loss Monthly
1	20,000	50	5	100,000	4	0.40	8,000	92,000
2	20,000	50	5	100,000	4	0.40	8,000	92,000
3	20,000	50	5	100,000	4	0.40	8,000	92,000
4	20,000	50	5	100,000	4	0.40	8,000	92,000
5	20,000	50	5	100,000	4	0.40	8,000	92,000
6	20,000	50	5	100,000	4	0.40	8,000	92,000
7	20,000	50	5	100,000	4	0.40	8,000	92,000
8	20,000	50	5	100,000	4	0.40	8,000	92,000
9	20,000	50	5	100,000	4	0.40	8,000	92,000
10	20,000	50	5	100,000	4	0.40	8,000	92,000
11	20,000	50	5	100,000	4	0.40	8,000	92,000
12	20,000	50	5	100,000	4	0.40	8,000	92,000
13	20,000	50	5	100,000	4	0.40	8,000	92,000
14	20,000	50	5	100,000	4	0.40	8,000	92,000
15	20,000	50	5	100,000	4	0.40	8,000	92,000
16	20,000	50	5	100,000	4	0.40	8,000	92,000
17	20,000	50	5	100,000	4	0.40	8,000	92,000
18	20,000	50	5	100,000	4	0.40	8,000	92,000
19	20,000	50	5	100,000	4	0.40	8,000	92,000
20	20,000	50	5	100,000	4	0.40	8,000	92,000

21	20,000	50	5	100,000	4	0.40	8,000	92,000
22	20,000	50	5	100,000	4	0.40	8,000	92,000
23	20,000	50	5	100,000	4	0.40	8,000	92,000
24	20,000	50	5	100,000	4	0.40	8,000	92,000
25	20,000	50	5	100,000	4	0.40	8,000	92,000
26	20,000	50	5	100,000	4	0.40	8,000	92,000
27	20,000	50	5	100,000	4	0.40	8,000	92,000
28	20,000	50	5	100,000	4	0.40	8,000	92,000
29	20,000	50	5	100,000	4	0.40	8,000	92,000
30	20,000	50	5	100,000	4	0.40	8,000	92,000
31	20,000	50	5	100,000	4	0.40	8,000	92,000
32	20,000	50	5	100,000	4	0.40	8,000	92,000
33	20,000	50	5	100,000	4	0.40	8,000	92,000
34	20,000	50	5	100,000	4	0.40	8,000	92,000
35	20,000	50	5	100,000	4	0.40	8,000	92,000
36	20,000	50	5	100,000	4	0.40	8,000	92,000
37	20,000	50	5	100,000	-	-	-	100,000
38	20,000	50	5	100,000	-	-	-	100,000
39	20,000	50	5	100,000	-	-	-	100,000
40	20,000	50	5	100,000	-	-	-	100,000
41	20,000	50	5	100,000	-	-	-	100,000
42	20,000	50	5	100,000	-	-	-	100,000
43	20,000	50	5	100,000	-	-	-	100,000
44	20,000	50	5	100,000	-	-	-	100,000

45	20,000	50	5	100,000	-	-	-	100,000
46	20,000	50	5	100,000	-	-	-	100,000
47	20,000	50	5	100,000	-	-	-	100,000
48	20,000	50	5	100,000	-	-	-	100,000
49	20,000	50	5	100,000	-	-	-	100,000
50	20,000	50	5	100,000	-	-	-	100,000
51	20,000	50	5	100,000	-	-	-	100,000
52	20,000	50	5	100,000	-	-	-	100,000
53	20,000	50	5	100,000	-	-	-	100,000
54	20,000	50	5	100,000	-	-	-	100,000
55	20,000	50	5	100,000	-	-	-	100,000
56	20,000	50	5	100,000	-	-	-	100,000
57	20,000	50	5	100,000	-	-	-	100,000
58	20,000	50	5	100,000	-	-	-	100,000
59	20,000	50	5	100,000	-	-	-	100,000
60	20,000	50	5	100,000	-	-	-	100,000
	=1,200,000			=6,000,000			=288,000	=5,712,000

Sample Project Report

PFOFIT & LOSS SHEET FOR BOTH THE COMPANIES

MULTIPLE OUTSOURCING COMPANY A WITH B

PROFIT AND LOSS SHEET OF COMPANY B FOR FIVE YEARS

ORGANIZATION NAME: _____

OUTSOURCING: _____ WITHOUT BRAND NAME _____

DATE _____ TO _____

PRODUCTION/MONTH _____ 20,000 _____

PROFIT AND LOSS RATIO: 90%

MARKETING EXPENSE RATIO: 90%

MARKETING COST/MONTH: 80,000

MARKETING COST/UNIT: RS.4

P.P = RS. 200

R.P. = RS. 250

S.P. = RS. 300

PROFIT = RS.50

COMPANY B

Serial #	Monthly Supply	Rate	Ratio 90%	Monthly Profit	Marketing Cost/Unit	Marketing Ratio 90%	Marketing Cost	Profit/Loss Monthly
1	20,000	50	45	900,000	4	3.60	72,000	828,000
2	20,000	50	45	900,000	4	3.60	72,000	828,000
3	20,000	50	45	900,000	4	3.60	72,000	828,000
4	20,000	50	45	900,000	4	3.60	72,000	828,000
5	20,000	50	45	900,000	4	3.60	72,000	828,000
6	20,000	50	45	900,000	4	3.60	72,000	828,000
7	20,000	50	45	900,000	4	3.60	72,000	828,000
8	20,000	50	45	900,000	4	3.60	72,000	828,000
9	20,000	50	45	900,000	4	3.60	72,000	828,000
10	20,000	50	45	900,000	4	3.60	72,000	828,000
11	20,000	50	45	900,000	4	3.60	72,000	828,000
12	20,000	50	45	900,000	4	3.60	72,000	828,000
13	20,000	50	45	900,000	4	3.60	72,000	828,000
14	20,000	50	45	900,000	4	3.60	72,000	828,000
15	20,000	50	45	900,000	4	3.60	72,000	828,000
16	20,000	50	45	900,000	4	3.60	72,000	828,000

17	20,000	50	45	900,000	4	3.60	72,000	828,000
18	20,000	50	45	900,000	4	3.60	72,000	828,000
19	20,000	50	45	900,000	4	3.60	72,000	828,000
20	20,000	50	45	900,000	4	3.60	72,000	828,000
21	20,000	50	45	900,000	4	3.60	72,000	828,000
22	20,000	50	45	900,000	4	3.60	72,000	828,000
23	20,000	50	45	900,000	4	3.60	72,000	828,000
24	20,000	50	45	900,000	4	3.60	72,000	828,000
25	20,000	50	45	900,000	4	3.60	72,000	828,000
26	20,000	50	45	900,000	4	3.60	72,000	828,000
27	20,000	50	45	900,000	4	3.60	72,000	828,000
28	20,000	50	45	900,000	4	3.60	72,000	828,000
29	20,000	50	45	900,000	4	3.60	72,000	828,000
30	20,000	50	45	900,000	4	3.60	72,000	828,000
31	20,000	50	45	900,000	4	3.60	72,000	828,000
32	20,000	50	45	900,000	4	3.60	72,000	828,000
33	20,000	50	45	900,000	4	3.60	72,000	828,000
34	20,000	50	45	900,000	4	3.60	72,000	828,000
35	20,000	50	45	900,000	4	3.60	72,000	828,000
36	20,000	50	45	900,000	4	3.60	72,000	828,000
37	20,000	50	45	900,000	-	-	-	900,000
38	20,000	50	45	900,000	-	-	-	900,000
39	20,000	50	45	900,000	-	-	-	900,000
40	20,000	50	45	900,000	-	-	-	900,000

41	20,000	50	45	900,000	-	-	-	900,000
42	20,000	50	45	900,000	-	-	-	900,000
43	20,000	50	45	900,000	-	-	-	900,000
44	20,000	50	45	900,000	-	-	-	900,000
45	20,000	50	45	900,000	-	-	-	900,000
46	20,000	50	45	900,000	-	-	-	900,000
47	20,000	50	45	900,000	-	-	-	900,000
48	20,000	50	45	900,000	-	-	-	900,000
49	20,000	50	45	900,000	-	-	-	900,000
50	20,000	50	45	900,000	-	-	-	900,000
51	20,000	50	45	900,000	-	-	-	900,000
52	20,000	50	45	900,000	-	-	-	900,000
53	20,000	50	45	900,000	-	-	-	900,000
54	20,000	50	45	900,000	-	-	-	900,000
55	20,000	50	45	900,000	-	-	-	900,000
56	20,000	50	45	900,000	-	-	-	900,000
57	20,000	50	45	900,000	-	-	-	900,000
58	20,000	50	45	900,000	-	-	-	900,000
59	20,000	50	45	900,000	-	-	-	900,000
60	20,000	50	45	900,000	-	-	-	900,000
	=1,200,000			=54,000,000			=2,592,000	=51,408,000

THE CONCEPT OF OUTSOURCING
OUTSOURCING WITH 'COMPANY C' (WITH BRAND NAME)

BUSINESS POLICY WITH 'COMPANY C'

TERMS AND CONDITIONS AGREED WITH 'COMPANY C'

- i. Outsourcing with Brand Name for 10years.
- ii. Marketing expenses shared with the ratio of profit and loss sharing ratio.
- iii. Product marketing is not allowed individually for both the firms.
- iv. Multi-relations with other companies are allowed for 'Company A'.
- v. Profit sharing ratio for A is 15% and for B is 85%.
- vi. ISO Agreement with 80% quality.
- vii. Per month supply 40,000.
- viii. Two years Marketing Plan, Cost of Marketing will be shared as profit sharing ratio.
- ix. Production Price is RS.200.

- x. Retail Price is RS. 250.
- xi. Sale Price is RS. 300.
- xii. Profit/Unit is RS. 50.
- xiii. Supply/Month is 40,000.
- xiv. Marketing Cost/ Unit is RS. 7.5.
- xv. Marketing Cost/ Month is RS. 300,000.

Profit/loss of 60 months for both companies

Total profit after 10 years = supply per month*total months*per unit profit

$$240,000,000 = 40,000 * 120 * 50$$

Total marketing cost for 24 months =supply per month*total months*per unit marketing cost

$$7,200,000 = 40,000 * 24 * 7.5$$

Net profit/loss of ten years = Total profit of ten years – Two years marketing cost

$$232,800,000 = 240,000,000 - 7,200,000$$

Profit/loss after 120 months for ‘Company A’

Total profit of 10 years = supply per month*total months*per unit profit

$$36,000,000 = 40,000 * 120 * 7.5$$

Total marketing cost for 24 months =supply per month*total months*per unit marketing cost

$$1,080,000 = 40,000 * 24 * 1.125$$

Net profit/loss after ten years = Total profit of ten years – Two years marketing cost

$$34,920,000 = 36,000,000 - 1,080,000$$

Profit/loss after 120 months for 'Company C'

Total profit of 10 years = supply per month * TOTAL months * per unit profit

$$204,000,000 = 40,000 * 120 * 42.5$$

Total marketing cost for 24 months = supply per month * total months * per unit marketing cost

$$6,120,000 = 40,000 * 24 * 6.375$$

Net profit/loss of ten years = Total profit of ten years – Two years marketing cost

$$197,880,000 = 204,000,000 - 6,120,000$$

PROFIT & LOSS SHEET FOR BOTH THE COMPANIES

MULTIPLE OUTSOURCING

COMPANY A WITH C

PROFIT AND LOSS SHEET OF COMPANY A FOR TEN YEARS

ORGANIZATION NAME: _____ SAMU _____

OUTSOURCING: _____ WITHOUT BRAND NAME _____

DATE _____ TO _____

PRODUCTION/MONTH _____ 40,000 _____

PROFIT AND LOSS RATIO: 15%

MARKETING EXPENSE RATIO: 15%

MARKETING COST/MONTH: 300,000

MARKETING COST/UNIT: RS.7.5

P.P = RS. 200

R.P. = RS. 250

S.P. = RS. 300

PROFIT = RS.50

COMPANY A

Serial #	Monthly Supply	Rate	Ratio 15%	Monthly Profit	Marketing Cost/Unit	Marketing Ratio 15%	Marketing Cost	Profit/Loss Monthly
1	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
2	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
3	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
4	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
5	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
6	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
7	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
8	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
9	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
10	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
11	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
12	40,000	50	8	300,000	7.5	1.12500	45,000	255,000

13	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
14	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
15	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
16	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
17	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
18	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
19	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
20	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
21	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
22	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
23	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
24	40,000	50	8	300,000	7.5	1.12500	45,000	255,000
25	40,000	50	8	300,000	-	-	-	300,000
26	40,000	50	8	300,000	-	-	-	300,000
27	40,000	50	8	300,000	-	-	-	300,000
28	40,000	50	8	300,000	-	-	-	300,000
29	40,000	50	8	300,000	-	-	-	300,000
30	40,000	50	8	300,000	-	-	-	300,000
31	40,000	50	8	300,000	-	-	-	300,000
32	40,000	50	8	300,000	-	-	-	300,000
33	40,000	50	8	300,000	-	-	-	300,000
34	40,000	50	8	300,000	-	-	-	300,000
35	40,000	50	8	300,000	-	-	-	300,000
36	40,000	50	8	300,000	-	-	-	300,000

37	40,000	50	8	300,000	-	-	-	300,000
38	40,000	50	8	300,000	-	-	-	300,000
39	40,000	50	8	300,000	-	-	-	300,000
40	40,000	50	8	300,000	-	-	-	300,000
41	40,000	50	8	300,000	-	-	-	300,000
42	40,000	50	8	300,000	-	-	-	300,000
43	40,000	50	8	300,000	-	-	-	300,000
44	40,000	50	8	300,000	-	-	-	300,000
45	40,000	50	8	300,000	-	-	-	300,000
46	40,000	50	8	300,000	-	-	-	300,000
47	40,000	50	8	300,000	-	-	-	300,000
48	40,000	50	8	300,000	-	-	-	300,000
49	40,000	50	8	300,000	-	-	-	300,000
50	40,000	50	8	300,000	-	-	-	300,000
51	40,000	50	8	300,000	-	-	-	300,000
52	40,000	50	8	300,000	-	-	-	300,000
53	40,000	50	8	300,000	-	-	-	300,000
54	40,000	50	8	300,000	-	-	-	300,000
55	40,000	50	8	300,000	-	-	-	300,000
56	40,000	50	8	300,000	-	-	-	300,000
57	40,000	50	8	300,000	-	-	-	300,000
58	40,000	50	8	300,000	-	-	-	300,000
59	40,000	50	8	300,000	-	-	-	300,000
60	40,000	50	8	300,000	-	-	-	300,000

61	40,000	50	8	300,000	-	-	-	300,000
62	40,000	50	8	300,000	-	-	-	300,000
63	40,000	50	8	300,000	-	-	-	300,000
64	40,000	50	8	300,000	-	-	-	300,000
65	40,000	50	8	300,000	-	-	-	300,000
66	40,000	50	8	300,000	-	-	-	300,000
67	40,000	50	8	300,000	-	-	-	300,000
68	40,000	50	8	300,000	-	-	-	300,000
69	40,000	50	8	300,000	-	-	-	300,000
70	40,000	50	8	300,000	-	-	-	300,000
71	40,000	50	8	300,000	-	-	-	300,000
72	40,000	50	8	300,000	-	-	-	300,000
73	40,000	50	8	300,000	-	-	-	300,000
74	40,000	50	8	300,000	-	-	-	300,000
75	40,000	50	8	300,000	-	-	-	300,000
76	40,000	50	8	300,000	-	-	-	300,000
77	40,000	50	8	300,000	-	-	-	300,000
78	40,000	50	8	300,000	-	-	-	300,000
79	40,000	50	8	300,000	-	-	-	300,000
80	40,000	50	8	300,000	-	-	-	300,000
81	40,000	50	8	300,000	-	-	-	300,000
82	40,000	50	8	300,000	-	-	-	300,000
83	40,000	50	8	300,000	-	-	-	300,000
84	40,000	50	8	300,000	-	-	-	300,000

85	40,000	50	8	300,000	-	-	-	300,000
86	40,000	50	8	300,000	-	-	-	300,000
87	40,000	50	8	300,000	-	-	-	300,000
88	40,000	50	8	300,000	-	-	-	300,000
89	40,000	50	8	300,000	-	-	-	300,000
90	40,000	50	8	300,000	-	-	-	300,000
91	40,000	50	8	300,000	-	-	-	300,000
92	40,000	50	8	300,000	-	-	-	300,000
93	40,000	50	8	300,000	-	-	-	300,000
94	40,000	50	8	300,000	-	-	-	300,000
95	40,000	50	8	300,000	-	-	-	300,000
96	40,000	50	8	300,000	-	-	-	300,000
97	40,000	50	8	300,000	-	-	-	300,000
98	40,000	50	8	300,000	-	-	-	300,000
99	40,000	50	8	300,000	-	-	-	300,000
100	40,000	50	8	300,000	-	-	-	300,000
101	40,000	50	8	300,000	-	-	-	300,000
102	40,000	50	8	300,000	-	-	-	300,000
103	40,000	50	8	300,000	-	-	-	300,000
104	40,000	50	8	300,000	-	-	-	300,000
105	40,000	50	8	300,000	-	-	-	300,000
106	40,000	50	8	300,000	-	-	-	300,000
107	40,000	50	8	300,000	-	-	-	300,000
108	40,000	50	8	300,000	-	-	-	300,000

109	40,000	50	8	300,000	-	-	-	300,000
110	40,000	50	8	300,000	-	-	-	300,000
111	40,000	50	8	300,000	-	-	-	300,000
112	40,000	50	8	300,000	-	-	-	300,000
113	40,000	50	8	300,000	-	-	-	300,000
114	40,000	50	8	300,000	-	-	-	300,000
115	40,000	50	8	300,000	-	-	-	300,000
116	40,000	50	8	300,000	-	-	-	300,000
117	40,000	50	8	300,000	-	-	-	300,000
118	40,000	50	8	300,000	-	-	-	300,000
119	40,000	50	8	300,000	-	-	-	300,000
120	40,000	50	8	300,000	-	-	-	300,000
	=4,800,000			=36,000,000			=1,080,000	=34,920,000

PFOFIT & LOSS SHEET FOR BOTH THE COMPANIES

MULTIPLE OUTSOURCING

COMPANY A WITH C

PROFIT AND LOSS SHEET OF COMPANY C FOR TEN YEARS

ORGANIZATION NAME: _____

OUTSOURCING: _____ WITHOUT BRAND NAME _____

DATE _____ TO _____

PRODUCTION/MONTH _____ 40,000 _____

PROFIT AND LOSS RATIO: 85%

MARKETING EXPENSE RATIO: 85%

MARKETING COST/MONTH: 300,000

MARKETING COST/UNIT: RS.7.5

P.P = RS. 200

R.P. = RS. 250

S.P. = RS. 300

PROFIT = RS.50

COMPANY C

Serial #	Monthly Supply	Rate	Ratio 85%	Monthly Profit	Marketing Cost/Unit	Marketing Ratio 85%	Marketing Cost	Profit/Loss Monthly
1	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
2	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
3	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
4	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
5	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000

6	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
7	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
8	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
9	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
10	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
11	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
12	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
13	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
14	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
15	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
16	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
17	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
18	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
19	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
20	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
21	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
22	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
23	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
24	40,000	50	43	1,700,000	7.5	6.37500	255,000	1,445,000
25	40,000	50	43	1,700,000	-	-	-	1,700,000
26	40,000	50	43	1,700,000	-	-	-	1,700,000
27	40,000	50	43	1,700,000	-	-	-	1,700,000
28	40,000	50	43	1,700,000	-	-	-	1,700,000
29	40,000	50	43	1,700,000	-	-	-	1,700,000

30	40,000	50	43	1,700,000	-	-	-	1,700,000
31	40,000	50	43	1,700,000	-	-	-	1,700,000
32	40,000	50	43	1,700,000	-	-	-	1,700,000
33	40,000	50	43	1,700,000	-	-	-	1,700,000
34	40,000	50	43	1,700,000	-	-	-	1,700,000
35	40,000	50	43	1,700,000	-	-	-	1,700,000
36	40,000	50	43	1,700,000	-	-	-	1,700,000
37	40,000	50	43	1,700,000	-	-	-	1,700,000
38	40,000	50	43	1,700,000	-	-	-	1,700,000
39	40,000	50	43	1,700,000	-	-	-	1,700,000
40	40,000	50	43	1,700,000	-	-	-	1,700,000
41	40,000	50	43	1,700,000	-	-	-	1,700,000
42	40,000	50	43	1,700,000	-	-	-	1,700,000
43	40,000	50	43	1,700,000	-	-	-	1,700,000
44	40,000	50	43	1,700,000	-	-	-	1,700,000
45	40,000	50	43	1,700,000	-	-	-	1,700,000
46	40,000	50	43	1,700,000	-	-	-	1,700,000
47	40,000	50	43	1,700,000	-	-	-	1,700,000
48	40,000	50	43	1,700,000	-	-	-	1,700,000
49	40,000	50	43	1,700,000	-	-	-	1,700,000
50	40,000	50	43	1,700,000	-	-	-	1,700,000
51	40,000	50	43	1,700,000	-	-	-	1,700,000
52	40,000	50	43	1,700,000	-	-	-	1,700,000
53	40,000	50	43	1,700,000	-	-	-	1,700,000

54	40,000	50	43	1,700,000	-	-	-	1,700,000
55	40,000	50	43	1,700,000	-	-	-	1,700,000
56	40,000	50	43	1,700,000	-	-	-	1,700,000
57	40,000	50	43	1,700,000	-	-	-	1,700,000
58	40,000	50	43	1,700,000	-	-	-	1,700,000
59	40,000	50	43	1,700,000	-	-	-	1,700,000
60	40,000	50	43	1,700,000	-	-	-	1,700,000
61	40,000	50	43	1,700,000	-	-	-	1,700,000
62	40,000	50	43	1,700,000	-	-	-	1,700,000
63	40,000	50	43	1,700,000	-	-	-	1,700,000
64	40,000	50	43	1,700,000	-	-	-	1,700,000
65	40,000	50	43	1,700,000	-	-	-	1,700,000
66	40,000	50	43	1,700,000	-	-	-	1,700,000
67	40,000	50	43	1,700,000	-	-	-	1,700,000
68	40,000	50	43	1,700,000	-	-	-	1,700,000
69	40,000	50	43	1,700,000	-	-	-	1,700,000
70	40,000	50	43	1,700,000	-	-	-	1,700,000
71	40,000	50	43	1,700,000	-	-	-	1,700,000
72	40,000	50	43	1,700,000	-	-	-	1,700,000
73	40,000	50	43	1,700,000	-	-	-	1,700,000
74	40,000	50	43	1,700,000	-	-	-	1,700,000
75	40,000	50	43	1,700,000	-	-	-	1,700,000
76	40,000	50	43	1,700,000	-	-	-	1,700,000
77	40,000	50	43	1,700,000	-	-	-	1,700,000

78	40,000	50	43	1,700,000	-	-	-	1,700,000
79	40,000	50	43	1,700,000	-	-	-	1,700,000
80	40,000	50	43	1,700,000	-	-	-	1,700,000
81	40,000	50	43	1,700,000	-	-	-	1,700,000
82	40,000	50	43	1,700,000	-	-	-	1,700,000
83	40,000	50	43	1,700,000	-	-	-	1,700,000
84	40,000	50	43	1,700,000	-	-	-	1,700,000
85	40,000	50	43	1,700,000	-	-	-	1,700,000
86	40,000	50	43	1,700,000	-	-	-	1,700,000
87	40,000	50	43	1,700,000	-	-	-	1,700,000
88	40,000	50	43	1,700,000	-	-	-	1,700,000
89	40,000	50	43	1,700,000	-	-	-	1,700,000
90	40,000	50	43	1,700,000	-	-	-	1,700,000
91	40,000	50	43	1,700,000	-	-	-	1,700,000
92	40,000	50	43	1,700,000	-	-	-	1,700,000
93	40,000	50	43	1,700,000	-	-	-	1,700,000
94	40,000	50	43	1,700,000	-	-	-	1,700,000
95	40,000	50	43	1,700,000	-	-	-	1,700,000
96	40,000	50	43	1,700,000	-	-	-	1,700,000
97	40,000	50	43	1,700,000	-	-	-	1,700,000
98	40,000	50	43	1,700,000	-	-	-	1,700,000
99	40,000	50	43	1,700,000	-	-	-	1,700,000
100	40,000	50	43	1,700,000	-	-	-	1,700,000
101	40,000	50	43	1,700,000	-	-	-	1,700,000

102	40,000	50	43	1,700,000	-	-	-	1,700,000
103	40,000	50	43	1,700,000	-	-	-	1,700,000
104	40,000	50	43	1,700,000	-	-	-	1,700,000
105	40,000	50	43	1,700,000	-	-	-	1,700,000
106	40,000	50	43	1,700,000	-	-	-	1,700,000
107	40,000	50	43	1,700,000	-	-	-	1,700,000
108	40,000	50	43	1,700,000	-	-	-	1,700,000
109	40,000	50	43	1,700,000	-	-	-	1,700,000
110	40,000	50	43	1,700,000	-	-	-	1,700,000
111	40,000	50	43	1,700,000	-	-	-	1,700,000
112	40,000	50	43	1,700,000	-	-	-	1,700,000
113	40,000	50	43	1,700,000	-	-	-	1,700,000
114	40,000	50	43	1,700,000	-	-	-	1,700,000
115	40,000	50	43	1,700,000	-	-	-	1,700,000
116	40,000	50	43	1,700,000	-	-	-	1,700,000
117	40,000	50	43	1,700,000	-	-	-	1,700,000
118	40,000	50	43	1,700,000	-	-	-	1,700,000
119	40,000	50	43	1,700,000	-	-	-	1,700,000
120	40,000	50	43	1,700,000	-	-	-	1,700,000
	=4,800,000			=204,000,000			=6,120,000	=197,880,000

THE CONCEPT OF OUTSOURCING

OUTSOURCING WITH 'COMPANY D' (WITHOUT BRAND NAME)

BUSINESS POLICY WITH 'COMPANY D'

TERMS AND CONDITIONS AGREED WITH 'COMPANY D'

- i. Outsourcing with Brand Name for 15 years.
- ii. Marketing expenses shared with the ratio of profit and loss sharing ratio.
- iii. Product marketing is not allowed individually for 'Company A'.
- iv. Multi-relations with other companies are allowed for 'Company A'.
- v. Profit sharing ratio for A is 30% and for D is 70%.
- vi. ISO Agreement with 80% quality.
- vii. Per month supply 80,000.
- viii. Four years Marketing Plan, Cost of Marketing will be shared as profit sharing ratio.
- ix. Production Price is RS.200.
- x. Retail Price is RS. 250.
- xi. Sale Price is RS. 300.
- xii. Profit/Unit is RS. 50.
- xiii. Supply/Month is 80,000.
- xiv. Marketing Cost/ Unit is RS. 5.
- xv. Marketing Cost/ Month is RS. 400,000.

Profit/loss of 180 months for both companies

Total profit after 15 years = supply per month*total months*per unit profit

$$720,000,000 = 80,000*180*50$$

Total marketing cost for 48 months =supply per month*total months*per unit marketing cost

$$19,200,000 = 80,000*48*5$$

Net profit/loss of fifteen years = Total profit of fifteen years – Four years marketing cost

$$700,800,000 = 720,000,000-19,200,000$$

Profit/loss after 60 months for ‘Company A’

Total profit of 15 years = supply per month*total months*per unit profit

$$216,000,000 = 80,000 *180*15$$

Total marketing cost for 48 months =supply per month*total months*per unit marketing cost

$$5,760,000 = 80,000*48*1.5$$

Net profit/loss after fifteen years = Total profit of fifteen years – Four years marketing cost

$$210,240,000 = 216,000,000-5,760,000$$

Profit/loss after 15 years for ‘Company D’

Total profit of 15 years = supply per month*total months*per unit profit

$$504,000,000 = 80,000*180*35$$

Total marketing cost for 48 months =supply per month*total months*per unit marketing cost

$$13,440,000 = 80,000*48*3.5$$

Net profit/loss of fifteen years = Total profit of fifteen years – Four years marketing cost

$$490,560,000 = 504,000,000-13,440,000$$

PFOFIT & LOSS SHEET FOR BOTH THE COMPANIES

MULTIPLE OUTSOURCING

COMPANY A WITH D

PROFIT AND LOSS SHEET OF COMPANY A FOR FIFTEEN YEARS

ORGANIZATION NAME: SAMU

OUTSOURCING: WITHOUT BRAND NAME

DATE _____ TO _____

PRODUCTION/MONTH 80,000

PROFIT AND LOSS RATIO: 30%

MARKETING EXPENSE RATIO: 30%

MARKETING COST/MONTH: 400,000

MARKETING COST/UNIT: RS.5

P.P = RS. 200

R.P. = RS. 250

S.P. = RS. 300

PROFIT = RS.50

COMPANY A

Serial #	Monthly Supply	Rate	Ratio 30%	Monthly Profit	Marketing Cost/Unit	Marketing Ratio 30%	Marketing Cost	Profit/Loss Monthly
1	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
2	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
3	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
4	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
5	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
6	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
7	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
8	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
9	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
10	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
11	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
12	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
13	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
14	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
15	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
16	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
17	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
18	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
19	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
20	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000

21	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
22	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
23	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
24	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
25	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
26	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
27	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
28	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
29	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
30	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
31	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
32	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
33	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
34	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
35	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
36	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
37	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
38	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
39	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
40	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
41	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
42	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
43	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
44	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000

45	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
46	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
47	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
48	80,000	50	15	1,200,000	5.0	1.50000	120,000	1,080,000
49	80,000	50	15	1,200,000	-	-	-	1,200,000
50	80,000	50	15	1,200,000	-	-	-	1,200,000
51	80,000	50	15	1,200,000	-	-	-	1,200,000
52	80,000	50	15	1,200,000	-	-	-	1,200,000
53	80,000	50	15	1,200,000	-	-	-	1,200,000
54	80,000	50	15	1,200,000	-	-	-	1,200,000
55	80,000	50	15	1,200,000	-	-	-	1,200,000
56	80,000	50	15	1,200,000	-	-	-	1,200,000
57	80,000	50	15	1,200,000	-	-	-	1,200,000
58	80,000	50	15	1,200,000	-	-	-	1,200,000
59	80,000	50	15	1,200,000	-	-	-	1,200,000
60	80,000	50	15	1,200,000	-	-	-	1,200,000
61	80,000	50	15	1,200,000	-	-	-	1,200,000
62	80,000	50	15	1,200,000	-	-	-	1,200,000
63	80,000	50	15	1,200,000	-	-	-	1,200,000
64	80,000	50	15	1,200,000	-	-	-	1,200,000
65	80,000	50	15	1,200,000	-	-	-	1,200,000
66	80,000	50	15	1,200,000	-	-	-	1,200,000
67	80,000	50	15	1,200,000	-	-	-	1,200,000
68	80,000	50	15	1,200,000	-	-	-	1,200,000

69	80,000	50	15	1,200,000	-	-	-	1,200,000
70	80,000	50	15	1,200,000	-	-	-	1,200,000
71	80,000	50	15	1,200,000	-	-	-	1,200,000
72	80,000	50	15	1,200,000	-	-	-	1,200,000
73	80,000	50	15	1,200,000	-	-	-	1,200,000
74	80,000	50	15	1,200,000	-	-	-	1,200,000
75	80,000	50	15	1,200,000	-	-	-	1,200,000
76	80,000	50	15	1,200,000	-	-	-	1,200,000
77	80,000	50	15	1,200,000	-	-	-	1,200,000
78	80,000	50	15	1,200,000	-	-	-	1,200,000
79	80,000	50	15	1,200,000	-	-	-	1,200,000
80	80,000	50	15	1,200,000	-	-	-	1,200,000
81	80,000	50	15	1,200,000	-	-	-	1,200,000
82	80,000	50	15	1,200,000	-	-	-	1,200,000
83	80,000	50	15	1,200,000	-	-	-	1,200,000
84	80,000	50	15	1,200,000	-	-	-	1,200,000
85	80,000	50	15	1,200,000	-	-	-	1,200,000
86	80,000	50	15	1,200,000	-	-	-	1,200,000
87	80,000	50	15	1,200,000	-	-	-	1,200,000
88	80,000	50	15	1,200,000	-	-	-	1,200,000
89	80,000	50	15	1,200,000	-	-	-	1,200,000
90	80,000	50	15	1,200,000	-	-	-	1,200,000
91	80,000	50	15	1,200,000	-	-	-	1,200,000
92	80,000	50	15	1,200,000	-	-	-	1,200,000

93	80,000	50	15	1,200,000	-	-	-	1,200,000
94	80,000	50	15	1,200,000	-	-	-	1,200,000
95	80,000	50	15	1,200,000	-	-	-	1,200,000
96	80,000	50	15	1,200,000	-	-	-	1,200,000
97	80,000	50	15	1,200,000	-	-	-	1,200,000
98	80,000	50	15	1,200,000	-	-	-	1,200,000
99	80,000	50	15	1,200,000	-	-	-	1,200,000
100	80,000	50	15	1,200,000	-	-	-	1,200,000
101	80,000	50	15	1,200,000	-	-	-	1,200,000
102	80,000	50	15	1,200,000	-	-	-	1,200,000
103	80,000	50	15	1,200,000	-	-	-	1,200,000
104	80,000	50	15	1,200,000	-	-	-	1,200,000
105	80,000	50	15	1,200,000	-	-	-	1,200,000
106	80,000	50	15	1,200,000	-	-	-	1,200,000
107	80,000	50	15	1,200,000	-	-	-	1,200,000
108	80,000	50	15	1,200,000	-	-	-	1,200,000
109	80,000	50	15	1,200,000	-	-	-	1,200,000
110	80,000	50	15	1,200,000	-	-	-	1,200,000
111	80,000	50	15	1,200,000	-	-	-	1,200,000
112	80,000	50	15	1,200,000	-	-	-	1,200,000
113	80,000	50	15	1,200,000	-	-	-	1,200,000
114	80,000	50	15	1,200,000	-	-	-	1,200,000
115	80,000	50	15	1,200,000	-	-	-	1,200,000
116	80,000	50	15	1,200,000	-	-	-	1,200,000

117	80,000	50	15	1,200,000	-	-	-	1,200,000
118	80,000	50	15	1,200,000	-	-	-	1,200,000
119	80,000	50	15	1,200,000	-	-	-	1,200,000
120	80,000	50	15	1,200,000	-	-	-	1,200,000
121	80,000	50	15	1,200,000	-	-	-	1,200,000
122	80,000	50	15	1,200,000	-	-	-	1,200,000
123	80,000	50	15	1,200,000	-	-	-	1,200,000
124	80,000	50	15	1,200,000	-	-	-	1,200,000
125	80,000	50	15	1,200,000	-	-	-	1,200,000
126	80,000	50	15	1,200,000	-	-	-	1,200,000
127	80,000	50	15	1,200,000	-	-	-	1,200,000
128	80,000	50	15	1,200,000	-	-	-	1,200,000
129	80,000	50	15	1,200,000	-	-	-	1,200,000
130	80,000	50	15	1,200,000	-	-	-	1,200,000
131	80,000	50	15	1,200,000	-	-	-	1,200,000
132	80,000	50	15	1,200,000	-	-	-	1,200,000
133	80,000	50	15	1,200,000	-	-	-	1,200,000
134	80,000	50	15	1,200,000	-	-	-	1,200,000
135	80,000	50	15	1,200,000	-	-	-	1,200,000
136	80,000	50	15	1,200,000	-	-	-	1,200,000
137	80,000	50	15	1,200,000	-	-	-	1,200,000
138	80,000	50	15	1,200,000	-	-	-	1,200,000
139	80,000	50	15	1,200,000	-	-	-	1,200,000
140	80,000	50	15	1,200,000	-	-	-	1,200,000

141	80,000	50	15	1,200,000	-	-	-	1,200,000
142	80,000	50	15	1,200,000	-	-	-	1,200,000
143	80,000	50	15	1,200,000	-	-	-	1,200,000
144	80,000	50	15	1,200,000	-	-	-	1,200,000
145	80,000	50	15	1,200,000	-	-	-	1,200,000
146	80,000	50	15	1,200,000	-	-	-	1,200,000
147	80,000	50	15	1,200,000	-	-	-	1,200,000
148	80,000	50	15	1,200,000	-	-	-	1,200,000
149	80,000	50	15	1,200,000	-	-	-	1,200,000
150	80,000	50	15	1,200,000	-	-	-	1,200,000
151	80,000	50	15	1,200,000	-	-	-	1,200,000
152	80,000	50	15	1,200,000	-	-	-	1,200,000
153	80,000	50	15	1,200,000	-	-	-	1,200,000
154	80,000	50	15	1,200,000	-	-	-	1,200,000
155	80,000	50	15	1,200,000	-	-	-	1,200,000
156	80,000	50	15	1,200,000	-	-	-	1,200,000
157	80,000	50	15	1,200,000	-	-	-	1,200,000
158	80,000	50	15	1,200,000	-	-	-	1,200,000
159	80,000	50	15	1,200,000	-	-	-	1,200,000
160	80,000	50	15	1,200,000	-	-	-	1,200,000
161	80,000	50	15	1,200,000	-	-	-	1,200,000
162	80,000	50	15	1,200,000	-	-	-	1,200,000
163	80,000	50	15	1,200,000	-	-	-	1,200,000
164	80,000	50	15	1,200,000	-	-	-	1,200,000

165	80,000	50	15	1,200,000	-	-	-	1,200,000
166	80,000	50	15	1,200,000	-	-	-	1,200,000
167	80,000	50	15	1,200,000	-	-	-	1,200,000
168	80,000	50	15	1,200,000	-	-	-	1,200,000
169	80,000	50	15	1,200,000	-	-	-	1,200,000
170	80,000	50	15	1,200,000	-	-	-	1,200,000
171	80,000	50	15	1,200,000	-	-	-	1,200,000
172	80,000	50	15	1,200,000	-	-	-	1,200,000
173	80,000	50	15	1,200,000	-	-	-	1,200,000
174	80,000	50	15	1,200,000	-	-	-	1,200,000
175	80,000	50	15	1,200,000	-	-	-	1,200,000
176	80,000	50	15	1,200,000	-	-	-	1,200,000
177	80,000	50	15	1,200,000	-	-	-	1,200,000
178	80,000	50	15	1,200,000	-	-	-	1,200,000
179	80,000	50	15	1,200,000	-	-	-	1,200,000
180	80,000	50	15	1,200,000	-	-	-	1,200,000
	=14,400,000			=216,000,000			=5,760,000	=210,240,000

Sample Project Report

PFOFIT & LOSS SHEET FOR BOTH THE COMPANIES

MULTIPLE OUTSOURCING

COMPANY A WITH D

PROFIT AND LOSS SHEET OF COMPANY D FOR FIFTEEN YEARS

ORGANIZATION NAME: _____ SAMU _____

OUTSOURCING: _____ WITHOUT BRAND NAME _____

DATE _____ TO _____

PRODUCTION/MONTH _____ 80,000 _____

PROFIT AND LOSS RATIO: 70%

MARKETING EXPENSE RATIO: 70%

MARKETING COST/MONTH: 400,000

MARKETING COST/UNIT: RS.5

P.P = RS. 200

R.P. = RS. 250

S.P. = RS. 300

PROFIT = RS.50

COMPANY D

SSerial #	Monthly Supply	Rate	Ratio 70%	Monthly Profit	Marketing Cost/Unit	Marketing Ratio 70%	Marketing Cost	Profit/Loss Monthly
1	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
2	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
3	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
4	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
5	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
6	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
7	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
8	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
9	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000

10	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
11	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
12	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
13	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
14	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
15	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
16	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
17	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
18	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
19	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
20	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
21	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
22	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
23	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
24	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
25	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
26	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
27	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
28	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
29	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
30	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
31	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
32	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
33	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000

34	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
35	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
36	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
37	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
38	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
39	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
40	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
41	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
42	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
43	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
44	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
45	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
46	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
47	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
48	80,000	50	35	2,800,000	5.0	3.50000	280,000	2,520,000
49	80,000	50	35	2,800,000	-	-	-	2,800,000
50	80,000	50	35	2,800,000	-	-	-	2,800,000
51	80,000	50	35	2,800,000	-	-	-	2,800,000
52	80,000	50	35	2,800,000	-	-	-	2,800,000
53	80,000	50	35	2,800,000	-	-	-	2,800,000
54	80,000	50	35	2,800,000	-	-	-	2,800,000
55	80,000	50	35	2,800,000	-	-	-	2,800,000
56	80,000	50	35	2,800,000	-	-	-	2,800,000
57	80,000	50	35	2,800,000	-	-	-	2,800,000

58	80,000	50	35	2,800,000	-	-	-	2,800,000
59	80,000	50	35	2,800,000	-	-	-	2,800,000
60	80,000	50	35	2,800,000	-	-	-	2,800,000
61	80,000	50	35	2,800,000	-	-	-	2,800,000
62	80,000	50	35	2,800,000	-	-	-	2,800,000
63	80,000	50	35	2,800,000	-	-	-	2,800,000
64	80,000	50	35	2,800,000	-	-	-	2,800,000
65	80,000	50	35	2,800,000	-	-	-	2,800,000
66	80,000	50	35	2,800,000	-	-	-	2,800,000
67	80,000	50	35	2,800,000	-	-	-	2,800,000
68	80,000	50	35	2,800,000	-	-	-	2,800,000
69	80,000	50	35	2,800,000	-	-	-	2,800,000
70	80,000	50	35	2,800,000	-	-	-	2,800,000
71	80,000	50	35	2,800,000	-	-	-	2,800,000
72	80,000	50	35	2,800,000	-	-	-	2,800,000
73	80,000	50	35	2,800,000	-	-	-	2,800,000
74	80,000	50	35	2,800,000	-	-	-	2,800,000
75	80,000	50	35	2,800,000	-	-	-	2,800,000
76	80,000	50	35	2,800,000	-	-	-	2,800,000
77	80,000	50	35	2,800,000	-	-	-	2,800,000
78	80,000	50	35	2,800,000	-	-	-	2,800,000
79	80,000	50	35	2,800,000	-	-	-	2,800,000
80	80,000	50	35	2,800,000	-	-	-	2,800,000
81	80,000	50	35	2,800,000	-	-	-	2,800,000

82	80,000	50	35	2,800,000	-	-	-	2,800,000
83	80,000	50	35	2,800,000	-	-	-	2,800,000
84	80,000	50	35	2,800,000	-	-	-	2,800,000
85	80,000	50	35	2,800,000	-	-	-	2,800,000
86	80,000	50	35	2,800,000	-	-	-	2,800,000
87	80,000	50	35	2,800,000	-	-	-	2,800,000
88	80,000	50	35	2,800,000	-	-	-	2,800,000
89	80,000	50	35	2,800,000	-	-	-	2,800,000
90	80,000	50	35	2,800,000	-	-	-	2,800,000
91	80,000	50	35	2,800,000	-	-	-	2,800,000
92	80,000	50	35	2,800,000	-	-	-	2,800,000
93	80,000	50	35	2,800,000	-	-	-	2,800,000
94	80,000	50	35	2,800,000	-	-	-	2,800,000
95	80,000	50	35	2,800,000	-	-	-	2,800,000
96	80,000	50	35	2,800,000	-	-	-	2,800,000
97	80,000	50	35	2,800,000	-	-	-	2,800,000
98	80,000	50	35	2,800,000	-	-	-	2,800,000
99	80,000	50	35	2,800,000	-	-	-	2,800,000
100	80,000	50	35	2,800,000	-	-	-	2,800,000
101	80,000	50	35	2,800,000	-	-	-	2,800,000
102	80,000	50	35	2,800,000	-	-	-	2,800,000
103	80,000	50	35	2,800,000	-	-	-	2,800,000
104	80,000	50	35	2,800,000	-	-	-	2,800,000
105	80,000	50	35	2,800,000	-	-	-	2,800,000

106	80,000	50	35	2,800,000	-	-	-	2,800,000
107	80,000	50	35	2,800,000	-	-	-	2,800,000
108	80,000	50	35	2,800,000	-	-	-	2,800,000
109	80,000	50	35	2,800,000	-	-	-	2,800,000
110	80,000	50	35	2,800,000	-	-	-	2,800,000
111	80,000	50	35	2,800,000	-	-	-	2,800,000
112	80,000	50	35	2,800,000	-	-	-	2,800,000
113	80,000	50	35	2,800,000	-	-	-	2,800,000
114	80,000	50	35	2,800,000	-	-	-	2,800,000
115	80,000	50	35	2,800,000	-	-	-	2,800,000
116	80,000	50	35	2,800,000	-	-	-	2,800,000
117	80,000	50	35	2,800,000	-	-	-	2,800,000
118	80,000	50	35	2,800,000	-	-	-	2,800,000
119	80,000	50	35	2,800,000	-	-	-	2,800,000
120	80,000	50	35	2,800,000	-	-	-	2,800,000
121	80,000	50	35	2,800,000	-	-	-	2,800,000
122	80,000	50	35	2,800,000	-	-	-	2,800,000
123	80,000	50	35	2,800,000	-	-	-	2,800,000
124	80,000	50	35	2,800,000	-	-	-	2,800,000
125	80,000	50	35	2,800,000	-	-	-	2,800,000
126	80,000	50	35	2,800,000	-	-	-	2,800,000
127	80,000	50	35	2,800,000	-	-	-	2,800,000
128	80,000	50	35	2,800,000	-	-	-	2,800,000
129	80,000	50	35	2,800,000	-	-	-	2,800,000

130	80,000	50	35	2,800,000	-	-	-	2,800,000
131	80,000	50	35	2,800,000	-	-	-	2,800,000
132	80,000	50	35	2,800,000	-	-	-	2,800,000
133	80,000	50	35	2,800,000	-	-	-	2,800,000
134	80,000	50	35	2,800,000	-	-	-	2,800,000
135	80,000	50	35	2,800,000	-	-	-	2,800,000
136	80,000	50	35	2,800,000	-	-	-	2,800,000
137	80,000	50	35	2,800,000	-	-	-	2,800,000
138	80,000	50	35	2,800,000	-	-	-	2,800,000
139	80,000	50	35	2,800,000	-	-	-	2,800,000
140	80,000	50	35	2,800,000	-	-	-	2,800,000
141	80,000	50	35	2,800,000	-	-	-	2,800,000
142	80,000	50	35	2,800,000	-	-	-	2,800,000
143	80,000	50	35	2,800,000	-	-	-	2,800,000
144	80,000	50	35	2,800,000	-	-	-	2,800,000
145	80,000	50	35	2,800,000	-	-	-	2,800,000
146	80,000	50	35	2,800,000	-	-	-	2,800,000
147	80,000	50	35	2,800,000	-	-	-	2,800,000
148	80,000	50	35	2,800,000	-	-	-	2,800,000
149	80,000	50	35	2,800,000	-	-	-	2,800,000
150	80,000	50	35	2,800,000	-	-	-	2,800,000
151	80,000	50	35	2,800,000	-	-	-	2,800,000
152	80,000	50	35	2,800,000	-	-	-	2,800,000
153	80,000	50	35	2,800,000	-	-	-	2,800,000

154	80,000	50	35	2,800,000	-	-	-	2,800,000
155	80,000	50	35	2,800,000	-	-	-	2,800,000
156	80,000	50	35	2,800,000	-	-	-	2,800,000
157	80,000	50	35	2,800,000	-	-	-	2,800,000
158	80,000	50	35	2,800,000	-	-	-	2,800,000
159	80,000	50	35	2,800,000	-	-	-	2,800,000
160	80,000	50	35	2,800,000	-	-	-	2,800,000
161	80,000	50	35	2,800,000	-	-	-	2,800,000
162	80,000	50	35	2,800,000	-	-	-	2,800,000
163	80,000	50	35	2,800,000	-	-	-	2,800,000
164	80,000	50	35	2,800,000	-	-	-	2,800,000
165	80,000	50	35	2,800,000	-	-	-	2,800,000
166	80,000	50	35	2,800,000	-	-	-	2,800,000
167	80,000	50	35	2,800,000	-	-	-	2,800,000
168	80,000	50	35	2,800,000	-	-	-	2,800,000
169	80,000	50	35	2,800,000	-	-	-	2,800,000
170	80,000	50	35	2,800,000	-	-	-	2,800,000
171	80,000	50	35	2,800,000	-	-	-	2,800,000
172	80,000	50	35	2,800,000	-	-	-	2,800,000
173	80,000	50	35	2,800,000	-	-	-	2,800,000
174	80,000	50	35	2,800,000	-	-	-	2,800,000
175	80,000	50	35	2,800,000	-	-	-	2,800,000
176	80,000	50	35	2,800,000	-	-	-	2,800,000
177	80,000	50	35	2,800,000	-	-	-	2,800,000

178	80,000	50	35	2,800,000	-	-	-	2,800,000
179	80,000	50	35	2,800,000	-	-	-	2,800,000
180	80,000	50	35	2,800,000	-	-	-	2,800,000
	=14,400,000			=504,000,000			=13,440,000	=490,560,000

Sample Project Report

THE CONCEPT OF OUTSOURCING

OUTSOURCING WITH 'COMPANY E' (WITHOUT BRAND NAME)

BUSINESS POLICY WITH 'COMPANY E'

TERMS AND CONDITIONS AGREED WITH 'COMPANY E'

- i. Outsourcing with Brand Name for 6 years.
- ii. Marketing expenses shared with the ratio of profit and loss sharing ratio.
- iii. Product marketing is not allowed individually for 'Company A'.
- iv. Multi-relations with other companies are allowed for 'Company A'.
- v. Profit sharing ratio for A is 40% and for E is 60%.
- vi. ISO Agreement with 80% quality.
- vii. Per month supply 90,000.
- viii. Four years Marketing Plan, Cost of Marketing will be shared as profit sharing ratio.
- ix. Production Price is RS.200.
- x. Retail Price is RS. 250.
- xi. Sale Price is RS. 300.
- xii. Profit/Unit is RS. 50.
- xiii. Supply/Month is 90,000.
- xiv. Marketing Cost/ Unit is RS. 0.78.
- xv. Marketing Cost/ Month is RS. 70,000.

Profit/loss of 72 months for both companies

Total profit after 6 years = supply per month*total months*per unit profit

$$324,000,000 = 90,000*72*50$$

Total marketing cost for 24 months =supply per month*total months*per unit marketing cost

$$1,684,800 = 90,000*24*0.78$$

Net profit/loss of six years = Total profit of six years – Two years marketing cost

$$322,315,200 = 324,000,000-1,684,800$$

Profit/loss after 72 months for ‘Company A’

Total profit of 6 years = supply per month*total months*per unit profit

$$129,600,000 = 90,000*72*20$$

Total marketing cost for 24 months =supply per month*total months*per unit marketing cost

$$673,920 = 90,000*24*0.312$$

Net profit/loss after six years = Total profit of six years – Two years marketing cost

$$128,926,080 = 129,600,000 - 673,920$$

Profit/loss after 6 years for ‘Company E’

Total profit of 6 years = supply per month*total months*per unit profit

$$194,400,000 = 90,000*72*30$$

Total marketing cost for 24 months =supply per month*total months*per unit marketing cost

$$1,010,880 = 90,000*24*0.468$$

Net profit/loss of six years = Total profit of six years – Two years marketing cost

$$193,389,120 = 194,400,000 - 1,010,880$$

PFOFIT & LOSS SHEET FOR BOTH THE COMPANIES

MULTIPLE OUTSOURCING COMPANY A WITH E

PROFIT AND LOSS SHEET OF COMPANY A FOR SIX YEARS

ORGANIZATION NAME: _____ SAMU _____
OUTSOURCING: _____ WITH/WITHOUT BRAND NAME _____
DATE _____ TO _____
PRODUCTION/MONTH _____ 90,000 _____

PROFIT AND LOSS RATIO: 40%
MARKETING EXPENSE RATIO: 40%
MARKETING COST/MONTH: 70,000
MARKETING COST/UNIT: RS.0.78

P.P = RS. 200

R.P. = RS. 250

S.P. = RS. 300

PROFIT = RS.50

COMPANY A

Serial #	Monthly Supply	Rate	Ratio 40%	Monthly Profit	Marketing Cost/Unit	Marketing Ratio 40%	Marketing Cost	Profit/Loss Monthly
1	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
2	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
3	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
4	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
5	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
6	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
7	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
8	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
9	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
10	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
11	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
12	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
13	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
14	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
15	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
16	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
17	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
18	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
19	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
20	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920

21	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
22	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
23	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
24	90,000	50	20	1,800,000	0.78	0.31200	28,080	1,771,920
25	90,000	50	20	1,800,000	-	-	-	1,800,000
26	90,000	50	20	1,800,000	-	-	-	1,800,000
27	90,000	50	20	1,800,000	-	-	-	1,800,000
28	90,000	50	20	1,800,000	-	-	-	1,800,000
29	90,000	50	20	1,800,000	-	-	-	1,800,000
30	90,000	50	20	1,800,000	-	-	-	1,800,000
31	90,000	50	20	1,800,000	-	-	-	1,800,000
32	90,000	50	20	1,800,000	-	-	-	1,800,000
33	90,000	50	20	1,800,000	-	-	-	1,800,000
34	90,000	50	20	1,800,000	-	-	-	1,800,000
35	90,000	50	20	1,800,000	-	-	-	1,800,000
36	90,000	50	20	1,800,000	-	-	-	1,800,000
37	90,000	50	20	1,800,000	-	-	-	1,800,000
38	90,000	50	20	1,800,000	-	-	-	1,800,000
39	90,000	50	20	1,800,000	-	-	-	1,800,000
40	90,000	50	20	1,800,000	-	-	-	1,800,000
41	90,000	50	20	1,800,000	-	-	-	1,800,000
42	90,000	50	20	1,800,000	-	-	-	1,800,000
43	90,000	50	20	1,800,000	-	-	-	1,800,000
44	90,000	50	20	1,800,000	-	-	-	1,800,000

45	90,000	50	20	1,800,000	-	-	-	1,800,000
46	90,000	50	20	1,800,000	-	-	-	1,800,000
47	90,000	50	20	1,800,000	-	-	-	1,800,000
48	90,000	50	20	1,800,000	-	-	-	1,800,000
49	90,000	50	20	1,800,000	-	-	-	1,800,000
50	90,000	50	20	1,800,000	-	-	-	1,800,000
51	90,000	50	20	1,800,000	-	-	-	1,800,000
52	90,000	50	20	1,800,000	-	-	-	1,800,000
53	90,000	50	20	1,800,000	-	-	-	1,800,000
54	90,000	50	20	1,800,000	-	-	-	1,800,000
55	90,000	50	20	1,800,000	-	-	-	1,800,000
56	90,000	50	20	1,800,000	-	-	-	1,800,000
57	90,000	50	20	1,800,000	-	-	-	1,800,000
58	90,000	50	20	1,800,000	-	-	-	1,800,000
59	90,000	50	20	1,800,000	-	-	-	1,800,000
60	90,000	50	20	1,800,000	-	-	-	1,800,000
61	90,000	50	20	1,800,000	-	-	-	1,800,000
62	90,000	50	20	1,800,000	-	-	-	1,800,000
63	90,000	50	20	1,800,000	-	-	-	1,800,000
64	90,000	50	20	1,800,000	-	-	-	1,800,000
65	90,000	50	20	1,800,000	-	-	-	1,800,000
66	90,000	50	20	1,800,000	-	-	-	1,800,000
67	90,000	50	20	1,800,000	-	-	-	1,800,000
68	90,000	50	20	1,800,000	-	-	-	1,800,000

69	90,000	50	20	1,800,000	-	-	-	1,800,000
70	90,000	50	20	1,800,000	-	-	-	1,800,000
71	90,000	50	20	1,800,000	-	-	-	1,800,000
72	90,000	50	20	1,800,000	-	-	-	1,800,000
	=6,480,000			=129,600,000			=673,920	=128,926,080

PFOFIT & LOSS SHEET FOR BOTH THE COMPANIES

**MULTIPLE OUTSOURCING
COMPANY A WITH E**

PROFIT AND LOSS SHEET OF 'COMPANY E' FOR SIX YEARS

ORGANIZATION NAME: _____ SAMU _____

OUTSOURCING: _____ WITHOUT BRAND NAME _____

DATE _____ TO _____

PRODUCTION/MONTH _____ 90,000 _____

PROFIT AND LOSS RATIO: 60%

MARKETING EXPENSE RATIO: 60%

MARKETING COST/MONTH: 70,000

MARKETING COST/UNIT: RS.0.78

P.P = RS. 200

R.P. = RS. 250

S.P. = RS. 300

PROFIT = RS.50

COMPANY E

Serial #	Monthly Supply	Rate	Ratio 60%	Monthly Profit	Marketing Cost/Unit	Marketing Ratio 60%	Marketing Cost	Profit/Loss Monthly
1	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
2	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
3	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
4	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
5	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
6	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
7	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
8	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
9	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
10	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880

11	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
12	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
13	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
14	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
15	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
16	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
17	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
18	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
19	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
20	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
21	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
22	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
23	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
24	90,000	50	30	2,700,000	0.78	0.46800	42,120	2,657,880
25	90,000	50	30	2,700,000	-	-	-	2,700,000
26	90,000	50	30	2,700,000	-	-	-	2,700,000
27	90,000	50	30	2,700,000	-	-	-	2,700,000
28	90,000	50	30	2,700,000	-	-	-	2,700,000
29	90,000	50	30	2,700,000	-	-	-	2,700,000
30	90,000	50	30	2,700,000	-	-	-	2,700,000
31	90,000	50	30	2,700,000	-	-	-	2,700,000
32	90,000	50	30	2,700,000	-	-	-	2,700,000
33	90,000	50	30	2,700,000	-	-	-	2,700,000
34	90,000	50	30	2,700,000	-	-	-	2,700,000

35	90,000	50	30	2,700,000	-	-	-	2,700,000
36	90,000	50	30	2,700,000	-	-	-	2,700,000
37	90,000	50	30	2,700,000	-	-	-	2,700,000
38	90,000	50	30	2,700,000	-	-	-	2,700,000
39	90,000	50	30	2,700,000	-	-	-	2,700,000
40	90,000	50	30	2,700,000	-	-	-	2,700,000
41	90,000	50	30	2,700,000	-	-	-	2,700,000
42	90,000	50	30	2,700,000	-	-	-	2,700,000
43	90,000	50	30	2,700,000	-	-	-	2,700,000
44	90,000	50	30	2,700,000	-	-	-	2,700,000
45	90,000	50	30	2,700,000	-	-	-	2,700,000
46	90,000	50	30	2,700,000	-	-	-	2,700,000
47	90,000	50	30	2,700,000	-	-	-	2,700,000
48	90,000	50	30	2,700,000	-	-	-	2,700,000
49	90,000	50	30	2,700,000	-	-	-	2,700,000
50	90,000	50	30	2,700,000	-	-	-	2,700,000
51	90,000	50	30	2,700,000	-	-	-	2,700,000
52	90,000	50	30	2,700,000	-	-	-	2,700,000
53	90,000	50	30	2,700,000	-	-	-	2,700,000
54	90,000	50	30	2,700,000	-	-	-	2,700,000
55	90,000	50	30	2,700,000	-	-	-	2,700,000
56	90,000	50	30	2,700,000	-	-	-	2,700,000
57	90,000	50	30	2,700,000	-	-	-	2,700,000
58	90,000	50	30	2,700,000	-	-	-	2,700,000

59	90,000	50	30	2,700,000	-	-	-	2,700,000
60	90,000	50	30	2,700,000	-	-	-	2,700,000
61	90,000	50	30	2,700,000	-	-	-	2,700,000
62	90,000	50	30	2,700,000	-	-	-	2,700,000
63	90,000	50	30	2,700,000	-	-	-	2,700,000
64	90,000	50	30	2,700,000	-	-	-	2,700,000
65	90,000	50	30	2,700,000	-	-	-	2,700,000
66	90,000	50	30	2,700,000	-	-	-	2,700,000
67	90,000	50	30	2,700,000	-	-	-	2,700,000
68	90,000	50	30	2,700,000	-	-	-	2,700,000
69	90,000	50	30	2,700,000	-	-	-	2,700,000
70	90,000	50	30	2,700,000	-	-	-	2,700,000
71	90,000	50	30	2,700,000	-	-	-	2,700,000
72	90,000	50	30	2,700,000	-	-	-	2,700,000
	=6,480,000			=194,400,000			=1,010,880	=193,389,120

Sample Project Report

THE CONCEPT OF OUTSOURCING

OUTSOURCING WITH 'COMPANY F' (WITH BRAND NAME)

BUSINESS POLICY WITH 'COMPANY F'

TERMS AND CONDITIONS AGREED WITH 'COMPANY F'

- i. Outsourcing with Brand Name for 20 years.
- ii. Marketing expenses shared with the ratio of profit and loss sharing ratio
- iii. Product marketing is not allowed individually for 'Company A'.
- iv. Multi-relations with other companies are allowed for 'Company A'.
- v. Profit sharing ratio for A is 60% and for F is 40%.
- vi. ISO Agreement with 80% quality.
- vii. Payment will be made after 2 years.
- viii. One year Marketing Plan, Cost of Marketing will be shared as profit sharing ratio.
- ix. Production Price is RS.200.
- x. Retail Price is RS. 250.
- xi. Sale Price is RS. 300.
- xii. Profit/Unit is RS. 50.
- xiii. Supply/Month is 15,000.
- xiv. Marketing Cost/ Unit is RS. 77.
- xv. Marketing Cost/ Month is RS. 115,000.

Profit/loss of 240 months for both companies

Total profit after 20 years = supply per month*total months*per unit profit

$$180,000,000 = 15,000 * 240 * 50$$

Total marketing cost for 12 months = supply per month * total months * per unit marketing cost

$$1,386,000 = 15,000 * 7.7 * 12$$

Net profit/loss of twenty years = Total profit of twenty years – One year marketing cost

$$178,614,000 = 180,000,000 - 1,386,000$$

Profit/loss after 240 months for ‘Company A’

Total profit of 20 years = supply per month * total months * per unit profit

$$108,000,000 = 15,000 * 240 * 30$$

Total marketing cost for 12 months = supply per month * total months * per unit marketing cost

$$831,600 = 15,000 * 12 * 4.62$$

Net profit/loss after twenty years = Total profit of twenty years – One year marketing cost

$$107,168,400 = 108,000,000 - 831,600$$

Profit/loss after 20 years for ‘Company F’

Total profit of 20 years = supply per month * total months * per unit profit

$$72,000,000 = 15,000 * 240 * 20$$

Total marketing cost for 12 months = supply per month * total months * per unit marketing cost

$$554,400 = 15,000 * 3.08 * 12$$

Net profit/loss of twenty years = Total profit of twenty years – One year marketing cost

$$71,445,600 = 72,000,000 - 554,400$$

PFOFIT & LOSS SHEET FOR BOTH THE COMPANIES

**MULTIPLE OUTSOURCING
COMPANY A WITH F**

PROFIT AND LOSS SHEET OF COMPANY A FOR TWENTY YEARS

ORGANIZATION NAME: _____ SAMU _____
OUTSOURCING: _____ WITH BRAND NAME _____
DATE _____ TO _____
PRODUCTION/MONTH _____ 15,000 _____

PROFIT AND LOSS RATIO: 60%
MARKETING EXPENSE RATIO: 60%
MARKETING COST/MONTH: 115,000
MARKETING COST/UNIT: RS.7.7

P.P = RS. 200 R.P. = RS. 250 S.P. = RS. 300 PROFIT = RS.50

COMPANY A

Serial #	Monthly Supply	Rate	Ratio 60%	Monthly Profit	Marketing Cost/Unit	Marketing Ratio 60%	Marketing Cost	Profit/Loss Monthly
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1	15,000	50	30	450,000	7.7	4.62000	69,300	380,700
2	15,000	50	30	450,000	7.7	4.62000	69,300	380,700
3	15,000	50	30	450,000	7.7	4.62000	69,300	380,700
4	15,000	50	30	450,000	7.7	4.62000	69,300	380,700
5	15,000	50	30	450,000	7.7	4.62000	69,300	380,700
6	15,000	50	30	450,000	7.7	4.62000	69,300	380,700
7	15,000	50	30	450,000	7.7	4.62000	69,300	380,700
8	15,000	50	30	450,000	7.7	4.62000	69,300	380,700
9	15,000	50	30	450,000	7.7	4.62000	69,300	380,700
10	15,000	50	30	450,000	7.7	4.62000	69,300	380,700
11	15,000	50	30	450,000	7.7	4.62000	69,300	380,700
12	15,000	50	30	450,000	7.7	4.62000	69,300	380,700
13	15,000	50	30	450,000	-	-	-	450,000
14	15,000	50	30	450,000	-	-	-	450,000
15	15,000	50	30	450,000	-	-	-	450,000
16	15,000	50	30	450,000	-	-	-	450,000
17	15,000	50	30	450,000	-	-	-	450,000
18	15,000	50	30	450,000	-	-	-	450,000
19	15,000	50	30	450,000	-	-	-	450,000
20	15,000	50	30	450,000	-	-	-	450,000
21	15,000	50	30	450,000	-	-	-	450,000
22	15,000	50	30	450,000	-	-	-	450,000
23	15,000	50	30	450,000	-	-	-	450,000
24	15,000	50	30	450,000	-	-	-	450,000

25	15,000	50	30	450,000	-	-	-	450,000
26	15,000	50	30	450,000	-	-	-	450,000
27	15,000	50	30	450,000	-	-	-	450,000
28	15,000	50	30	450,000	-	-	-	450,000
29	15,000	50	30	450,000	-	-	-	450,000
30	15,000	50	30	450,000	-	-	-	450,000
31	15,000	50	30	450,000	-	-	-	450,000
32	15,000	50	30	450,000	-	-	-	450,000
33	15,000	50	30	450,000	-	-	-	450,000
34	15,000	50	30	450,000	-	-	-	450,000
35	15,000	50	30	450,000	-	-	-	450,000
36	15,000	50	30	450,000	-	-	-	450,000
37	15,000	50	30	450,000	-	-	-	450,000
38	15,000	50	30	450,000	-	-	-	450,000
39	15,000	50	30	450,000	-	-	-	450,000
40	15,000	50	30	450,000	-	-	-	450,000
41	15,000	50	30	450,000	-	-	-	450,000
42	15,000	50	30	450,000	-	-	-	450,000
43	15,000	50	30	450,000	-	-	-	450,000
44	15,000	50	30	450,000	-	-	-	450,000
45	15,000	50	30	450,000	-	-	-	450,000
46	15,000	50	30	450,000	-	-	-	450,000
47	15,000	50	30	450,000	-	-	-	450,000
48	15,000	50	30	450,000	-	-	-	450,000

49	15,000	50	30	450,000	-	-	-	450,000
50	15,000	50	30	450,000	-	-	-	450,000
51	15,000	50	30	450,000	-	-	-	450,000
52	15,000	50	30	450,000	-	-	-	450,000
53	15,000	50	30	450,000	-	-	-	450,000
54	15,000	50	30	450,000	-	-	-	450,000
55	15,000	50	30	450,000	-	-	-	450,000
56	15,000	50	30	450,000	-	-	-	450,000
57	15,000	50	30	450,000	-	-	-	450,000
58	15,000	50	30	450,000	-	-	-	450,000
59	15,000	50	30	450,000	-	-	-	450,000
60	15,000	50	30	450,000	-	-	-	450,000
61	15,000	50	30	450,000	-	-	-	450,000
62	15,000	50	30	450,000	-	-	-	450,000
63	15,000	50	30	450,000	-	-	-	450,000
64	15,000	50	30	450,000	-	-	-	450,000
65	15,000	50	30	450,000	-	-	-	450,000
66	15,000	50	30	450,000	-	-	-	450,000
67	15,000	50	30	450,000	-	-	-	450,000
68	15,000	50	30	450,000	-	-	-	450,000
69	15,000	50	30	450,000	-	-	-	450,000
70	15,000	50	30	450,000	-	-	-	450,000
71	15,000	50	30	450,000	-	-	-	450,000
72	15,000	50	30	450,000	-	-	-	450,000

73	15,000	50	30	450,000	-	-	-	450,000
74	15,000	50	30	450,000	-	-	-	450,000
75	15,000	50	30	450,000	-	-	-	450,000
76	15,000	50	30	450,000	-	-	-	450,000
77	15,000	50	30	450,000	-	-	-	450,000
78	15,000	50	30	450,000	-	-	-	450,000
79	15,000	50	30	450,000	-	-	-	450,000
80	15,000	50	30	450,000	-	-	-	450,000
81	15,000	50	30	450,000	-	-	-	450,000
82	15,000	50	30	450,000	-	-	-	450,000
83	15,000	50	30	450,000	-	-	-	450,000
84	15,000	50	30	450,000	-	-	-	450,000
85	15,000	50	30	450,000	-	-	-	450,000
86	15,000	50	30	450,000	-	-	-	450,000
87	15,000	50	30	450,000	-	-	-	450,000
88	15,000	50	30	450,000	-	-	-	450,000
89	15,000	50	30	450,000	-	-	-	450,000
90	15,000	50	30	450,000	-	-	-	450,000
91	15,000	50	30	450,000	-	-	-	450,000
92	15,000	50	30	450,000	-	-	-	450,000
93	15,000	50	30	450,000	-	-	-	450,000
94	15,000	50	30	450,000	-	-	-	450,000
95	15,000	50	30	450,000	-	-	-	450,000
96	15,000	50	30	450,000	-	-	-	450,000

97	15,000	50	30	450,000	-	-	-	450,000
98	15,000	50	30	450,000	-	-	-	450,000
99	15,000	50	30	450,000	-	-	-	450,000
100	15,000	50	30	450,000	-	-	-	450,000
101	15,000	50	30	450,000	-	-	-	450,000
102	15,000	50	30	450,000	-	-	-	450,000
103	15,000	50	30	450,000	-	-	-	450,000
104	15,000	50	30	450,000	-	-	-	450,000
105	15,000	50	30	450,000	-	-	-	450,000
106	15,000	50	30	450,000	-	-	-	450,000
107	15,000	50	30	450,000	-	-	-	450,000
108	15,000	50	30	450,000	-	-	-	450,000
109	15,000	50	30	450,000	-	-	-	450,000
110	15,000	50	30	450,000	-	-	-	450,000
111	15,000	50	30	450,000	-	-	-	450,000
112	15,000	50	30	450,000	-	-	-	450,000
113	15,000	50	30	450,000	-	-	-	450,000
114	15,000	50	30	450,000	-	-	-	450,000
115	15,000	50	30	450,000	-	-	-	450,000
116	15,000	50	30	450,000	-	-	-	450,000
117	15,000	50	30	450,000	-	-	-	450,000
118	15,000	50	30	450,000	-	-	-	450,000
119	15,000	50	30	450,000	-	-	-	450,000
120	15,000	50	30	450,000	-	-	-	450,000

121	15,000	50	30	450,000	-	-	-	450,000
122	15,000	50	30	450,000	-	-	-	450,000
123	15,000	50	30	450,000	-	-	-	450,000
124	15,000	50	30	450,000	-	-	-	450,000
125	15,000	50	30	450,000	-	-	-	450,000
126	15,000	50	30	450,000	-	-	-	450,000
127	15,000	50	30	450,000	-	-	-	450,000
128	15,000	50	30	450,000	-	-	-	450,000
129	15,000	50	30	450,000	-	-	-	450,000
130	15,000	50	30	450,000	-	-	-	450,000
131	15,000	50	30	450,000	-	-	-	450,000
132	15,000	50	30	450,000	-	-	-	450,000
133	15,000	50	30	450,000	-	-	-	450,000
134	15,000	50	30	450,000	-	-	-	450,000
135	15,000	50	30	450,000	-	-	-	450,000
136	15,000	50	30	450,000	-	-	-	450,000
137	15,000	50	30	450,000	-	-	-	450,000
138	15,000	50	30	450,000	-	-	-	450,000
139	15,000	50	30	450,000	-	-	-	450,000
140	15,000	50	30	450,000	-	-	-	450,000
141	15,000	50	30	450,000	-	-	-	450,000
142	15,000	50	30	450,000	-	-	-	450,000
143	15,000	50	30	450,000	-	-	-	450,000
144	15,000	50	30	450,000	-	-	-	450,000

145	15,000	50	30	450,000	-	-	-	450,000
146	15,000	50	30	450,000	-	-	-	450,000
147	15,000	50	30	450,000	-	-	-	450,000
148	15,000	50	30	450,000	-	-	-	450,000
149	15,000	50	30	450,000	-	-	-	450,000
150	15,000	50	30	450,000	-	-	-	450,000
151	15,000	50	30	450,000	-	-	-	450,000
152	15,000	50	30	450,000	-	-	-	450,000
153	15,000	50	30	450,000	-	-	-	450,000
154	15,000	50	30	450,000	-	-	-	450,000
155	15,000	50	30	450,000	-	-	-	450,000
156	15,000	50	30	450,000	-	-	-	450,000
157	15,000	50	30	450,000	-	-	-	450,000
158	15,000	50	30	450,000	-	-	-	450,000
159	15,000	50	30	450,000	-	-	-	450,000
160	15,000	50	30	450,000	-	-	-	450,000
161	15,000	50	30	450,000	-	-	-	450,000
162	15,000	50	30	450,000	-	-	-	450,000
163	15,000	50	30	450,000	-	-	-	450,000
164	15,000	50	30	450,000	-	-	-	450,000
165	15,000	50	30	450,000	-	-	-	450,000
166	15,000	50	30	450,000	-	-	-	450,000
167	15,000	50	30	450,000	-	-	-	450,000
168	15,000	50	30	450,000	-	-	-	450,000

169	15,000	50	30	450,000	-	-	-	450,000
170	15,000	50	30	450,000	-	-	-	450,000
171	15,000	50	30	450,000	-	-	-	450,000
172	15,000	50	30	450,000	-	-	-	450,000
173	15,000	50	30	450,000	-	-	-	450,000
174	15,000	50	30	450,000	-	-	-	450,000
175	15,000	50	30	450,000	-	-	-	450,000
176	15,000	50	30	450,000	-	-	-	450,000
177	15,000	50	30	450,000	-	-	-	450,000
178	15,000	50	30	450,000	-	-	-	450,000
179	15,000	50	30	450,000	-	-	-	450,000
180	15,000	50	30	450,000	-	-	-	450,000
181	15,000	50	30	450,000	-	-	-	450,000
182	15,000	50	30	450,000	-	-	-	450,000
183	15,000	50	30	450,000	-	-	-	450,000
184	15,000	50	30	450,000	-	-	-	450,000
185	15,000	50	30	450,000	-	-	-	450,000
186	15,000	50	30	450,000	-	-	-	450,000
187	15,000	50	30	450,000	-	-	-	450,000
188	15,000	50	30	450,000	-	-	-	450,000
189	15,000	50	30	450,000	-	-	-	450,000
190	15,000	50	30	450,000	-	-	-	450,000
191	15,000	50	30	450,000	-	-	-	450,000
192	15,000	50	30	450,000	-	-	-	450,000

193	15,000	50	30	450,000	-	-	-	450,000
194	15,000	50	30	450,000	-	-	-	450,000
195	15,000	50	30	450,000	-	-	-	450,000
196	15,000	50	30	450,000	-	-	-	450,000
197	15,000	50	30	450,000	-	-	-	450,000
198	15,000	50	30	450,000	-	-	-	450,000
199	15,000	50	30	450,000	-	-	-	450,000
200	15,000	50	30	450,000	-	-	-	450,000
201	15,000	50	30	450,000	-	-	-	450,000
202	15,000	50	30	450,000	-	-	-	450,000
203	15,000	50	30	450,000	-	-	-	450,000
204	15,000	50	30	450,000	-	-	-	450,000
205	15,000	50	30	450,000	-	-	-	450,000
206	15,000	50	30	450,000	-	-	-	450,000
207	15,000	50	30	450,000	-	-	-	450,000
208	15,000	50	30	450,000	-	-	-	450,000
209	15,000	50	30	450,000	-	-	-	450,000
210	15,000	50	30	450,000	-	-	-	450,000
211	15,000	50	30	450,000	-	-	-	450,000
212	15,000	50	30	450,000	-	-	-	450,000
213	15,000	50	30	450,000	-	-	-	450,000
214	15,000	50	30	450,000	-	-	-	450,000
215	15,000	50	30	450,000	-	-	-	450,000
216	15,000	50	30	450,000	-	-	-	450,000

217	15,000	50	30	450,000	-	-	-	450,000
218	15,000	50	30	450,000	-	-	-	450,000
219	15,000	50	30	450,000	-	-	-	450,000
220	15,000	50	30	450,000	-	-	-	450,000
221	15,000	50	30	450,000	-	-	-	450,000
222	15,000	50	30	450,000	-	-	-	450,000
223	15,000	50	30	450,000	-	-	-	450,000
224	15,000	50	30	450,000	-	-	-	450,000
225	15,000	50	30	450,000	-	-	-	450,000
226	15,000	50	30	450,000	-	-	-	450,000
227	15,000	50	30	450,000	-	-	-	450,000
228	15,000	50	30	450,000	-	-	-	450,000
229	15,000	50	30	450,000	-	-	-	450,000
230	15,000	50	30	450,000	-	-	-	450,000
231	15,000	50	30	450,000	-	-	-	450,000
232	15,000	50	30	450,000	-	-	-	450,000
233	15,000	50	30	450,000	-	-	-	450,000
234	15,000	50	30	450,000	-	-	-	450,000
235	15,000	50	30	450,000	-	-	-	450,000
236	15,000	50	30	450,000	-	-	-	450,000
237	15,000	50	30	450,000	-	-	-	450,000
238	15,000	50	30	450,000	-	-	-	450,000
239	15,000	50	30	450,000	-	-	-	450,000
240	15,000	50	30	450,000	-	-	-	450,000

	=3,600,000			=108,000,000			=831,600	=107,168,400
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PFOFIT & LOSS SHEET FOR BOTH THE COMPANIES

**MULTIPLE OUTSOURCING
COMPANY A WITH F**

PROFIT AND LOSS SHEET OF COMPANY F FOR TWENTY YEARS

ORGANIZATION NAME: _____ SAMU _____

OUTSOURCING: _____ WITH BRAND NAME _____

DATE _____ TO _____

PRODUCTION/MONTH _____ 15,000 _____

PROFIT AND LOSS RATIO: 40%

MARKETING EXPENSE RATIO: 40%

MARKETING COST/MONTH: 115,000

MARKETING COST/UNIT: RS.7.7

P.P = RS. 200

R.P. = RS. 250

S.P. = RS. 300

PROFIT = RS.50

COMPANY F

Serial #	Monthly Supply	Rate	Ratio 40%	Monthly Profit	Marketing Cost/Unit	Marketing Ratio 40%	Marketing Cost	Profit/Loss Monthly
1	15,000	50	20	300,000	7.7	3.08000	46,200	253,800
2	15,000	50	20	300,000	7.7	3.08000	46,200	253,800
3	15,000	50	20	300,000	7.7	3.08000	46,200	253,800
4	15,000	50	20	300,000	7.7	3.08000	46,200	253,800
5	15,000	50	20	300,000	7.7	3.08000	46,200	253,800
6	15,000	50	20	300,000	7.7	3.08000	46,200	253,800
7	15,000	50	20	300,000	7.7	3.08000	46,200	253,800

8	15,000	50	20	300,000	7.7	3.08000	46,200	253,800
9	15,000	50	20	300,000	7.7	3.08000	46,200	253,800
10	15,000	50	20	300,000	7.7	3.08000	46,200	253,800
11	15,000	50	20	300,000	7.7	3.08000	46,200	253,800
12	15,000	50	20	300,000	7.7	3.08000	46,200	253,800
13	15,000	50	20	300,000	-	-	-	300,000
14	15,000	50	20	300,000	-	-	-	300,000
15	15,000	50	20	300,000	-	-	-	300,000
16	15,000	50	20	300,000	-	-	-	300,000
17	15,000	50	20	300,000	-	-	-	300,000
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Sample Project Report

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Notes

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