INSPIRING BUSINESS

ICT
Sector

Security and Surveillance Systems

Project Number:	**PIC-2010-IO-046**
Project Name:	**Security and Surveillance Systems**
Sponsor Company:	**Palestine ICT Incubator (PICTI)**
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Total Cost of the Project:	**US$ 100,000**
Investment by Current Owners:	**US$ 25,000**
Required Investment:	**US$ 75,000**

Project Description:

Palestine ICT Incubator (PICTI) is seeking a financing partner that can assist in the establishment of a company that will provide the following products and services: visual bell, security and surveillance systems, access systems and industrial machinery remote control systems.

The company will target the local Palestinian market including residential, private industrial institutions as well as governmental organizations. Its competitive advantage is that it will provide locally built, customized systems. The company will analyze clients' needs and design the system accordingly (custom made services).

Highly trained technicians will install the systems, which they have created. This is a major advantage because they will have a high degree of familiarity with the products and will therefore be able to provide the highest possible level service to clients. Additionally, all installed systems will be accessible remotely, so that clients are able to control them from multiple access points.

Project Development Time Table:

	Expected number of months from finance availability
Operations Start Date	**2-3 months depending on needs of the client**

Current Owners' Profile:

Palestine Information & Communications Technology Incubator (PICTI) designs, develops and implements initiatives that lead to the creation of innovative entrepreneurial enterprises focused on Information and Communications Technology (ICT). PICTI's main competitive advantages include its management's strong network extending throughout the Palestinian private sector, its dedicated staff with incubation know-how, its clients (some close to graduation), and a pioneering initiative underway to create a seed fund for the benefit of pre-revenue start-up companies incubated at PICTI. PICTI aims to develop the Palestinian Micro, Small and Medium Enterprises (MSME) sector as a means to generate new jobs, attract foreign investment and improve the economic situation in the Palestinian territories.

Palestine is entering a new era. It faces a changing political environment which is constantly bringing about new economic, social and technological challenges. Access to finance, business advisory services, equipment and reliable telecommunications are all challenges for established businesses and entrepreneurs wishing to participate in the growing private sector.

PICTI's mission is to design, develop, implement, and promote initiatives that support entrepreneurial business ventures with high growth potential by providing them with an integrated package of world-class business development services that nurture and support the commercialization of their ideas while enhancing their development and growth.

PICTI has created many programs such as outreach (awareness campaign with the Palestinian universities and communities on issues related to entrepreneurship, innovation and PICTI services), pre-incubation programs, incubation programs, seed fund investment (fund under establishment and ongoing fundraising), marketing (annual participation in Expotech www.expotech.ps and regional marketing campaigns and fundraising), a matchmaking program to link start-ups with business and investment opportunities, industry-university linkage programs as well as training and policy work.

PICTI also provides entrepreneurs with office space and business development services to transform their commercially viable ideas into established products and businesses, provides job opportunities for talented Palestinians, develops the information and communications sector, helps establish new start-up companies, plays an important role in revitalizing an entrepreneurial culture and capacity building, links Palestinian entrepreneurs with investors, develops business plans and provides business development services for its clients.

Industry Highlights:

The Information and Communications Technology (ICT) sector has a significant influence on the development of Palestinian infrastructure and on general quality of life standards. The ICT sector plays a critical role in shaping the future of Palestine as it facilitates the ability for Palestinians to communicate with others locally and globally.

Economic experts gave high marks to the Palestinian ICT sector for its viability and ability to aid the development of the Palestinian economy. International outsourcing experts attested "that the Palestinian outsourcing industry is capable of sustaining multiple concurrent IT development projects at levels of quality, timeline and customer satisfaction as buyers would expect from a global IT outsourcing services provider." Experts stress that despite the current political situation and heavy-handed Israeli restrictions, the ICT sector stands on top of other economic sectors in terms of its readiness to boost the Palestinian economy and significantly penetrate regional and international markets.

Palestine is leaping forward in the ICT world as statistics show a huge increase in the number of households that use ICT technology. According to the Palestinian Central Bureau of Statistics, 32.1% of households have a computer at home and 15.6% have access to the internet; a 72.8% increase from 2004. Other significant statistics such as the number cell phone users indicate that the sector has more than doubled since 2004.

As of 2007 year-end, the ICT sector contributed about 10-12% of GDP with a market size of around $500 million. There are approximately 250 ICT companies, 150 small computer stores, more than 150 internet cafés and over 5,300 individuals working in the sector in the West Bank and Gaza. Palestinian ICT companies cover a wide spectrum of the ICT market including hardware distributors, software development firms, office automation vendors, internet service providers, telecommunication companies, as well as ICT consulting and training companies.

Broadband penetration is mainly dominated by Paltel presently and by having other companies that provide the service with quality emphasis, this will lead to higher internet penetration while lowering the cost. Indeed, due to its heavy cross-sectoral impact, a competitive broadband service industry has the potential to become a main economic driver for future economic, social and democratic change.

SWOT Analysis

Internal Analysis	
Strengths	**Weaknesses**
• Extensive industry experience	• Lack of financial resources
• Major components needed are available in the local market	• Products may be slightly expensive, but effective
• PICTI's support services	
• PICTI's technical and managerial experience	

External Analysis	
Opportunities	**Threats**
• Growing demand for security & surveillance products	• Political instability
	• Competition from Israeli and foreign imports (especially china)

Financial Projections in US$

Indicators	2011	2012	2013	2014	2015
Income statement Accounts					
Revenues	90,000	150,000	200,000	260,000	273,000
Gross Profit	30,000	75,000	105,000	160,000	168,000
Net Income	1,832	333	46,500	101,500	106,825
Cash Flow Accounts					
Operating Cash Flow	6,832	5,333	51,500	106,500	111,825
Investing Cash Flow	(100,000)	0	0	0	0
Financing Cash Flow	100,000	0	(45,000)	(100,000)	(100,000)
Balance Sheet Accounts					
Total Assets	101,832	102,165	103,665	105,165	111,990
Total Liabilities	0	0	0	0	0
Total Equity	101,832	102,165	103,665	105,165	111,990
Profitability Indicators					
Return on Assets	2%	0%	45%	97%	95%
Return on Equity	2%	0%	45%	97%	95%