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Abstract: The purpose of this report is to analyze the current and future computer market in Yemen in order to determine how to start up a vigorous computer store. This report will look at the types of computers that are best suited for import there. It will also analyze the strengths and weaknesses of establishing a computer store in Yemen. Finally, the report will conclude with possible recommendations.

Business Plan for Computer Store in Yemen

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BUSINESS PLAN

FOR

COMPUTER STORE IN YEMEN

Prepared for:

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CONTENTS

SUMMARY STATEMENT

The purpose of this report is to analyze the current and future computer market in Yemen in order to determine how to start up a vigorous computer store. This report will look at the types of computers that are best suited for import there. It will also analyze the strengths and weaknesses of establishing a computer store in Yemen. Finally, the report will conclude with possible recommendations.

Currently, computer usage is fairly low in Yemen compared to industrialized and developed nations. Local experts predict a growth rate of 13% per year for the next 5 years for the overall computer market. The major demand for computers by the end-users is expected to be in mini and personal computers. Prediction indicates that there won't be much growth in the mainframe market in the next 5 years.

First year revenues are projected to be $190,000. This revenue projection came from research, and interviews with computer distributors and sellers in Northwest Portland, as well as interviews with computer sellers in Yemen. Additionally, the market in Yemen was compared to similar markets in Egypt, and UAE. Revenue is projected to grow $209,000 for the second year, $240,350 for the third year, $276,403 for the fourth year, and $317,863 for the fifth year. The store is expected to employ only one person. The purpose will be opening, maintaining the store, and delivering merchandise to the customers. Other functions of the business will be operated by the owner of the business.

Strategies identified to drive the company are: market position enhancement for the existing market, development of new markets for the existing computer industry, and promote high product quality in the market backed with a superb customer service and detail with regard to implementing total solutions. High performance is being the first to

market products with the latest technological innovations, and financial soundness and stability.

The company's thrust will grow through selecting and protecting particular segments of the market such as medium sized businesses, educational institutions, government offices and institutions, and high income families, primarily in the metropolitan areas. This target market has high expectations of service, quality, and reliability from the vendor, and would appreciate a lower price/performance ratio. In the analysis of the company's competitive position according to industry key success factors (KSF), the company scored a 3.75 in industry KSFs. Overall, the company scored a 4.08 which indicates that the company has the potential to be a competitive player in the computer industry.

Overall risk for the company is rated high considering the uncertainty involve the computer industry. The company will be exposed to financial high risk. Because I may think, I have the market basing on the fact that the market has been performing. In fact, there is an unknown which needs to be taking into consideration.

For a computer store to be successful, the two top factors consumers are looking for are proven reliability and product popularity. These characteristics are evident in IBM and Apple products since they are widely used and well known throughout the world. In addition, people are only going to buy products by IBM or Apple. Their offerings include packages compatible in the Arabic language.

The best possible location selected for the computer store is the capital of Yemen, Sana'a. Because of its established businesses and the majority of the nations' computer users who live there, Sana'a is the best candidate for a successful computer business.

There are no trade barriers obstructing the United States' exports of computer products to Yemen except that computers exported out of the United States can only be at or below 12.5 million theoretical operations per second (MTOPS). MTOPS is a

government-devised measure of processing power. An example of a computer at 12.5 MTOPS is the Intel 486, 33 MHz computer. This restriction can only be applied on Unfriendly countries in which in this case Yemen is not listed in that category. Aside from restriction, all other products may be imported into the country without government permission.

The following performance measure are based on selected criteria: projected sales, revenues, costs, cash flow, and the level of debt and return on assets. It includes performance measures for year 1, 2, 3, 4, and 5.

Performance Measures					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	$190,000	$209,000	$240,350	$276,403	$317,863
Cost of goods sold	$123,500	$135,850	$156,228	$179,662	$206,611
Total Expenses	$27,000	$28,600	$30,200	$32,300	$34,400
Total cash Flow	$6,660	$29,073	$2,696	$28,643	$14,385
Debt to equity	0.80	0.77	0.43	0.48	0.30
Return on assets (%)	0.19	0.21	0.25	0.27	0.31

In summary, as shown in the projected financial performance, the company should keep growing in a managed fashion, providing strong return on investment and reinvestment. However, with exception of the third year cash flow will be extremely low due to retirement of long-term debt.

For all the reasons presented above, I believe the success of a computer store in Yemen is likely. Because of already established businesses, including both local and international, there is a high demand for computers in Sana'a. Since there are very few computer dealers in Yemen, if business takes off, we may be able to expand in the future.

BUSINESS PLAN FOR COMPUTER STORE IN YEMEN

INTRODUCTION

Purpose, Scope, and Limitations

The purpose of this report is to analyze the current and future computer market in Yemen in order to determine how to start a vigorous computer store. This report will look at the possibilities of exporting the following items to Yemen: mini computers, mainframe computer systems, personal computers, network products, and in additional hardware and software products. The report will examine the strengths and weaknesses of establishing a computer store in Yemen. It will also include trade barriers limiting United States export of computers to Yemen. For example, the report will discuss the legal issues of importing computers into that country from other countries.

Sources and Methods

In preparing this report, the information was derived from library research, World Trade Center database research, interviews from computer distributors and sellers in Northwest Portland, and personal insights from me, the prospective entrepreneur in Yemen.

Assumptions

There are a few assumptions in this report. For example, I will assume that Yemen is a fairly stable country as compared to other Middle Easterns countries in order to establish a computer business there. Also, I will assume that the buyers of our computers will abide by the laws established by Yemen and the International Community.

I believe that a computer store in Yemen would be profitable. Because of already established businesses, including local and international ones, there is a high demand for computers in Sana'a. Since there are very few computer dealers in Yemen, the opportunity for expansion is considerable in the future.

COMPANY ANALYSIS

Background Information

There is not much information on the company's background due to computer store not existing yet. The company is essentially going to be a computer store located in Yemen, owned and operated by Hafiz Kassim and his family. It won't be a very big store; instead, it will be a typical small computer store. See "Organization Chart" in APPENDIX A.

Mission Goals of the Company

The company guarantees the satisfaction of its customers through the provision of total quality information technology products, services and management that benefits the customers both personally and professionally. The goals of the company will be similar to the goals of the major computer companies in the United States. First, the company will target the major businesses in Yemen as its primary customers. When that market is saturated, the company will then focus on households as its customers, as it is now in the United States. Even though the customers are going to be primarily businesses, the company will carry some computers for personal household users.

The present company goals are: short-term goal is to achieve a market share of 4-5 percent in the first two years. Long-Term goal is to be one of the top five companies in Yemen in personal computer sales within the next three years, to achieve about 10 percent share in the next three years time, maintain a profit margin of 35 percent over five years which is around equal to the projected market growth rate. So, this goal should not be too difficult to achieve.

The company has the potential to realize the above goals based on the following competitive advantages:

1. Market personal computers based on latest high performance microprocessors.
2. Total commitment to the top notch quality
3. Superb customer service
4. Lower price/performance ratio.

This computer company is expected to employee one person. This employee will be paid an equivalent of $10,000 US dollars per year. Wages are expected to be $10,000, considering the standard of living in Yemen, and is expected to increase by $1,000 per

year. The purpose will be opening, maintaining the store, and delivering merchandise to the customers. Other functions of the business will be operated by the owner of the business. The operation will be primarily run by the business owner. It is possible to hire another person in the future.

Service support personnel: Any service needs that may arise for the repair or maintenance of purchased computers will be the responsibility of the owner. The owner in the beginning will get a lot of help from his family. However, the owner may obtain outside assistance if needed.

Customer Service/Product and Personnel Strategy

A simple framework to begin this process is Michael Porter's strategies for creating competitive advantage in an industry. Porter identifies three approaches to achieving competitive advantage. These are:

1. Low cost/price efficiency

2. Differentiation

3. Special market niche [32].

The first of the strategies, low cost efficiency, is the primary reason businesses use computers. Since computers help businesses with some form of cost reduction. The reduction may take the form of employee replacement or enhancement, reduced inventory costs, or more accurate record keeping. Each of these directly effects the cost/price efficiency of the business.

While low cost/price efficiency is a frequent objective, it is not the only way that a computer can be used to help a business be effective and profitable. More and more business use computers to help create a differentiation between themselves and their competitors. For example, a customer database that enables a business to track service

records of frequent customers. This means that the company will provide all services such as delivery of equipment, technical support, and excellent customer service. This differentiation will help to avoid competing directly with major competitor market which is dominated by large giants like IBM, and Phillips. Thus, we have an entire range of product offerings from these competitors, for example high quality and good service.

Quality of product differentiation is based on the following deliverable characteristics:

Reliability: Reliability is a measure of the probability that a product will not malfunction or fail within a specified time period. The company markets only those products with proven track records for reliability. On top of that, the company tests every product before it goes out of our company. Sometimes manufacturers let a bad one get through, or sometimes damage is incurred during transit. We make sure it doe not get to our customers.

Performance: Performance refers to the levels at which the product's primary characteristics operate. For example, Toshiba computer performs better that a Data General computer if it has faster processing and larger memory. buyers of expensive products normally compare the performance characteristics of different brands. They will pay more for better performance as long as the higher price does nor exceeds the higher perceived value.

Reparability: Reparability is a measure of the ease of fixing a product that a malfunctions or fails. ideal reparability would exist if users could fix the product themselves with little or no cost or time lost. The buyer might simply remove the defective part and insert a replacement part. The next best thing, computer products include a diagnostic feature that allows service people to correct it over the telephone from a distant location or advise the user how to correct it. The worst situation is when a computer breaks down

and requires a service call, and much time elapse before the service people and parts are available.

Customer service differentiation is based on the following deliverable characteristics:

Delivery: Delivery refers to how well the product or the service is delivered to the customer. It includes the speed, accuracy, and care attending the delivery process. Customers will often choose the company which has better reputation for on-time delivery.

Installation: Installation refers to the work that has to be done to make a product operational in its planned location. For example, Toshiba delivers all of the purchased equipment to the site at the same time rather than sending in different components at different times, to sit waiting for everything else to arrive.

Consulting Service: Consulting service refers to information systems, and advising services that the company offers free.

Repair: repair describes the quality of repair service available to customers of the company's product.

Miscellaneous Services: the company can find many other ways to add value through differentiated services. The company can offer a better product warranty. Also, there are unlimited number of specific and benefits companies can offer to differentiate themselves from their competitors.

Personnel differentiation is based on the following deliverable characteristics:

Competence: The employees posses the required skill and knowledge.

Courtesy: The employees are friendly, respectful, and considerate.

Credibility: The employees are trustworthy.

Reliability: The employees perform the service with consistency and accuracy.

Responsiveness: The employees respond quickly to customers' request and problems.

High Performance (Communication): We deliver timely, efficient and uniform respond to our customers service needs and make an effort to understand the customer and communicate clearly. These approaches for Customer Service/ product, personnel Strategy are presented in the following table:

COMPETITIVE DIFFERENTIATION TABLE

	Customer Service Differentiation	Personnel Differentiation	Product differentiation
Delivery			X
Performance			X
Repairability			X
Delivery	X		
Installation	X		
Consulting Service	X		
Repair	X		
Warrantee	X		
Competence		X	
Courtesy		X	
Credibility		X	
Reliability		X	
High performance (Communication)		X	
Responsiveness		X	

The purpose of the strategy is to accomplish a unique positioning in the market which differentiates between our company and our competitors. Please see "Positioning Matrix" below.

POSITIONING MATRIX

		Differentiation in service	
		Low	High
Cost	High	Apple / Phillips	IBM / Hafiz
	Low	Epson	

Positioning matrix shows that Hafiz's company will be in high service, but higher medium in cost when compared to other players in the market.

Market/Customers

The markets currently are targeted to educational institution, government offices and institutions, medium sized businesses, and middle to high income families. For more details on market and customers, see the "market Analysis" section.

Technology Position

The company will focus on providing complete solutions that make use the philosophy of "best-of-breed" technology component. It will deliver to their customers real solutions to business problems rather than technological promise. We realize that we cannot be all things to all people. The company is expected to hire more skilled people in the future, and will have technology in place to create complete solutions utilizing "best-of-breed" components.

The keyboard would have both the English and Arabic alphabets printed on the key-tops. The user could switch to the interface of his/her choice, whether Arabic or English, from inside each application. A particular piece of software would need to be installed that would take Arabic characters as input when using word processing packages. This is a relatively simple issue and should not pose any major problems. Also, there are already manual translated into Arabic language.

The software products will be bilingual and will be able to read both Arabic and English on the same page. The largely bilingual world of Arab business and government, as well as the American government, non-profit, and international business, will now have a single solution for managing documents in either English or Arabic, or both languages simultaneously.

Store Location

The computer store is likely to open in the capital of Yemen, Sana'a. Possible reasons for this are as follows:

1. Sana'a is the largest city of Yemen with major business and infrastructures located there.
2. The majority of the people live in Sana'a, with a population approximately of 2 million [4].
3. The majority of the current computer users live in Sana'a.
4. The governmental offices, agencies, and higher educational sectors are established in Sana'a.

Because of the reasons listed above, I will not examine other cities for possible locations of the store because government is concentrated in the capital.

Strengths and Weaknesses

The company's products will be reputed to be one of the best quality products in the market backed up with a superb customer service, where customer can get technical assistance which invariably solves his/her problems within 24 hours. Also, the company delivers a batter performing product (better and more features than other competitors) and also at a reduced price.

The company's strengths will be in the location. This is due to having an educated manager with some experience. The company will need to hire a professional employee with a good computer skills. This individual will have the expertise and experience needed to drive this new computer store forward and to make it succeed. the

purpose will be opening, maintaining, the store, and delivering merchandise to the customers. And there may be some technical support. Other functions of the business will be operated by the owner of the business who is in this case the manager. The owner will order, market, and keep records of the business. The operation will be primarily run by the business owner. It may be necessary to hire third person in the future.

Most products in Yemen are marketed primarily through agents or distributors. These play an essential role in the promotion and marketing of companies and products. A reputable agent, through his contacts and knowledge of the local market, can provide important timely information. Because of agents'/distributors' contacts and knowledge, the company may decide to have an agent/distributor, as suggested by Mazen Sadek, owner of computer store in Northwest Portland. This could greatly help the business get started.

However, the company's weaknesses are no name recognition, but the owner has established connections and ties to the community through his family and friends. Please see chart "Company strengths and Weaknesses" in Appendix C

Industry Key Success Factors (KSF)

The key success factors indicates that players in the computer industry some of the keys for success include the following: market growth name recognition, customer service, operations, strength of management, strength of marketing, entry barriers, store locations, substitute product, price competitiveness, and distribution channels. These factors and relative weights were identified through an interview with Jahed Sukhun, Computer Consultant, and Mazen Sadek, owner of computer store in Northwest Portland. In an interview with Ayoob Ramjan of HP, he states the impeccable service will dominate the computer industry. He also added without it no business will survive.

Competitive Position

The usual starting point to analyze the company's potential competitive position, and the most important criterion must be placed at some point on the scale. Assume that this point is at the top of the scale, a value of 5 (dominant), and the bottom of the scale, a value of 1 (poor). Out of 5, the company scored a 3.75 in industry KSFs.

Overall, the company scored a 4.08 which indicates that the company has the potential to be a competitive player in this industry. For more details please see " Appendix F."

ANALYSIS OF MARKET ENVIRONMENT

(Stakeholder Analysis)

Economic Environment

GDP, per capita income and income distribution: Yemen enjoyed a healthy growth rate of more than 8.1% in real GDP from 1987 to 1989. The growth rate in GDP from 1994 to 1996 was 2.5-5.1 [8,9].

Purchasing Power: The gross national product for 1994 was $23.4 billion. The per capita GNP is about $1,955 [13]. Note: the per capita GNP of Yemen's capital Sana'a and commercial center Aden is closer to $3000, but, for some other regions this figure could be less than $600. The marketer should take this regional disparity of per capita GNP into account. This information is extremely important for the marketer since most of the action would take place only in these big cities. The distribution network must cover these areas extensively.

Current information on income distribution is not available, but the concentration of most of the industries in the capital leads to higher income levels in Sana'a metropolitan areas and some other locations in Yemen where manufacturing or tourism are major activities.

This information is sufficient to prove that we cannot expect much buying power in the hands of individuals/families belonging to the middle class in contrast to the U.S.A. We would have to concentrate on the businesses, government agencies, and universities for most of the sales.

Political and Regulatory Environment

Form of government in Yemen: Yemen had an absolute monarchy prior to 1962 when it was ended by revolution. At the end of the struggles, the North had abolished its monarchy and was still dominated by the traditional tribes. The People's Democratic Republic of Yemen in the south had the Arab world's only officially Marxist state. North Yemen underwent a series of coups, and the South experienced a violent internal party dispute. The North remained conservative with the central government controlled by the army; the south was excessively secularist.

In the wake of Glasnost in the former Soviet Union, North Yemen and South Yemen reunited on May 22, 1990. Yemen held its first election in April 1992, which was the first free election in the history of Yemen following many years of struggle. But the stability ended in a matter of days. This crisis on May 5, 1994 between rival, corrupt politicians erupted into open war. The crisis in Yemen is not about tribal or international conflicts, but is about the two parties sharing control of the country being unable to a reach peaceful solution on how to divide the loot.

Yemen is a burgeoning democracy having held its first internationally- observed multi-party parliamentary elections in April 1993. The second parliamentary elections were held in April 1997. Yemen's government is divided into three branches: the executive, with president and vice president; the legislative, with a 301 member-unicameral parliament; and the judiciary, consisting of three levels of courts (magistrate, appeal, and supreme).

The situation right now is very stable. Also, the basic orientation towards a free enterprise system is embedded in the Yemen philosophy, and it does not change with the leadership.

Technological and Competitive Environment

In our increasingly globalized environment, access to information, and the ability to use it, are vital. The prerequisites for joining the information world are not there. Even the most advanced sector of modern Yemen-telecommunications, is not up to standard. The total number of telephone connections in Yemen is less than 200,000. That is just over 1% of the population base. In the advanced world, the percentage is higher than 80%. To join the world, we need the hardware-computers [33].

The bi-lingual keyboard would have both the English and Arabic alphabets printed on the key-tops. The user could switch to the interface of his/her choice, whether Arabic or English, from inside each application. A particular piece of software would need to be installed that would take Arabic characters as input when using word processing packages. This is a relatively simple issue and should not pose any major problems. Also, there are already manual translated into Arabic language.

Product Life Cycle

According to CMA Magazine [23], one does not have to look far to conclude that the obsolescence in the personal computer market is not only planned but real. Does it follow, however, that because technology is moving ahead so rapidly, the equipment is becoming outdated at the same pace? Today, product life cycles have accelerated and shortened in many industries, making it necessary to have a continuous and rapid introduction of new products [21].

According to IEEE Transactions on Engineering Management [16], "proponents of time-based competition argue that a firm will be most successful if its development times are shorter and products generated faster than its competitors." The introduction must always be time sensitive. Success depends on being in the right place at the right time, being too early or late may lead to failure. Time is a commodity that cannot be generated, purchased, or borrowed, and when it is gone, it will never come back [26].

Competition in the market place has revolved around the speed of introduction of new products into the market. Delayed introduction of new products not only reduces the life time profit potential by as much as 33 percent, but also makes it harder to enter the market against the established players [27].

There is broad agreement that rapidly changing technology and improved communications are two important causes of shorter product life cycles [28]. Improved communications have an impact because information about the newest, new product reaches the intended user or purchaser faster, which promotes an earlier switch away the existing product. Rapidly changing technology can make the existing product obsolete. Some companies have fallen into the "mature product trap" which makes it more likely that others will exploit changing technology.

Fast cycle time is the ongoing ability to identify, satisfy, and be paid for meeting customer needs faster than anyone else [29]. In an increasingly competitive environment, to sustain growth a firm has to refine current products continually as well as introduce new ones. The benefits to reducing cycle times can be divided into two categories [29, 30]. External benefits are those that help the company in the market, while internal benefits increase efficiency and effectiveness within the company.

The product would be in the early growth phase of their life cycle when introduced in Yemen. The perceived benefits that a customer should have about the products are:

1. high quality

2. higher design features

3. higher price/performance ratio

4. excellent customer support/service

The product would be upgraded with the latest high performance technology as they become available.

Social and Cultural Environment

Information Technology has come a long way in the Middle East. In general, adoption of personal computers in the Middle East has been very piecemeal and erratic [14]. There have been cultural and economic barriers that have limited adoption of the computers. The managers are not willing to share information or equipment. They offer resistance to the concept of sharing resources via networking.

But progress has been made on this front too. Economic and cultural barriers that have slowed adoption of PC technology throughout the Middle East are rapidly disappearing.

<u>Basis for social mobility in the society</u>

The basis for social mobility is the high standard of living in metropolitan Sana'a as compared with the other areas in Yemen. Most of the jobs are really concentrated in Sana'a and not in the other parts of the country [3,4]. This information is valuable for the marketer as Sana'a is the place for business.

INDUSTRY ANALYSIS

<u>Size and Growth</u>

The rate of computer use in Yemen is still low when compared to other Arab countries and developed nations. According to Dr. Karim Thabet, an economist and market expert in Yemen, Dr. Thabet predicts that the overall computer market will grow at an average rate of 13% per year during the next 5 years. The demand for mini-computers and personal computers is expected to be very high for the next several years as more nations around the world become more computerized. There is also going to be high demand for software and services as well as hardware and peripherals. But mainframe computers are not expected to have high growth rate due to high demand for mini-computers and personal computers.

Given how PCs are getting to be like mainframes, what does the future hold? PCs are becoming as powerful as mainframes, and mainframes are being made from PC parts. But the mainframe of the future will not be a gigantic PC [11].

Key Growth Factors

Mini and Mainframe Computer Market: The mainframe computer market in Yemen is likely to decrease except for the mini-computer market. Mini-computer markets are going to increase tremendously as government and local businesses resume investment in computers and the financial services sector in the next 5 years. Most of these institutions did not have mainframe systems. Now, due to the flow of money from oil revenue they can afford these systems. Also, the user of mini-computers in areas such as manufacturing, public and private sector services, including the education and training fields, will also boost sales.

In order to sell computers to the local businesses, the two top factors people are looking for are proven reliability and product popularity of the computers. For example, IBM and Apple computers are the two products that are widely used in Yemen for their established reliability and product popularity. The reasons for their popularity are that IBM and Apple computers publish user documents in Arabic. Also, the screen is in Arabic as the screen in the United States is in English.

End-User Market: This company will target its computers products primarily on the banking, manufacturing, and governmental sectors. Once these markets are saturated, the company will then focus on transportation services, public services, and universities. Also, we will focus on selling to consulting firms and wholesale and retail traders. Predictions for the future are that the end-user profile is going to change by having an increased demand for mini and personal computers, thus, again, a decreased demand for mainframe computers.

MARKET ANALYSIS

Market Scope

According to Dr. Karim Thabet, an economist and market expert in Yemen, the computer store should be located in Sana'a, Yemen's capital, because the majority of the businesses are located there. Also, it should be located there because of its population of 2 million and the fact that a majority of end-users live there currently. In addition, the business should be very successful since there are currently very few computer stores nationwide.

Market Segments

Major market segments that the company intends to target are:

- Mini and Mainframe Computer Market

  This segment consists of government and local businesses. This segment will need mini computers, the market for which is going to increase tremendously as government and local businesses resume investment in computers and the financial services. Also, the users of mini-computers in areas such as manufacturing, public and private sector services, including the education and training fields, will also boost sales.

- End-User Market

  As mentioned earlier, in this segment of the market the company is going to focus its computers primarily on the banking, manufacturing, and governmental sectors. Once these markets are saturated, the company will then focus to transportation services, public services, and universities. Even

though the customers are going to be primarily businesses, the company will carry some computers for personal household usage.

- PCs and Laptop Markets

    Based on the analysis of the Yemen market, there are very a few families and individuals would be able to afford a personal computer or a laptop computers. Also, it is very likely that a lot of these families would buy from Non-brand manufacturers, mainly because of price. The expectations of this segment as far as service is concerned would be low when compared to a business organization that depends entirely on the computer for its day to day operations. Also, families would definitely be price conscious which would make the Non-brand manufacturers an increasingly attractive alternative.

These above estimates were given by Dr. Karim Thabet.

Major Customers

The company's potential customers are expected to be:

- Small to Mid-Sized Businesses:

    These businesses employ approximately 1-500 employees. This sector represents a potential 60 percent of sales.

- Educational Institutions, Government Offices and Institutions:

    Schools and universities combined with government institutions represents 35 percent of sales:

- Middle to High Income Families:

    There will be a few families in Yemen who will be able to afford a personal computer, representing another 5 percent of sales.

Please see the "Product/Market Matrix" below for first two years of operation.

PRODUCT/MARKET MATRIX

FIRST YEARS OF OPERATION

Product	Market					
	Small Sized Businesses	Medium Sized Businesses	Large Sized Businesses	Educational Institutions	Middle Income Families	High Income Families
Laptop	HF ↑ D LC	HF ↑ D LC	HF ↑ MC	LF ↑ LC	MF ↑ MC	HF ↑ MC
Desktop	HF ←M HC	HF ←M HC	HF ↑ MC	HF ↑ MC	MF ↑ LC	HF ←M HC
Hardware	HF ←M HC	HF ←M HC	HF ←M HC	HF ↑ MC	MF ↑ LC	MF ↑ MC
Mini-computers	HF ←M HC	HF ←M HC	HF ↑ MC	HF ↑ MC	LF ↑ LC	LF ↑ LC
Network Products	HF ←M HC	HF ←M HC	HF ↑ MC	HF ←M HC	LF ↑ LC	MF ↑ MC
Software	HF ←M HC	HF ←M HC	HF ←M HC	HF ←M HC	HF ←M HC	HF ←M HC

Please see the key word in the next page.

Key

LC	low current emphasis	M F	medium future emphasis
M C	medium current emphasis	HF	high future emphasis
HC	high current emphasis	M	maintain
LF	low future emphasis	D	Develop

Sales Tactics

Since technology products are usually sold one-on-one, the salesperson becomes the ideal marketing vehicle. Armed with such knowledge, the creative salesperson the nurtures a need within customers for those characteristics. If the product has a number of unique characteristics of great value to a customer, then the salesperson's job is that much easier. Good salespeople make a difference. They are powerful tools and possess tactics for making your products and services unique., and they can tailor the products to the customer. This will be helpful in building a solid customer base. The second approach is using our personal contacts in the business community. The third tactic involves contacting businesses, government offices and institutions directly.

Distribution Channels

Products reach customers in many ways. The reputation of the retail store stands behind the product, and in many cases that image is better than the brand image of the manufacturer. The bottom line is this: distribution channels are powerful differentiators and frequently own the customer, and if a company is going to reach that customer, we must figure out how to bias the distribution network in our favor. Because distribution

channels often own the customer, the relationship established over the years becomes the dominant consideration.

Pricing Policy

We have to keep the price at the lowest possible level so as to offer the Lowest highest price/performance ratio possible in the industry. This would help us enter the market penetration pricing, where the big giants are already present. We have to build market share initially rather than early profits.

Later, once we have the desired market share, we can increase our price by introducing newer products with substantial improvements and upgrades in design.

Promotion and Advertising

The strategy for promotion and advertising is as follows:

- Identifying key customers and making contacts with business community through family's contact and reputable agent.
- The business owner has high reputation through his family ties to the business community.
- At the opening of the business, the owner will sponsor an open house for the customers.
- Word of mouth is very important in any business.
- Media will be our second option for advertising promotion strategy.

We would need to create a new message for the Yemeni market as our product would be in the introductory phase as compared to other markets, where it is in a growth/saturation stage. The primary message should be more for less. The stress should

be on the price/performance ratio, product quality/innovation and high quality customer service.

In the advertising age of thinking globally and acting locally, the generally successful marketing and advertising tools used in other regions do not carry the same force in the Arab world. The responsiveness to advertisements and primary market research has, until recently, been unmeasured. So how do companies go to market with their products and services, and obviously turn profit in what seems like a dim situation?

Advertising in the Arab world is still about mass media message that, more often than not, are ignored. TV viewers automatically turn to the next channel or mute the TV set when they see a commercial. Commercials on video get zapped. Magazine ads are normally turned over. The advent of new vehicles to convey mass message has started to effect the region. In a marketplace where trust and relationships are essential to developing business, the notion of creatively mass marketing to predominantly affluent consumer market is new.

Expected Sales

Due to the fact that businesses in Yemen consider their company's information confidential and tend not to divulge their sales information, they are losing market-share to other companies. However, the markets hold the most promise for personal computers as far as the entire global market is concerned [19]. The Middle East, especially is the most attractive market right now. The expected market growth in the Arab world for PCs is going to be 15 percent this year. According to a press release from the Dubai World Trade Center the development of the PC market and assembly lines in global and Arab regions are caused by lower prices due to market saturation. The PC market is predicted to approach 270,000 units; Saudia Arabia and Egypt will occupy the

majority of the Arab world market [25]. "Waleed Moneimne, general manger of Compaq Computer Middle East, states that Compaq has reduced prices twice in 1996 by 20%." [25] He says: "'The PC market in the region will continue to develop, and the retail chains that cater to PC users will continue to expand. The home market represents 15 percent of total PC sales in the region.'"[25] According to Moneimne, PCs' price reductions are caused by the processor manufacturers passing on lower cost of production to the end user [25].

Similarly, Arvind Agrawal, business manager for PC Business Unit, Digital Equipment Gulf, agrees that "the reduction of PC prices will increase the market size and make PCs affordable for everyone. In the first half of 1996, Digital reduced its PC prices by 25-30%. These reductions will increase sales of branded PCs and will take away from local non-branded assemblers." [25]

The computer market has undergone two big changes in the last year or so: the explosive growth of the home PC market and the evidence of emerging markets [20]. Also, it is very likely that many of these families when buying would buy from non-brand manufacturers, mainly because of price. The expectations of this segment for service would be low when compared to a business organization that depends entirely on the computer for its day to day operations. However, the price would be a central concern which would make the non-brand manufacturers an increasingly attractive alternative.

The projected sales in the first year is going to be at least $190,000 worth of computers. This is equivalent to $5,833.23 in the first month, $6,833.23 in the second month, $8,833.23 in the third month, and it will increase gradually to $15,833.33 worth of computers per month. If a laptop costs $1,495, a desktop model costs $975, others (which include hardware, software, and network products) cost between $90 and $150, then total products of each need to be sold to break-even are as follows:

- Five units of laptop

- Thirty one units of desktop

- One hundred thirty seven units of hardware, software, and network products.

BEST SALES PROSPECTS

The best sales prospects for selling computers in Yemen are going to be mini computers and personal computers. There is going to be a greater demand for software applicable to these computers especially with the emergence of the Information Super Highway. This will link the companies around the world with vast information from finances to geographic locations for doing business, According to Mazen Sadek, owner of a computer store in Northwest Portland and a Middle East expert. Mr. Sadek said there will be a shift to open systems such as UNIX over the proprietary systems in extensive use today. The reason for this is that by having computers that connect to UNIX, end-users will have the capability of attaining any information relevant to their businesses. These companies are going to demand network hardware and software linking their companies around town and around the world.

The company will carry all this hardware, software, and network products to meet demands in the future. Also, the company will also provide up to date versions of software and hardware.

COMPETITIVE SITUATION

Currently, only 35% of computer imports are of United States origin. However, over 80% of mini and mainframe computers imported are of United States brand such as IBM and Apple. The reason for this discrepancy is that most of the United States brand computers are shipped from or through European or Far East United States affiliates. As a result, there will be no major change in the United States' market share in the near future.

Currently, IBM is the leading supplier of mini, mainframe, and personal computers in Yemen. The next largest supplier is Koc Unisys by NCR. Other United States suppliers include Hewlett-Packard, Digital, and Data General.

In order to have good and stable sales, reputation, quality, and after sales service are important factors of selling computers in Yemen. Credit terms and length of payments are also purchasing considerations. Price is an important factor for government purchases because the tendency is to award contracts to the lowest bidder.

STRATEGIC PLAN

Long-Term Goals

Revenues:

- Year 1 - $190,000
- Year 2 - $209,000
- Year 3 - $240,000
- Year 4 - $276,403

- Year 5 - $317,863

Operations:

- Hire an employee who possesses the required skill and knowledge. Any service needs that may arise for the repair or maintenance of purchased computers as well as consulting will be the responsibility of the owner. However, the owner may obtain outside assistance if needed.

- The owner will be in charge of operating the entire business. The owner will order, market, and keep records of the business. The operation will be primarily run by the business owner. It is possible to hire another person in the third year.

Financials:

- Maintain an average of 37 percent return on equity ratio which is better compared to bank interest rate of 10 percent on long-term saving in Yemen.

Key Performance Indicators

Key performance indicators which will keep track of the company's progress toward achieving our long-term goal are shown below:

Key performance Indicators

Key Indicators	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	$190,000	$209,000	$240,350	$276,403	$317,863
Net Income	$25,675	$28,958	$35,049	$41,887	$49,954
Return on Sales (%)	13.51	13.86	14.58	15.15	15.72
Return on equity (%)	0.34	0.36	0.35	0.39	0.37
Number of employees	2	2	3	3	3
Percent growth/year in sales	NA	.10	.15	.15	.15

Plan Assumptions

Competition: The competition taken as a whole poses no threat.

Economic Condition: At the macro level, contractionary monetary policies

have reduced the growth of rail money supply from 33

percent in 1994 to an estimated 19 percent in 1995.

The growth rate is forecasted to decline to 14 percent

1996, significantly less than projected nominal GDP

growth of 46.5 percent. The reduction in the growth of

the supply of rails in the foreign exchange market is a

significant factor in the stabilization of the rail in 115-

130 range. [Rail is a currency used in Yemen. The

official exchange rate ranges between 115-130 Rail

relative to $1 US dollar]. It has contributed significantly to the decline in inflation from an estimated 48 percent in 1995 to a projected 20-25 percent in 1996. The economy could achieve stable and moderate expansion in the coming decade [9].

Industry Trend: With the current trend, industry continues to emerge and expand. The government is going to become increasingly involved. This will mean more government control and regulations which will effectively limit both the size and direction for industry growth.

Market Trend: The market is just beginning to grow and this has lured other competitors into the market. the market is dominated by giants like Apple, IBM, and Phillips. Thus, we have an entire range of product offerings from these competitors, for example high quality and good service.

Issues to Address in the Future

To operate computers, one needs a reliable source of energy-electricity. Some improvements have been noticeable in the pipeline for the cities, notably in the capital city, but there is nothing in the offing for the countryside in the foreseeable future.

Company Strengths to Exploit

The company's strengths are in location. The selected location will be in a shopping center in the capital Sana'a. This is due to having an educated manager with some experience. Also, the company will need to hire a professional employee with good computer skills. This individual will have the expertise and experience needed to drive this new computer store forward and to make it succeed. Other functions of the business will be operated by the owner of the business who is in this case the manager. The owner will order, market, and keep records of the business. The operation will be primarily run by the business owner. Other areas of the strength are in customer service and personal contacts.

Company Weaknesses to Overcome

The Company's weaknesses are lack of name recognition, but the owner has established connections and ties to the business community through his family and friends. This weakness can and will be overcome.

Market Opportunities to Exploit

The target market in Yemen consist primarily of:

      a. medium sized businesses

      b. educational institutions

      c. government offices and institutions

      d. high income families, primarily in the metropolitan areas.

This target market would have high expectations of service, quality and reliability from the vendor, and would appreciate a lower price/performance ratio. It is likely that the government agencies would buy equipment based solely on price. In that case, the price/performance ratio should be used to prove the superiority of our product. These target group will help expand a larger customer base, and add to the revenue stream.

Risk Analysis

Risk Analysis			
Element	Ratings		
	Low	Medium	High
Industry			X
Market		X	
Competitive Position			X
Strategy			X
Operations		X	
Financial Performance			X
Managerial Performance		X	
Level of Future Performance			X
Overall risk			X

Competitors Strengths and Weaknesses

There are a few competitors in the industry like IBM, Apple, Epson, Phillips. The competition is very intense as the personal computer is reduced a commodity status. The strengths and weaknesses of competition are:

Strengths:

- High quality products (IBM, NEC, Epson, etc.)
- Superior service (IBM, Compaq, etc.)
- Technological resources
- Price advantage (non-brand" computers are cheap)
- Ability to market
- Ability to manage.

The market is dominated by large giants like IBM, NEC, and Phillips and on the other hands, there are those manufactureers who sell generic computers. Thus, we have an entire range of product offerings from these competitors, for example, high quality and good service, and at a moderate price.

Weaknesses: The competition taken as a whole has no weaknesses that we can exploit. Some companies provide excellent service and offer a high quality product thereby charging a high price, whereas others provide a mediocre product and service and charge a relatively lower price. Technological, management, marketing, and financial resources of IBM and NEC are indeed formidable, competition is very strong. Our company will have a professional employees with good computer skills. This individuals will have the expertise and experience needed to drive this new computer store forward and to make it succeed this would give us an advantage over our competitors.

Threat of Entry: The barriers to entry are virtually non-existent. The market is just beginning to grow and this has lured other competitors into the market.

Threat of substitute products: This threat also is virtually non-existent. The very standardized nature of the product has lowered this threat. This really heats up the competition.

Bargaining power of the buyers: Today, the PC market is really a buyer's market. How good a deal people can get depends in large part on how specialized their needs are, how much of a rush they are in, and how finicky they are about specific features because of the plethora of choice available to the consumer and also the ease at which these choices can be made available to them [22].

Summary: We face an uphill battle against the competition. We really have to be good on all the following points to be able to lead the competition:

    a. highest possible product quality

    b. superb customer service

    c. first to market with innovations

    d. lowest price/performance ratio

STRATEGY PLAN

According to the identified strengths and weaknesses, risk analysis, and goals, the company strategic plan is as follows:

Strategic Thrust: The following strategies and tactics are developed to derive the company success forward. As soon as the company is established, the above strategies will provide a structure to hold together and maintain competitiveness.

Strategies: The following strategies will be pursued to support the strategic thrust:

Strategy 1.   Incremental improvement in market position.

Strategy 2.   Development of new markets.

Strategy 3.   commitment to top notch quality.

Strategy 4.   Lower price/performance ratio.

Strategy 1.   Financial soundness and stability.

Tactics: The following tactics will be used to achieve the above strategies:

Tactic 1 Ref. to strategy 1)   Increase market share through aggressive marketing, and promotion.

Tactic 2 Ref. to strategy 2)   Targeting medium sized businesses, educational institutions, government offices and institutions, and high income families.

Tactic 3 Ref. to strategy 3)   The market would be based on high product backed with superb customer service and detail with regard to implementing solutions.

Tactic 4 Ref. to strategy 4)   Lower performance is being the first to market products with the latest technological innovations (better and more features than competitors' PCs) and also at a reduced price.

Tactic 5 Ref. to strategy 5)   The company can withstand the failure of an entire product line and still be able to survive and strike back. This opens our options for taking risks and expansion into newer markets. The company can diversify their products. If one product line did not work we can

offset it with something else. For example, the company could seek new products that have technological or marketing synergies with existing product lines, even though the products may appeal to a new class of customers.

Time schedule: The following is the time schedule for the above tactics:

Tactic 1   12 months

Tactic 2   12 months

Tactic 3   12 months

Tactic 4   6 months

Tactic 5   24 months

Responsibility: The owner will be responsible for implementing the time schedule.

Estimated Cost: All the above tactics will be part of the operating cost.

MANAGEMENT DEVELOPMENT

Hafiz Kassim has gained valuable exposure to complex computer operations at Portland State University. He has worked extensively on IBM computer as well as Macintosh systems, business applications software, and with a major in Information Systems and Quantitative Analysis and Master in Engineering Management, I have had training on mainframes, minicomputers, and microcomputers as well as with a variety of

software programs and applications. Furthermore, I am comfortable on various hardware platforms. On a practical level served at Portland State University's computer center as an assistant operator and lab supervisor for system users. Also, as Graduate Assistant he assisted in teaching HTML, MS Word, Excel, PowerPoint for faculty and graduate students as well as teaching undergraduate course in Middle East economics.

The manager is well equipped with technical capabilities as well as education qualification would prove to be beneficial to the company.

EMPLOYEE DEVELOPMENT

1. Opportunity to learn new skills. With employees having this computer knowledge, it will not only make them more valuable at Hafiz's Company, but also the marketplace.

2. Sense of ownership. The employee will be responsible for making sure the tasks required are done on-time and efficiently. The ownership of the tasks will be transferred from supervisory management to the employee. This will result in the employee having responsibility for their actions and increasing their sense of self-worth.

3. Increased responsibility. Essentially, it will be for management to ensure the employee knows they have management's backing and support if needed. These changes will prompt responsibility.

4. Increased performance and output. The satisfaction of doing a job efficiently and effectively will help improve employee output, outlook and performance.

5. New bonus/incentive compensation Plan. Bonuses and incentives will allow more opportunities for employee to be rewarded for outstanding work.

COMPANY STRUCTURE

The company's structure will be that of a small computer store. The company is essentially going to be a computer store located in Yemen, owned and operated by Hafiz Kassim and his family.

Responsibilities

Hafiz Kassim is going to be the president and store manager of the company who is in this case the owner. The business will be operated primarily by the owner of the business. The owner will order, market, and keep records of the business. The operation will be run primarily by the business owner. The owner may obtain outside assistance if needed. The following are the functions of key personnel:

Functions Of Key Personnel				
Functions	Hafiz Kassim	Store employee	Outside Consultant	Outside Accountant
General Administration	√			
Delivery		√		
Store Operations	√	√		
Marketing	√		√	
Human Resource management	√			
Purchasing	√			
Technical Support	√	√	√	
Advertising	√	√		
Performance Tracking	√	√		
Accounting	√			√

Management Time

The president or the manager in this case will put (60 hours a week).

OTHER CONSIDERATIONS

LEGAL ISSUES

Yemen's imports are regulated by an annually-revised Import Regime published by the Undersecreterial for Treasury and Foreign Trade (UTFT). This Regime sets forth rules and regulation regarding imports to Yemen and the customs duties and surcharges applied to imported products, for which the Yemen Government is providing import incentives [38].

With the exception of only a few items, all products may be imported into Yemen without government permission. However, Yemen importers are required to obtain an import certificate before bringing in products. These certificates are usually easily acquired. Import certificate applications for products subject to government approval are made through commercial banks.

The Yemeni Government requires computer distributors to have sufficient parts in stock and technical personnel to provide after-sales service. The distributor must obtain a document from the Yemeni Ministry of Industry stating that his firm has such capabilities before he can import.

Computer importers are also required to obtain a third import document if the product is considered sensitive by the exporting country. This is a measure to control and avoid possible diversion of imported sensitive items. The importer is required to give a written statement to UTFT that the products will not be shipped to a third country without permission from UTFT.

Method of payment

The "cash against goods" and "cash against document" payment methods are used most frequently. These methods are only recommended between parties who have had previous trading experience, as American companies have had problems arising from these methods. Letters of credit are encouraged until a relationship is established.

Trade Barriers

At present there are no significant trade barriers obstructing United States exports of computers to Yemen except that computers exported out of the United States must be at or below 12.5 million theoretical operations per second (MTOPS). MTOPS is a government-devised measure of processing power. The type of computer that falls at the 12.5 MTOPS category is the Intel 486, 33 MHz computer. The reason for having this type of export-control regulations is to keep high-end computers out of the hands of unfriendly nations that might build weapons with them. Even though the United States government has had this export control for 45 years, it is expected that the United States government is going to raise the current microprocessor export ceiling from 12.5 MTOPS to 210 MTOPS. (See Appendix L) for the United States microprocessors available for exports [1].

Yemen tariff rates are computed on the basis of Cost, Insurance Freight (CIF) value. The Yemeni Government encourages computers use and exempts computers from customs duty. The normal duty would be 1.5 percent for EC/EFTA countries and 5 percent for all other countries. Importers must still pay a surcharge tax of 12 percent of C.I.F. [38].

FINANCIAL SECTION

Assumptions

As shown in the assumption sheet (Appendix G), the following assumptions were made:

- Interest rate is expected to be at 10%.

- Tax rate is 35% is expected to be uniform in Yemen.

- Advertising and public relations in the second year will result in 10% sales increase over the first year. The third year through the fifth year sales are assumed to increase by 15% annually. This is relevant to the standard of the industry.

- Profit margin may vary from season to season or year to year. This margin is expected to average 35%.

- The average turn for accounts receivable turn days is expected to be 35 days in the first year and is expected to increase from the second year on to 40 days due to the expansion in sales.

- Inventory turnover is expected to start with a modest rate of 2.5, which is typical for this kind of new business, and will increase to 3 in the second year and 3.5 in the third year. This rate is expected to be 4 in the fourth and fifth year due to increased awareness and necessity of the product and related services.

- The average turn for accounts payable is assumed to be 45 in the first year considering special arrangements with suppliers as a start-up business. The second year through the fifth, this average is assumed to be 40 days considering the increased inventory turnover ratio.

Projected Income Statement

As shown in the projected income statement (Appendix H), wages are expected to be $10,000, considering the standard of living in Yemen, and is expected to increase by $1,000 per year. Selling and administrative expenses are expected to be $5,000 and are expected to increase by $500 annually. Straight-line- Depreciation Method is applied for the building and other equipment. Interest expense corresponds with the remaining balance of long-term debt. Other expenses include electricity, water, office supplies, transportation and other incidental expenses. Profit margin is considered to be 35%, which is proper for this kind of business and environment.

Projected Balance Sheet

As shown in the balance sheet schedule (Appendix I), this business starts with a capital of $125,000 of which the owner provides $60,000. The remaining $60,000 are provided by a long-term bank loan of $45,000 and $15,000 in short-term accounts payable to suppliers.

The business starts with $60,000 in inventory, and the plant and needed furniture is valued at $60,000. There will be $5,000 cash needed to run the basic daily operations for a couple of months, i.e. salaries, advertising, electricity ... etc.

Projected Cash Flow

The projected cash flow indicates there will be positive cash flow for all five years except that third year cash flow will be extremely low due to retirement of long-term debt (see Appendix J).

BREAK-EVEN ANALYSIS

Sales

The break-even point for the year was computed at a sales volume of $190,000 worth of computers in the first year. This is equivalent of $15,833.33 worth of computers per month. Even if a Laptop costs $1,495, Desktop costs $975, others which include (Hardware, Software, and Network products), then total products of each need to be sold to break-even are as follows:

- Five units of laptop

- Thirty one units of desktop

- One hundred thirty seven units of hardware, software, network products.

Projected Sales Percentage	
Product	Percentage
Laptop	15%
Desktop	60%
Others	25%
Sales	100%

Sale/Purchase Prices		
Product	Purchase Prices	Sale Prices
Laptop	$1,495	$2,300
Desktop	$975	$1,500
Others	$91 Average purchase price	$140 Average sale price

X = Laptop

Y = Desktop

Z = Others includes (Hardware, Software, and Network products).

We can use the following equation to find out the break-even point as follows:

Fixed Expense + Variable Expense - Sale Return = 0

$$27,000 + 1,495 + 975Y + 91Z = 2,300X + 1,500Y + 140Z$$

$$805X + 525Y + 49Z = 27,000 \dots\dots\dots\dots\dots\dots\dots(1)$$

$$.15X + .60Y + .25Z = 1 \dots\dots\dots\dots\dots\dots\dots(2)$$

The break-even point rounded to one unit:

X = 5 units

Y = 31 units

Z = 137 units

Our expected sales for the first year as follows:

Expected Sales for First Year	
Product	Unit
Laptop	12
Desktop	76
Others	340

12*2,300 + 76*1500 + 346*140 = 190,000

FINANCING OPTIONS

Owner Borrows Computers to Sell

Borrows through the company: In this case the owner receives the computer from companies and repays those companies within three to six month. They will charge interest for three to six months. The owner can pay the bill for the computers at the end of the time period agreed by the bill. This will be the most appropriate for this type of initial start up business.

CONCLUSIONS AND RECOMMENDATIONS

Because of the expected growth rate of 13% per year for the next 5 years, the success of a new computer business opening in Yemen is very high. With no trade barriers with other countries, any product may be imported into the country without government permission except for the United States. The only types of computers currently that can be imported are 486, 33 MHz computers or a lower speed. Regardless of this trade barrier set by the United States, the computer store in Yemen will still be able to obtain faster computers from other markets, such as Germany, Japan, or India.

As shown in the accompanying financial statements, this computer business would be promising opportunity to carry on. The continuos growth in sales might be a little conservative considering the wide spread of the use of PCs, especially in that region.

The following are the recommendations I believe will lead to a successful computer business in Yemen:

1. First, the computer store should be located in Sana'a at the shopping mall, Yemen's capital, because the majority of the businesses are located there. Other reasons for location in Sana'a are its population of 2 million and the majority of end-users live there currently.

2. The business should be very successful since there are currently very few computer stores in the whole country.

3. The primary target market will be local businesses, governmental agencies, and local schools and universities.

4. The computer store should only deal with IBM and Apple products since they are well known by the consumers locally. They have proven reliability and

product popularity since they are widely used and well known throughout the world.

5. The types of computers the store will carry are PCs as opposed to mini-computers. This is because PCs now have become so fast and are easier to connect to networks than in the past. If businesses, governments, or educational institutions do need mini-computers, the store will be able to special order them.

6. Because there are little or no trade barriers (tariffs), the company will be able to import various types of computer products into the country to sell without any major complications.

7. To operate the computers, one needs a reliable source of energy-electricity. Some improvements have been noticeable in the pipeline for the cities, notably the capital city, but there is nothing in the offing for the countryside in the foreseeable future.

Because of the reasons listed above, I believe the business will be very successful once started. My family is welling to go into the sale of computers to the locals inhabitants and businesses. As the business takes off, they may be able to expand into other parts of the country.

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