

## **A Feasibility Study of Academic Tutoring Services in Cateel, Davao Oriental**

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### **ABSTRACT**

This feasibility study evaluates the viability of launching Academic Tutoring Services in Cateel, Davao Oriental, focusing on its cost-effectiveness and potential market dominance. Initiated in response to the shift towards virtual and modular learning systems due to the COVID-19 pandemic, the proposed business aims to address significant educational challenges faced by students from kindergarten to grade 10. The study thoroughly assesses the marketing, management, financial, and socio-economic aspects of the business, demonstrating that the service is not only needed but also financially viable. Key findings indicate that the service could effectively monopolize the local market due to the high demand for personalized educational support, which current providers are unable to fully meet. Financial projections show a promising return on investment with steady growth in service revenue over five years, underpinned by comprehensive marketing strategies and operational plans that ensure cost-efficiency. Furthermore, the business is set to provide substantial social benefits by

offering employment opportunities to teachers and enhancing educational outcomes for students. The overall analysis confirms that Academic Tutoring Services could be a sustainable and profitable venture, contributing positively to the educational landscape of Cateel, Davao Oriental.

*Keywords: feasibility study, academic tutoring services, marketing aspect, financial aspect, social aspect, Philippines*

## **INTRODUCTION**

The onset of the COVID-19 pandemic dramatically altered the global landscape, impacting various sectors, including education. On December 31, 2019, the World Health Organization (WHO) reported pneumonia cases in Wuhan, China. The situation escalated as these cases were identified as a new virus, COVID-19, leading to its declaration as a global pandemic by March 11, 2020. This health crisis precipitated widespread changes in educational systems worldwide, particularly in the Philippines, where schools were compelled to shift from traditional classroom settings to virtual or modular learning formats (Rotas & Cahapay, 2020; Treceñe, 2022). This transition, mandated to curb the virus's spread, introduced a series of educational challenges primarily affecting students' ability to engage in self-directed learning effectively.

The abrupt shift to remote learning revealed significant obstacles within the educational framework that were not fully anticipated. Students faced difficulties with self-studying, often exacerbated by limited parental support, either due to parents' lack of time, knowledge, or both (Demir & Yildizli, 2022; Enriquez, 2022; Haro & Haro, 2022). Furthermore, the distractions posed by technology and social media have

disrupted students' focus and engagement with their studies (Kearney & Maakrun, 2020). These challenges have underscored the essential need for structured academic support, highlighting the pivotal role of education as a foundational element of success, as famously noted by Nelson Mandela: "*Education is the most powerful weapon which you can use to change the world.*"

Recognizing the persistent demand for quality educational support, the proponents of this study propose the establishment of Academic Tutoring Services. This initiative aims to address the gap in current educational offerings by providing focused, structured learning environments that can adapt to both pandemic and post-pandemic educational needs. The tutoring industry, characterized by its resilience and adaptability to economic and social changes (Palanisamy & Sulaiman, 2020), offers a sustainable avenue for entrepreneurs looking to invest in services that provide consistent value and income, reflecting the ongoing necessity of education in society.

In the local context of Cateel, Davao Oriental, the need for such services is particularly pronounced. Observations indicate that the existing tutoring services are overwhelmed, unable to meet the high demand due to limited teaching capacity. This situation presents a unique opportunity to establish a tutoring service that not only addresses the unmet needs but also sets a new standard for educational support in the area. By introducing a well-organized, modern facility, the proposed business could effectively monopolize the local market, providing significant educational benefits to the community and job opportunities for both active and retired teachers. This initiative is poised to foster educational excellence and support the community's academic needs comprehensively.

### **Statement of the Problem**

This feasibility study is intended to evaluate the feasibility of target customers in "Academic Tutorial Services". Specifically, it aims to evaluate and analyse the following areas:

1. The Marketing Aspect
  - 1.1 Who is the proposed target market?
  - 1.2 What promotional strategy will be implemented?
  - 1.3 What is the proponents' business?
2. The Management Aspect
  - 2.1 What is the form of ownership planned by the business proponents?
  - 2.2 What are the schedules of the business activities pertaining to the putting up of the proposed business?
3. The Financial Aspect
  - 3.1 What are the sources of capital?
  - 3.2 How do the financial statements appear over a five-year operating period?
  - 3.3 How much is the total projected capital investment requirement?
4. The Socio-Economic Aspect
  - 4.1 What are the social benefits that the proposed business will contribute?

## **METHOD**

### **Marketing Aspect**

**Target Market Analysis.** To identify the target market, a demographic survey was conducted in Cateel, Davao Oriental. The survey aimed to assess the educational needs of families with children from kinder to Grade 10. A sample of parents and guardians within the vicinity of local schools was selected to

gather data on their willingness and capacity to engage tutorial services. The survey included questions on family demographics, educational challenges, and preferences for tutorial subjects.

**Promotional Strategy.** The promotional strategies were designed following an in-depth market analysis. Techniques such as digital marketing through social media platforms, distribution of business cards, and local community engagements were planned. The effectiveness of these strategies was preliminarily tested through focus groups consisting of local educators, parents, and community leaders to gauge response rates and gather qualitative feedback on promotional materials and messages.

**Business Description.** To delineate the business model of the Academic Tutorial Services, a descriptive analysis was used. This included detailing the service offerings, operational model, and unique selling propositions of the tutorial services. The business model was compared with existing services to highlight competitive advantages and potential areas for market penetration.

## **Management Aspect**

**Ownership and Legal Structure.** The study evaluated the appropriate form of business ownership by analyzing different structures like sole proprietorship, partnership, and corporation. Legal advice was sought to understand the implications of each form and the necessary regulatory requirements. The chosen form of ownership was then detailed, providing rationales based on the scale of operation, capital requirements, and management capabilities.

**Scheduling and Operations Planning.** Operational planning involved outlining the daily activities required to set up and run the tutorial services. A Gantt chart was created to

schedule these activities, which included staff recruitment, training, procurement of materials, and the setup of the physical and digital infrastructure necessary for service delivery.

### **Financial Aspect**

**Capital Source Analysis.** This section detailed the prospective sources of capital, including owner equity, bank loans, and potential investment from private investors. A financial model was developed to project cash flows, earnings, and expenses over a five-year period to assess the viability of these funding sources.

**Financial Projections.** Using historical data from similar business models and adjusted for local economic conditions, financial statements were projected. These included income statements, balance sheets, and cash flow statements for the next five years. Assumptions such as growth rate, inflation, and customer acquisition costs were explicitly stated.

**Capital Investment Requirement.** An estimation of total capital investment was conducted. This included the costs of facility leasing or purchase, equipment, initial working capital, marketing, and other startup expenses. Cost-benefit analysis techniques were employed to justify the capital investments against projected returns.

### **Socio-Economic Aspect**

**Community Impact Analysis.** To assess the social benefits, a community impact analysis was conducted. This involved estimating the potential job creation for local residents, the educational impact on students, and the broader socio-economic benefits such as increased educational attainment and potential long-term career benefits for students. Surveys and interviews with local stakeholders,

including school officials and community leaders, were utilized to gather qualitative and quantitative data.

## RESULTS AND DISCUSSION

### A. Marketing Aspect of the Feasibility Study

**Service Description.** Academic Tutoring Services (ATS) offers specialized academic tutorials for kindergarten to grade 10 students in subjects such as Reading, English, Math, Science, and Filipino. Positioned as a service-oriented business, ATS facilitates online reservations for tutorial slots via social media and direct telephone contacts. This initiative extends the educational support beyond school hours, aiding parents and creating employment opportunities for active and retired teachers.

**Area of Coverage and Target Market.** ATS is strategically located on Acacia Street, Poblacion, Cateel, Davao Oriental, a locale identified for its robust population and economic growth potential, even amidst the pandemic. According to PhilAtlas 2020, this barangay has the highest population density in the area, making it an ideal spot for the tutoring service. The target market includes parents who lack time to teach their children and students from kinder to grade 10 who are eager to enhance their learning. To manage quality and demand, ATS will initially cap its service at 50 tutees.

**Demand and Supply.** Before evaluating the potential demand, the proponent personally visited Z&C Tutoring Services to understand their operational scope and client base. This competitor currently serves only younger students and has a limited capacity, indicating a gap in the market that ATS aims to fill.

Table 1. *Competitor analysis*

Name of the Business	Number of Tutees	Subjects Offered	Minimum Price	Maximum Price
Z&C Tutoring Services	8	Reading & Math	₱2,000.00	₱3,000.00

From 62 respondents surveyed in Barangay Poblacion, 50 expressed interests in availing ATS services, indicating a strong market demand.

Table 2. *Demand analysis*

Occupation	N	Frequencies for Yes	%	Frequencies for No	%
Students	31	22	44%	9	75%
Employed	18	17	34%	1	8.33%
Self Employed	9	8	16%	1	8.33%
Retired	4	3	6%	1	8.33%
TOTAL	62	50		12	

Table 3. *Demand per subject*

Total numbers who said Yes	Subjects offered	Quantity of demands in the subjects	Percentage
50	Reading	30	23.62%
50	English	21	16.54%
50	Math	40	31.50%
50	Science	24	18.90%
50	Filipino	12	9.45%
TOTAL		127	



**Marketing Strategy and Revenue Projections.** ATS adopts a comprehensive marketing strategy that includes digital marketing on platforms like Facebook and Instagram, as well as traditional methods such as distributing business cards in local schools and communities. The promotional efforts aim to establish a robust market presence and attract more clients.

Table 6. *Revenue projections*

Year	Service Fee	List of Students	Monthly Revenue	Annual Revenue
1	₱2,800.00	42	₱117,600.00	₱1,411,200.00
2	₱2,800.00	43	₱120,400.00	₱1,444,800.00
3	₱2,800.00	45	₱126,000.00	₱1,512,000.00
4	₱2,800.00	47	₱131,600.00	₱1,579,200.00
5	₱2,800.00	50	₱140,000.00	₱1,680,000.00
TOTAL		227	₱635,600.00	₱7,627,200.00

This forecast underscores ATS's potential to meet and expand its market reach, solidifying its foothold in the educational sector of Cateel.

## **B. Technical Aspect of the Feasibility Study**

**Technical Requirement and Government Requirements.** The Academic Tutoring Services (ATS) will adhere to a detailed technical specification to ensure all equipment and facilities meet required standards. Before operational commencement, ATS will secure all mandatory regulatory approvals to ensure full legal compliance. This includes registration with the Securities and Exchange Commission (SEC) due to its partnership structure, obtaining Barangay Clearance, a Mayor's Permit, and necessary permits from the Municipality of Cateel, Davao Oriental. Furthermore, registration with the Bureau of Internal Revenue (BIR) is crucial

for tax compliance, including obtaining a Tax Identification Number (TIN), official receipts, and ensuring all financial books are appropriately registered.

**Business Location and Building Design.** ATS is strategically positioned at Acacia Street, Poblacion, Cateel, Davao Oriental. This location is optimal, situated near educational institutions and densely populated residential areas, providing easy access for students. The facility, plotted on a 300-square-meter land, will encompass approximately 250-square-meters of built area designed to include four spacious rooms. These rooms are planned to ensure a conducive learning environment where each tutee and tutor can interact effectively without external disturbances. The construction budget is estimated at ₱350,000, aimed at creating a modern and welcoming space for learning.

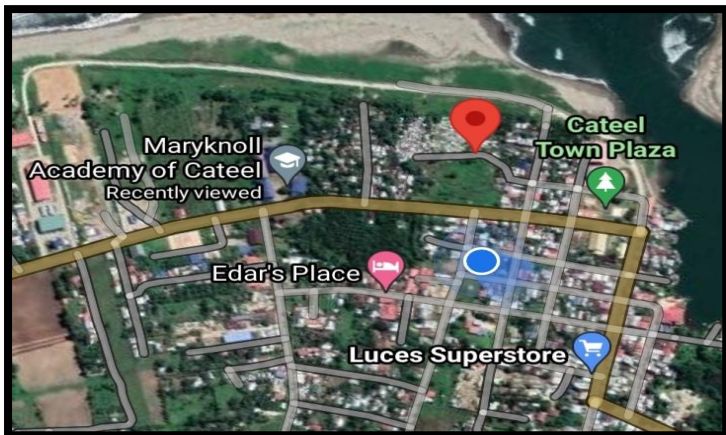


Figure 1. Business Location



Figure 2. Building Design Front Door



Figure 3. Building Design Back Door



Figure 4. Plant Layout/Floor Plan

**Service Process and Schedule.** The service process is streamlined to enhance user experience and operational efficiency:

- **Step One:** Potential customers can inquire through the ATS website or via direct walk-ins, where they will interact with partners or co-owners.
- **Step Two:** Following inquiries, a contract outlining the tutoring agreement is signed, adhering to the General Provisions of Article 1318 to ensure validity.
- **Step Three:** ATS schedules are then provided, detailing the subjects, timing, and tutor assignments based on school calendars and availability.
- **Step Four:** Post-session, ATS ensures students are supervised until picked up by guardians, maintaining safety and security.

- **Step Five:** Regular disinfection and cleaning are conducted to uphold hygiene standards within the facility.

*Service Schedule:*

- Kinder to Grade 6: 9:00 AM to 11:00 AM and 2:00 PM to 4:00 PM
- Grade 7 to Grade 10: 2:00 PM to 4:00 PM and 7:00 PM to 9:00 PM

**Supplies, Property, Plant, and Equipment.** Table 7 This table outlines the monthly and annual expenses for various office and educational supplies essential for the operation of Academic Tutoring Services. It includes items such as long bond paper, pencils, ballpens, folders, fasteners, and both black and colored ink. The monthly expenditure on supplies is estimated at ₱4,500.00, with the annual cost primarily driven by ink, amounting to ₱62,578.00. This careful accounting ensures that all necessary materials are available for the tutors and students, facilitating an uninterrupted educational experience.

Table 7. *Supplies needed*

Name	Cost Per Unit	Qty	Monthly Costing	Annual Costing
long bond paper	₱207.00 per ream	10	₱2,070.00	-
pencils	₱95.00 per box	30	₱2,850.00	-
ballpens	₱159.00 per box	20	₱3,180.00	-
folders	₱49.00 per pack	2	₱98.00	-
fasteners	₱38.00 per box	10	₱380.00	-

ink (black)	₱300.00 per pc	3	₱900.00	₱10,800.00
ink (colored)	₱1,200 per pc	3	₱3,600.00	₱43,200.00
Total	-	-	₱4,500.00	₱62,578.00

Table 8 details the initial costs and associated depreciation for the tangible assets of the tutoring center, including computers, laptops, air conditioning units, scientific calculators, projectors, screens, furniture, fixtures, the building, and the land. The total investment in these assets is ₱2,612,571.00, with an annual depreciation expense of ₱95,454.21. This depreciation reflects the systematic allocation of the cost of these assets over their useful lives, impacting the financial statements and tax obligations of the business. Notably, the land is not depreciated as it does not diminish in value over time.

Table 8. *Property, plant, and equipment*

Name	Cost Per Unit	Unit	Total Costing	Useful Life	Depreciation
Personal Computer	₱11,433.00/set	1	₱11,433.00	10 years	₱1,143.30
Laptop	₱14,000.00	4	₱56,000.00	8 years	₱7,000.00
Aircon	₱8,890.00	5	₱44,450.00	15 years	₱2,963.33
Scientific Calculator	₱600.00	3	₱1,800.00	8 years	-
Projector	₱22,550.00	4	₱90,200.00	7 years	₱12,885.71
Projector Screen	₱3,157.00	4	₱12,628.00	15 years	₱841.87
Furniture & Fixtures	-	-	₱142,360.00	5 years	₱28,472.00
Building	-	-	₱1,053,700.00	25 years	₱42,148.00
Land	-	-	₱1,200,000.00	-	-
<b>Total</b>	-	-	₱2,612,571.00	-	₱95,454.21

**Utilities and Waste Management.** Table 9 provides a breakdown of monthly and annual costs for essential utilities, including electricity and telecommunications services, crucial for the daily operations of the tutoring service. The total monthly cost for utilities is estimated at ₱4,899.00, translating into an annual expense of ₱58,788.00. These utilities ensure that the facility remains operational and connected, supporting the technological needs of modern educational delivery methods.

Table 9. *Utilities*

<b>Name</b>	<b>Source</b>	<b>Monthly Costing</b>	<b>Annual Costing</b>
Electric Bill	DORECO	₱3,000.00	₱36,000.00
Telecommunications	Globe	₱1,899.00	₱22,788.00
<b>Total</b>	-	₱4,899.00	₱58,788.00

Meanwhile, Table 10 outlines the costs associated with waste disposal, a necessary aspect of maintaining a clean and environmentally responsible tutoring center. The business plans to spend ₱1,900.00 on trash bins and garbage bags, adhering to local waste management regulations that require waste segregation. This commitment not only complies with legal standards but also demonstrates the business's dedication to community health and sustainability.

Table 10. *Waste disposal*

<b>Name</b>	<b>Cost Per Unit</b>	<b>Quantity</b>	<b>Total Costing</b>
Trash Bins	₱150.00	10	₱1,500.00
Garbage Bags	₱80.00	5	₱400.00
<b>Total</b>	-	-	₱1,900.00

**Labor Requirements.** In response to the economic and health crises caused by COVID-19, which led to a 7.4% unemployment rate in October 2021 as reported by the Philippine Statistics Authority, Academic Tutoring Services offers critical employment opportunities. By employing tutors, the business not only provides a vital source of income for both employed and unemployed teachers but also enriches their professional lives through engagement in their field of passion—education. The establishment adheres strictly to the Department of Labor and Employment (DOLE) regulations, ensuring contributions towards social security, health insurance, and housing funds, thus enhancing the financial stability and welfare of its employees. Each tutor receives a gross monthly pay of ₱11,500, with statutory deductions leading to a net pay of ₱38,065. Additionally, the annual 13th-month pay is ensured, underpinning the business’s commitment to fair and beneficial labor practices.

Table 11. *Cost in labor*

Position	#	Monthly Gross Pay	SSS	PHIC	HDMF	Net Pay	13 <sup>th</sup> Month Pay
Tutor	4	46,000.00	2,070.00	805.00	920.00	38,065.00	46,000.00

**Production Costs.** Table 12 provides a comprehensive breakdown of the monthly and annual costs associated with running Academic Tutoring Services. The primary financial commitment lies in salaries and wages, emphasizing the importance of investing in high-quality tutors to deliver effective educational services. Operational expenses such as utilities, internet, and supplies are managed to optimize the cost-effectiveness of the business. The detailed allocation for social security, healthcare, and housing fund contributions reflects the business’s dedication to supporting its employees’



well-being. By managing these costs effectively, Academic Tutoring Services aims to maintain financial health and sustain profitability, ensuring that the investment in human resources enhances service quality rather than becoming a financial burden.

Table 12. *Total production costs*

Name	Costing	
	Monthly	Annually
Taxes & Licenses		4,000.00
Supplies	4,500.00	62,578.00
PP&E Depreciation		95,454.21
Business Cards		2,500.00
Utilities & Internet	4,899.00	58,788.00
Salaries & Wages	46,000.00	552,000.00
SSS/Philhealth/Pag-ibig Contribution	5,675.00	68,100.00
13 <sup>th</sup> Month pay		46,000.00
Repair and Maintenance (PP&E)		1,500.00
<b>TOTAL</b>	<b>₱ 61,074.00</b>	<b>₱ 890,920.21</b>

### C. Organizational and Management Aspect

**Basic Considerations.** When establishing a business, selecting the appropriate form of ownership and ensuring the competence of the management team are paramount. It is essential to engage individuals who are not only highly qualified but also align with the organizational culture. This strategic alignment is vital for delivering consistent, high-quality services and for sustaining the long-term demand and operational stability of the business.

**Form of Ownership.** The proponents have decided to structure the business as a General Partnership, considering the

significant capital investment required. This form of ownership allows for shared capital and risk, with multiple partners contributing their expertise. The partnership agreement will be formalized in a contract that outlines each partner's responsibilities, based on Article 1318 of the Civil Code, and registered with the Securities and Exchange Commission (SEC). This ensures legal compliance and protects the partners' investments and rights.

**Organizational Structure.** The organizational structure is designed to optimize the operational efficiency of ATS. The four partners are strategically placed in roles that best suit their expertise: internal management, human resources, marketing, and financial management. This structure ensures all operational areas are led by competent individuals who can drive the business towards its strategic goals. Additionally, the tutors, who are pivotal to the service delivery, are included in the structure, emphasizing their role in the success of the business.

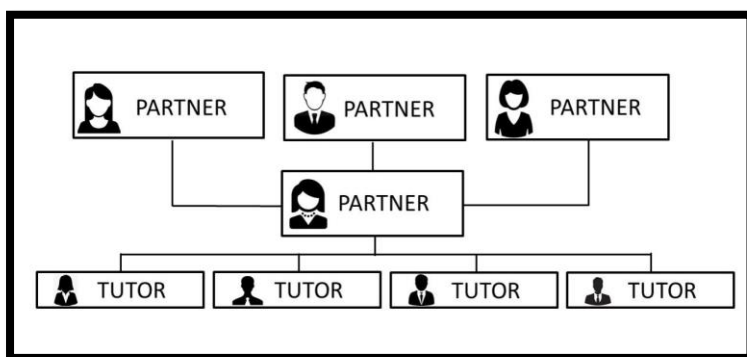


Figure 5: Organizational Structure of ATS

In Figure 5, the organizational structure consists of four partners, each responsible for different aspects of the business. Partner one will act as the Internal Manager, handling front desk operations and customer reservations. Partner two will oversee Human Resources, ensuring the recruitment and management of staff. Partner three will focus on Marketing to attract and retain students. Partner four will serve as the Financial Manager, managing the business's finances. The structure also includes four registered teachers who will serve as tutors. Unlike competitors, ATS aims to innovate by improving facilities and hiring more tutors to meet increasing demand, thus creating more job opportunities and benefiting the local community and government.

**Officers and Key Personnel Job Specification and Description.** Table 13 defines the roles and qualifications for the tutors, who are central to the delivery of Academic Tutoring Services. It specifies the educational background, experience, and skills required, alongside a description of their responsibilities and the compensation structure. This detailed specification ensures that the tutors employed are well-equipped to provide high-quality educational support.

Table 13. *Job specifications and descriptions*

Occupation	Specifications	Descriptions	Gross Salary Range (Monthly)	Gross Salary Range (Annual)
Tutor	<ul style="list-style-type: none"> <li>- College Diploma</li> <li>- At least one year of employment experience in private or public school</li> <li>- Long patience and adaptability</li> </ul>	<ul style="list-style-type: none"> <li>- Part-time Tutor for grades K-10</li> <li>- 4 hours of service on Friday, Saturday, and Sunday</li> <li>- Teach study strategies,</li> </ul>	₱11,500.00	₱138,000.00

	- Deep understanding of Reading, English, Math, Science, Filipino	note-taking, and test-taking skills - Provide honest and direct feedback to parents and students		
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Tutors are required to have a college diploma, at least one year of teaching experience, patience, adaptability, and a deep understanding of various subjects. They will work part-time, providing 4-hour tutoring sessions on weekends, focusing on improving academic performance and giving feedback to parents and students. The gross monthly salary for tutors is ₱11,500, totaling ₱138,000 annually.

**Gantt Chart of the Activities.** Gantt chart in Table 14 outlines the timeline from the initial planning stages through to the operational launch of the business. It details each phase of the project, including market research, securing finances, construction of the facility, and staff training. This structured timeline ensures that all necessary preparations are made efficiently and within the set timeframes, setting a solid foundation for the business’s success.

Table 14. *Gantt Chart of ATS*

Activities	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	July 2022
Planning											
Conduct a survey to the target market	■										
Start of the Feasibility Study	■	■									
Investment of Partnership for finance			■								
Purchase of Land				■							
Acquiring all the requirements and business permits				■							
Construction of the Building				■	■	■					
Canvassing all the materials needed (Furniture, Equipment's, Supplies)					■	■	■				

Purchasing all the materials needed												
Hiring of tutors												
General Training and Orientation (Top management and Tutors)												

#### D. Financial Aspect

**Financial Assumptions.** This section outlines the financial assumptions underpinning the feasibility study for Academic Tutoring Services (ATS). Key assumptions include: (1) service revenue will continue to increase as detailed in Table 6 of Chapter 2; (2) direct labor costs, including 13th-month pay and contributions to SSS, PhilHealth, and Pag-IBIG, will rise by 5% biennially to account for inflation and maintain employee purchasing power; (3) advertising expenses will decrease annually by ₱500; (4) all other expenses, barring interest, taxes, licenses, and income tax, will increase by 2% per year; and (5) depreciation for equipment, furniture, fixtures, and the building will be calculated using the straight-line method. The financial records will be maintained on a cash basis.

Table 15. Projected Cost

<b>I. Organizational Cost</b>	
SEC Regulatory Fee	3,500.00
Barangay Permit	200.00
Mayor's Permit	500.00
BIR Registration	500.00
Documentary – BIR Certificate	150.00
CENRO Certificate	345.00
<b>Total</b>	<b>5,195.00</b>
<b>II. Non-Current Assets</b>	
Land	1,200,000.00
Building	1,053,700.00

Equipment	216,511.00
Furniture and Fixtures	142,360.00
<b>Total</b>	<b>2,612,571.00</b>
<b>III. Operating Cost- 3 months</b>	
Salaries and Wages	138,000.00
SSS/Philhealth/Pag-ibig Contribution	17,025.00
Utilities & Internet	14,697.00
Business Cards	2,500.00
Supplies – Annual	62,578.00
<b>Total</b>	<b>234,800.00</b>
<b>TOTAL PROJECTED COSTS</b>	<b>₱ 2,852,566.00</b>

Table 15 outlines the organizational costs, non-current assets, and operating costs necessary before starting operations. These costs are crucial for legalizing the business, acquiring necessary assets, and covering initial operating expenses. This comprehensive cost projection ensures the business is well-prepared for smooth operations from the outset.

**Source of Financing.** The total initial working capital required for ATS is ₱2,852,566.00. To ensure a buffer, the proponents decided on a working capital of ₱2,900,000.00. The capital structure combines partners' equity and loans, with each partner contributing ₱435,000.00, totaling ₱1,740,000.00 or 60% of the required capital. The remaining ₱1,160,000.00 or 40% will be financed through loans.

The loan agreement stipulates that the principal amount will be fully repaid within ten years, with an annual obligation of ₱116,000.00 and a fixed interest rate of 6%, resulting in an annual interest expense of ₱6,960.00. This financing strategy not only supports business operations but

also offers investment opportunities in bonds to the community, providing income through interest and mitigating inflation risks.

**Financial Statements.** Table 16 details the financial performance of ATS over five years. Service revenue is projected to grow from ₱1,411,200 in Year 1 to ₱1,680,000 in Year 5. Direct costs and operating expenses are meticulously detailed, showing a gradual increase primarily due to inflation adjustments and increased activity. The net income after tax shows a healthy upward trend, starting at ₱355,687.35 in Year 1 and increasing to ₱494,001.49 by Year 5, indicating robust growth and profitability.

Table 16. Income Statement

ACADEMIC TUTORING SERVICES INCOME STATEMENT FOR  
 THE YEAR 1 TO YEAR 5 ENDED

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>Revenue</b>					
Service Revenue	1,411,200.00	1,444,800.00	1,512,000.00	1,579,200.00	1,680,000.00
	0	0	0	0	0
<b>Less: Expenses</b>					
Salaries and Wages	552,000.00	552,000.00	579,600.00	579,600.00	608,580.00
SSS/Philhealth/Pag-ibig Contribution	68,100.00	68,100.00	71,505.00	71,505.00	75,080.25
13th Month pay	46,000.00	46,000.00	48,300.00	48,300.00	50,715.00
Taxes & Licenses	9,195.00	4,000.00	4,000.00	4,000.00	4,000.00
Business Cards	2,500.00	2,000.00	1,500.00	1,000.00	500.00
Supplies	62,578.00	63,829.56	65,106.15	66,408.27	67,736.44
Utilities & Internet	58,788.00	59,963.76	61,163.04	62,386.30	63,634.03
Repair and Maintenance (PP&E)	1,500.00	1,530.00	1,560.60	1,591.81	1,623.65
Interest Expense - 6%	6,960.00	6,960.00	6,960.00	6,960.00	6,960.00
Depreciation Expense - PC	1,143.30	1,143.30	1,143.30	1,143.30	1,143.30
Depreciation Expense – Laptop	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00

Depreciation Expense – Aircon	2,963.33	2,963.33	2,963.33	2,963.33	2,963.33
Depreciation Expense – Projector	12,885.71	12,885.71	12,885.71	12,885.71	12,885.71
Depreciation Expense – PS	841.87	841.87	841.87	841.87	841.87
Depreciation Expense - F&F	28,472.00	28,472.00	28,472.00	28,472.00	28,472.00
Depreciation Expense – Building	42,148.00	42,148.00	42,148.00	42,148.00	42,148.00
Net Income Before Tax	508,124.79	544,962.47	576,851.00	641,994.41	705,716.42
Less: Income Tax Expense - 30%	152,437.44	163,488.74	173,055.30	192,598.32	211,714.93
<b>Net Income After Tax</b>	<b>₱355,687.35</b>	<b>₱381,473.73</b>	<b>₱403,795.70</b>	<b>₱449,396.09</b>	<b>₱494,001.49</b>

Table 17 reflects the equity changes over the five-year period, showcasing the financial growth of the partnership. Starting capital combined with net income leads to a consistent increase in total equity, from ₱2,095,687.35 in Year 1 to ₱3,824,354.36 by Year 5. This table illustrates the financial strength and increasing value of the business.

Table 17. *Statement of changes in equity*

**ACADEMIC TUTORING SERVICES STATEMENT OF  
 CHANGES IN EQUITY FOR THE YEAR ONE TO YEAR 5  
 ENDED**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Beginning Capital	1,740,000.00	2,095,687.35	2,477,161.08	2,880,956.78	3,330,352.87
Add: Net Income After Tax	355,687.35	381,473.73	403,795.7	449,396.09	494,001.49
<b>Ending, Capital</b>	<b>₱2,095,687.35</b>	<b>₱2,477,161.08</b>	<b>₱2,880,956.78</b>	<b>₱3,330,352.87</b>	<b>₱3,824,354.36</b>



Table 18 provides insights into the cash flow activities of ATS, highlighting operational inflows and outflows. The business starts with a significant initial investment, with revenues and expenses carefully monitored to ensure positive cash flow throughout the five years. This table underscores the business's ability to generate and manage cash effectively, ensuring operational sustainability and financial health.

Table 18. *Statement of Cash Flow*

**ACADEMIC TUTORING SERVICES STATEMENT OF CASH FLOWS FOR THE YEAR ONE TO YEAR FIVE ENDED**

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
<b>Operating Activities</b>					
Beginning Cash	287,429.00	622,570.56	983,498.50	1,366,748.41	1,795,598.71
Add: Cash Inflows					
Service Revenue	1,411,200.00	1,444,800.00	1,512,000.00	1,579,200.00	1,680,000.00
Total Inflows	1,698,629.00	2,067,370.56	2,495,498.5	2,945,948.41	3,475,598.71
Less: Cash Out Flows					
Salaries & Wages	552,000.00	552,000.00	579,600.00	579,600.00	608,580.00
SSS/Philhealth/Pag-ibig Contribution	68,100.00	68,100.00	71,505.00	71,505.00	75,080.25
13th Month Pay	46,000.00	46,000.00	48,300.00	48,300.00	50,715.00
Taxes & Licenses	9,195.00	4,000.00	4,000.00	4,000.00	4,000.00
Business Card	2,500.00	2,000.00	1,500.00	1,000.00	500.00
Supplies	62,578.00	63,829.56	65,106.15	66,408.27	67,736.44
Utilities & Internet	58,788.00	59,963.76	61,163.04	62,386.30	63,634.03
Repair and Maintenance (PP&E)	1,500.00	1,530.00	1,560.60	1,591.81	1,623.65
Interest Expense - 6%	6,960.00	6,960.00	6,960.00	6,960.00	6,960.00
Income Tax Expense - 30%	152,437.44	163,488.74	173,055.30	192,598.32	211,714.93
Cash from Operating Activities	738,570.56	1,099,498.50	1,482,748.41	1,911,598.71	2,385,054.41
<b>Financing Activities</b>					
Loans Payable	116,000.00	116,000.00	116,000.00	116,000.00	116,000.00
<b>NET CASH FLOWS</b>	<b>P622,570.56</b>	<b>P983,498.50</b>	<b>P1,366,748.41</b>	<b>P1,795,598.71</b>	<b>P2,269,054.41</b>

Table 19 summarizes the financial position at the end of each year, detailing assets, liabilities, and equity. The increasing cash position and careful management of liabilities show a healthy balance sheet, with assets growing due to retained earnings and prudent financial management. The decrease in liabilities over time reflects successful debt management and a strong equity position, highlighting financial stability and growth potential.

Table 19. *Statement of financial position*

	Year 1	Year 2	Year 3	Year 4	Year 5
<b>ASSETS</b>					
Current Assets					
Cash in bank	622,570.56	983,498.5	1,366,748.4 1	1,795,598.7 1	2,269,054.4 1
Non Current Assets					
Personal Computer	11,433.00	11,433.00	11,433.00	11,433.00	11,433.00
Accumulated Dep. - PC	-1,143.30	-2,286.60	-3,429.90	-4,573.20	-5,716.50
Laptop	56,000.00	56,000.00	56,000.00	56,000.00	56,000.00
Accumulated Dep. - Laptop	-7,000.00	-14,000.00	-21,000.00	-28,000.00	-35,000.00
Aircon	44,450.00	44,450.00	44,450.00	44,450.00	44,450.00
Accumulated Dep. - Aircon	-2,963.33	-5,926.66	-8,889.99	-11,853.32	-14,816.65
Projector	90,200.00	90,200.00	90,200.00	90,200.00	90,200.00
Accumulated Dep. - Projector	-12,885.71	-25,771.42	-38,657.13	-51,542.84	-64,428.55
Projector Screen	12,628.00	12,628.00	12,628.00	12,628.00	12,628.00
Accumulated Dep. - PS	-841.87	-1,683.74	-2,525.61	-3,367.48	-4,209.35

Furniture & Fixtures	142,360.00	142,360.00	142,360.00	142,360.00	142,360.00
Accumulated Dep. - F&F	-28,472.00	-56,944.00	-85,416.00	-	-
Building	1,053,700.00	1,053,700.00	1,053,700.00	1,053,700.00	1,053,700.00
Accumulated Dep. - Building	-42,148.00	-84,296.00	-	-	-
Land	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00	1,200,000.00
Scientific Calculator	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00
<b>TOTAL ASSETS</b>	<b>₱3,139,687.35</b>	<b>₱3,405,161.08</b>	<b>₱3,692,956.78</b>	<b>₱4,026,352.87</b>	<b>₱4,404,354.36</b>
<b>Liabilities &amp; Equities</b>					
Non-Current Liabilities					
Loans Payable	1,044,000.00	928,000.00	812,000.00	696,000.00	580,000.00
Partners Equities					
Ending, Capital	2,095,687.35	2,477,161.08	2,880,956.78	3,330,352.87	3,824,354.36
<b>TOTAL LIABILITIES &amp; EQUITIES</b>	<b>₱3,139,687.35</b>	<b>₱3,405,161.08</b>	<b>₱3,692,956.78</b>	<b>₱4,026,352.87</b>	<b>₱4,404,354.36</b>

**Financial Analysis.** The contribution margin illustrates the portion of revenue that exceeds total variable costs, contributing to covering fixed costs and generating profit. This margin grows over the five years, indicating increasing efficiency and profitability. The steady rise in operating income demonstrates ATS's capacity to control costs while expanding its revenue base, reinforcing the feasibility of the business model.

Table 20. *Contribution Margin Income Statement*

Year	Service Revenue	Total Variable Cost	Contribution Margin	Total Fixed Cost	Operating Income
1	₱1,411,200.00	₱825,632.21	₱585,567.79	₱345,880.44	₱239,687.35
2	₱1,444,800.00	₱826,913.77	₱617,886.23	₱352,412.50	₱265,473.73
3	₱1,512,000.00	₱861,525.96	₱650,474.04	₱362,678.34	₱287,795.70
4	₱1,579,200.00	₱862,859.29	₱716,340.71	₱382,944.62	₱333,396.09
5	₱1,680,000.00	₱899,189.55	₱780,810.45	₱402,808.96	₱378,001.49

Meanwhile, the break-even analysis reveals the level of service revenue required to cover all costs, ensuring no profit or loss. This analysis helps in setting realistic revenue targets and understanding the impact of cost control measures. The relatively low break-even points compared to projected revenues indicate a high likelihood of achieving profitability early in the business lifecycle.

Table 21. *Break-Even Point in Service Revenue*

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Total Fixed Cost	345,880.44	352,412.50	362,678.34	382,944.62	402,808.96
Contribution Margin Ratio	41.49%	42.77%	43.02%	45.36%	46.48%
<b>B.E in Service Revenue</b>	<b>₱833,647.72</b>	<b>₱823,971.24</b>	<b>₱843,045.89</b>	<b>₱844,234.17</b>	<b>₱866,628.57</b>
Service Revenue	833,647.72	823,971.24	843,045.89	844,234.17	866,628.57
Total Variable Cost	-487,767.28	-417,558.74	-480,367.55	-461,289.55	-463,819.61
Contribution Margin	345,880.44	352,412.50	362,678.34	382,944.62	402,808.96
Total Fixed Cost	-345,880.44	-352,412.50	-362,678.34	-382,944.62	-402,808.96
<b>Operating Income</b>	<b>₱0.00</b>	<b>₱0.00</b>	<b>₱0.00</b>	<b>₱0.00</b>	<b>₱0.00</b>

Moreover, the payback period of approximately 3.1 years demonstrates the business's ability to quickly recoup its initial investment, which is highly attractive to potential investors. The remaining cash flows in subsequent years further enhance financial stability and provide a buffer for future expansion or unforeseen expenses.

Table 22. *Payback Period*

Year	Net Cash Flows	Unrecovered Investment
0	-	₱1,740,000.00
1	₱622,570.56	₱1,117,429.44
2	₱983,498.50	₱133,930.94
3	₱1,366,748.41	₱0.00
Payback Period	3.1 Years	

**Financial Ratios.** Financial ratios are crucial indicators that provide insights into the financial stability, efficiency, and profitability of Academic Tutoring Services (ATS). Below, we delve into various financial ratios that outline the solvency and profitability of ATS over a five-year period.

In Table 23, the decreasing trend in the debt ratio from 33.25% to 13.17% indicates a significant reduction in the reliance on external financing, suggesting an increasing financial independence and lower risk profile.

Table 23. *Solvency Ratio (Debt Ratio)*

Year	Total Liabilities	Total Assets	Debt Ratio
1	₱1,044,000.00	₱3,139,687.35	33.25%
2	₱928,000.00	₱3,405,161.08	27.25%
3	₱812,000.00	₱3,692,956.78	21.99%
4	₱696,000.00	₱4,026,352.87	17.29%
5	₱580,000.00	₱4,404,354.36	13.17%

In Table 24, a declining debt to equity ratio demonstrates the business's growing stability and reduced risk exposure, highlighting an increasing capacity to fund operations internally.

Table 24. *Solvency Ratio (Debt to Equity Ratio)*

<b>Year</b>	<b>Total Liabilities</b>	<b>Total Partners' Equity</b>	<b>Debt to Equity Ratio</b>
1	₱1,044,000.00	₱2,095,687.35	49.82%
2	₱928,000.00	₱2,477,161.08	37.46%
3	₱812,000.00	₱2,880,956.78	28.19%
4	₱696,000.00	₱3,330,352.87	20.90%
5	₱580,000.00	₱3,824,354.36	15.17%

In Table 25, an upward trend in the net profit ratio reflects increasing operational efficiency and profitability, indicating robust financial health and effective cost management.

Table 25. *Profitability Ratio (Net Profit Ratio)*

<b>Year</b>	<b>Net Income After Tax</b>	<b>Service Revenue</b>	<b>Net Profit Ratio</b>
1	₱355,687.35	₱1,411,200.00	25.20%
2	₱381,473.73	₱1,444,800.00	26.40%
3	₱403,795.70	₱1,512,000.00	26.71%
4	₱449,396.09	₱1,579,200.00	28.46%
5	₱494,001.49	₱1,680,000.00	29.40%

In Table 26, the consistent return on assets indicates effective use of assets in generating profits, reflecting a stable operational efficiency across the period.

Table 26. *Profitability Ratio (Return on Assets)*

<b>Year</b>	<b>Net Income After-tax</b>	<b>Total Assets</b>	<b>Return on Total Assets</b>
1	₱355,687.35	₱3,139,687.35	11.33%
2	₱381,473.73	₱3,405,161.08	11.20%

3	₱403,795.70	₱3,692,956.78	10.93%
4	₱449,396.09	₱4,026,352.87	11.16%
5	₱494,001.49	₱4,404,354.36	11.22%

Finally, Table 27 shows that the return on investment consistently exceeds the benchmark of 7%, indicating that ATS is not only a viable business but also offers a competitive return compared to other investment opportunities. This robust ROI reinforces the financial attractiveness of ATS to potential investors and partners.

Table 27. *Profitability Ratio (Return on Investment)*

Year	Net Income After Tax	Invested Capital	Return on Investment
1	₱355,687.35	₱3,139,687.35	11.33%
2	₱381,473.73	₱3,405,161.08	11.20%
3	₱403,795.70	₱3,692,956.78	10.93%
4	₱449,396.09	₱4,026,352.87	11.16%
5	₱494,001.49	₱4,404,354.36	11.22%

### E. Socio-Economic Impact Aspect

Beyond the primary objective of generating a consistent profit, this business aims to engage actively in Corporate Social Responsibility (CSR) initiatives. These initiatives are designed to foster strong relationships with various stakeholders, including the government, local community, and the workforce. This section details the significant positive impacts of the proposed business in these areas.

**Contribution to the Government.** ATS is poised to make significant contributions to government revenues through its tax contributions. By adhering to fiscal

responsibilities, including the timely payment of taxes, the business will support local and national government projects that benefit the public. These tax contributions will directly support community infrastructure, educational programs, and other critical services provided by the government.

**Contribution to Employment.** The business will directly address local unemployment by providing job opportunities, particularly for educators. ATS plans to hire four teachers, targeting both currently employed educators seeking additional part-time roles and retired teachers looking for opportunities to re-engage with the educational sector. This approach not only utilizes the existing local talent pool but also contributes to the financial stability of individuals within the community, enhancing their quality of life.

**Contribution to the Community.** ATS aims to positively impact the local community by reducing the unemployment rate, particularly among educators affected by the pandemic. The business model focuses on offering affordable tutoring services, which will be accessible to a broader segment of the community. This accessibility is expected to enhance the educational outcomes for children in the area, equipping them with the knowledge and skills necessary to succeed academically. By improving educational attainment, ATS will contribute to the long-term socio-economic development of the community, fostering a generation that is better prepared to face future challenges. Overall, the establishment of Academic Tutoring Service in Cateel is expected to bring about substantial socio-economic benefits, reinforcing the feasibility and desirability of this initiative from multiple perspectives. The business will not only serve as a profitable venture but will also play a crucial role in enhancing the educational landscape, supporting the local



economy through job creation, and contributing to government revenues.

## **CONCLUSIONS**

This feasibility study for Academic Tutoring Services (ATS) demonstrates the strong potential and viability of establishing a tutoring business in Cateel, Davao Oriental.

The market analysis reveals a significant demand for academic tutoring services among students from kindergarten to grade 10, primarily due to the challenges posed by the current educational setup. The survey results show a high willingness among parents to invest in additional educational support for their children, ensuring a steady stream of potential clients. The competitive landscape, with limited existing tutoring services, presents an opportunity for ATS to capture a substantial market share by offering superior service quality and modern facilities.

The proposed organizational structure, characterized by a general partnership, ensures shared responsibility and diversified expertise among the partners. This structure, coupled with a clear definition of roles and responsibilities, lays a strong foundation for effective management and operational efficiency. The recruitment of qualified tutors and adherence to government regulations further solidify the business's credibility and readiness to meet the educational needs of the community.

The technical analysis underscores the readiness of ATS to meet operational demands with a well-planned facility located strategically to serve the target market. The detailed service process, from inquiry to session delivery, ensures a seamless experience for clients. The careful planning of supply

procurement, equipment acquisition, and adherence to safety and cleanliness protocols reflect the commitment to providing a conducive learning environment.

The financial projections affirm the business's profitability and sustainability. The comprehensive financial analysis, including income statements, cash flow statements, and balance sheets, demonstrates that ATS is poised to achieve significant revenue growth and profitability over a five-year period. The break-even analysis indicates that the business will start generating profit within the first year, while the payback period analysis shows that the initial investment will be recovered within three years and one month. The financial ratios further highlight the business's strong solvency, liquidity, and profitability, making ATS an attractive investment opportunity.

In conclusion, the feasibility study provides a robust foundation for the establishment of Academic Tutoring Services in Cateel, Davao Oriental. The positive indicators across market demand, organizational readiness, technical preparedness, and financial stability confirm that ATS is a viable and lucrative business venture. The proposed business not only addresses a critical educational need but also contributes to local employment and economic growth. With careful implementation and continuous improvement, ATS is well-positioned to succeed and make a meaningful impact on the educational landscape of the community.

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