

# CHOCOMOTE : A FEASIBILITY STUDY

*Aquino, Mary Joy M.*

*Soriano, Lindbergh Lendl S.*

*Evaristo, Jenny C.*

*Marcelino, Marvin L.*

*Raymundo, Teffany Jean L.*

*Ylarde, Myca*

College of Business Management and Accountancy  
Urdaneta City University

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## ABSTRACT

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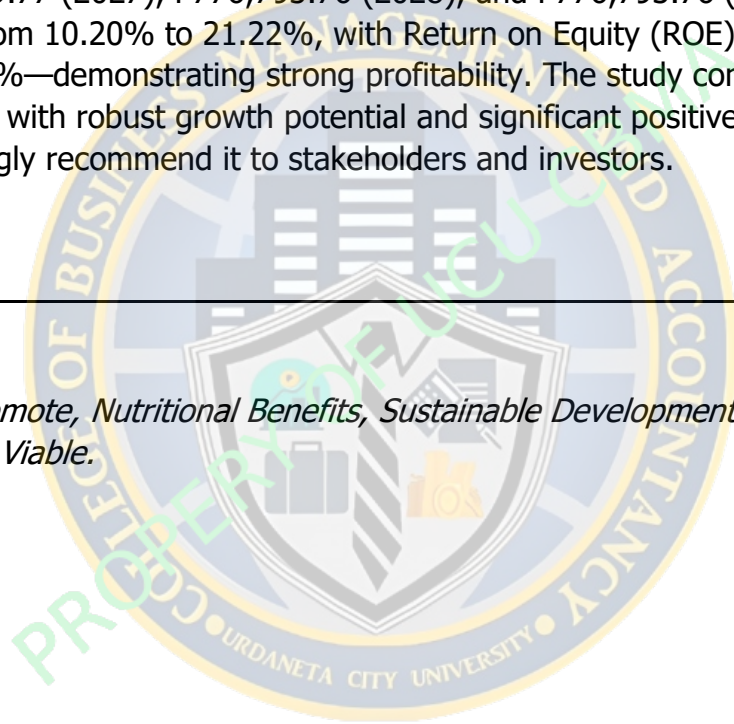
Many snacks nowadays are low in nutrients, which can lead to health problems. Sweet Potato Balls of Chocomote offer an alternative that closely mimics traditional taste and texture while providing real nutritional value—pairing locally sourced sweet potatoes with a rich Goya chocolate filling to blend earthy sweetness and smooth creaminess. It is nutrient-dense, providing Vitamin A (for eye health), Vitamin C (to boost immunity), and fiber (aiding digestion), making it appealing to those adopting vegetarian, vegan, or flexible diets motivated by health, environmental, and ethical concerns. This product supports inclusive eating preferences while tapping into a growing market trend for nutritious, sustainable foods. Sweet Potato Balls of Chocomote, a business selling these snack balls, was conceptualized and examined in five key feasibility areas: technical (production processes), market (consumer demand), organization and management (operations), socio-economic (community impact), and financial (viability).

This study aligns with Sustainable Development Goals (SDGs): SDG 2 (Zero Hunger) by strengthening sustainable agriculture, enhancing food security, and reducing imports; SDG 3 (Good Health and Well-being) as a healthier alternative to processed snacks; SDG 8 (Decent Work and Economic Growth) through fair local employment; SDG 12 (Responsible Consumption and Production) by lowering carbon emissions; and SDG 17 (Partnerships for the Goals) for long-term success with farmers, investors, and partners.

The proponents shall invest ₱900,000 in 2027, projecting steady revenue growth: ₱291,729.77 (2027), ₱776,793.76 (2028), and ₱776,793.76 (2029). Net profit ratios increase from 10.20% to 21.22%, with Return on Equity (ROE) ranging from 32.72% to 86.00%—demonstrating strong profitability. The study confirms the business is highly feasible, with robust growth potential and significant positive community impact. We strongly recommend it to stakeholders and investors.

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*Keywords: Chocomote, Nutritional Benefits, Sustainable Development Goals (SDG), Financial Aspect, Viable.*



## INTRODUCTION

Sweet potato (*Ipomoea batatas*), or camote locally, is a highly versatile, nutritionally dense root crop valued globally for its affordability, adaptability to diverse conditions, and role in combating malnutrition (FAO, 2020). Orange-fleshed varieties provide beta-carotene, which the body converts to vitamin A (Neela & Fanta, 2019), while purple-fleshed types are rich in anthocyanins—antioxidants that protect against oxidative stress (Hagenimana et al., 1999). Internationally, there is growing interest in shifting its use toward processed products like chips, flour, and snacks, aligning with global trends for healthier alternatives (Bouwkamp, 1985; Labonte & Clark, 2018).

In the Philippines—especially in regions like Pangasinan—sweet potato is a staple crop integral to food security, livelihoods, and cultural cuisine (e.g., nilupak, okoy, binignit) (Wikipedia contributors, 2025a; 2025b; 2025c). Local demand for healthy, affordable snacks has spurred innovations such as camote fries and cheese-filled balls, demonstrating market openness to value-added products (Ithy, 2025). Pangasinan's year-round cultivation of sweet potato, even in marginal soils, provides a steady raw material supply (Provincial Agriculture Profile, n.d.), while small and medium enterprises (MSMEs) in the region are increasingly leveraging root crops for business opportunities (Department of Trade and Industry, 2023).

This feasibility study aims to assess the practicability, marketability, and socio-economic value of sweet potato ball production. It will examine market demand, production costs, profitability, legal compliance, consumer satisfaction, and potential for innovation. The goal is to develop a healthy, culturally relevant snack that supports local farmers, stabilizes markets, drives sustainable economic growth, and balances tradition with modern consumer preferences.

### Theoretical Framework

This study is anchored on two models to assess consumer behavior and market viability of Sweet Potato Balls: the Revealed Preference Theory and the Diffusion of Innovations (DOI) Theory.

The Revealed Preference Theory (Samuelson, 1938) posits consumers make rational choices based on preferences and budgets, not impulse. Applied here, it identifies key valued attributes like taste, nutrition, price, packaging, and flavor variety.

This guides product development to meet customer needs and shapes marketing strategies to attract and retain buyers.

The Diffusion of Innovations Theory (Rogers, 1962) explains how new products spread, classifying consumers into innovators, early adopters, early majority, late majority, and laggards. For Sweet Potato Balls, it helps target adoption strategies—early adopters can drive word-of-mouth to expand reach. It also enables anticipating challenges and addressing concerns to boost acceptance.

Combined, the theories provide a comprehensive framework: one focuses on consumer preferences and behavior, the other on market adoption over time. Their application supports effective product development, marketing, and launch to grow the Sweet Potato Balls market.

### **Conceptual Framework**

This study is anchored on a framework evaluating five core feasibility areas to determine if the Sweet Potato Balls business is viable: technical, market, organizational and management, socio-economic, and financial aspects. The technical aspect addresses raw materials, tools, and equipment to ensure production quality and efficiency. The market aspect analyzes target buyers, demand, and strategies to attract and retain customers. The organizational and management aspect examines the management team's qualifications and human resource competency. The socio-economic aspect assesses societal impact, including job creation and support for local vendors. The financial aspect covers startup costs, projected revenue, expenses, and profitability. The framework establishes that sustainability across all five elements is essential for success. If each area performs well, the business is viable; constraints or threats in any aspect may hinder the venture's chances of success.

### **Statement of the problem**

This feasibility study determined the viability of Chocomote. Specifically, it Shall sought to answer the following research question:

1. What is the feasibility of the proposed Chocomote in terms of:

Technical aspect;

Market aspect;

Organization and Management aspect;

Socio-economic aspect; and

Financial aspect?

2. Is the proposed Chocomote Company viable?

### **Methodology**

This chapter delves into assessing the viability and potential success of the business. It outlines the systematic approach and procedures used to evaluate various aspects, including technical, market, organizational, management, socio-economic, and financial.

### **Technical Aspect**

Under this aspect, business description, product description, production process, manufacturing equipment, utensils, delivery equipment, manufacturing supplies, furniture and fixtures – manufacturing, office equipment, furniture and fixtures – office, office supplies, structural design, and waste management shall be considered. The business description shall simply state the business name, briefly describe what the business is all about, the location, the flow of business operations, whether it sells face-to-face or online, and whether it has a physical store or simply delivers the product to the customer.

Product description refers to the product itself, including the packaging it shall be shipped in.

Under the production process, the step-by-step procedure shall be discussed in detail. Documentation shall be attached per procedure.

A list of equipment shall include the quantity and unit cost for each item. In addition, a picture of the major equipment shall be presented on the left, with its use stated on the right.

A list of manufacturing tools and manufacturing supplies shall be prepared. Manufacturing tools shall be treated as an outright expense because the assumed useful life is one year.

A list of office equipment, furniture, and fixtures (office) and office supplies shall be prepared, including quantities and unit costs.

For structural design, the floor plan is required, along with an aerial or front view. If it shall be constructed, the bill of materials and labor, the cost of electric installation, and the cost of water installation shall be included. If it shall be rented, the annual rental must be stated.

### **Market Aspect**

Under this aspect, quantification of demand, the target market, and supply (including competitor identification) shall be included. In addition, the strengths, weaknesses, opportunities, and threats (SWOT) analysis must be considered. Furthermore, marketing strategies that can boost sales are highlighted.

Demand quantification refers to the number of people who shall need the proposed product. Data may be obtained from government agencies, or assumptions can be used.

Quantification of the target market refers to the number of people who shall buy the proposed product. A certain percentage of the demand can be used as a target market. This shall be the basis for computing sales.

### **Organization and Management Aspect**

This section details the organization and management framework established for Sweet Potato Balls of Chocomote. It provides an overview of the business's official name, logo, vision, mission, and strategic objectives. Furthermore, it outlines the necessary business registration procedures, human resource allocation, employee qualifications, roles, and responsibilities. Comprehensive policies and regulations are also addressed, including employee compensation and benefits packages (encompassing SSS, PhilHealth, and Pag-IBIG contributions), leave policies, standard operating procedures, termination protocols, resignation processes, and disciplinary measures.

In the employee compensation and benefits policy, specific details on monthly salaries and statutory benefits, including SSS, PhilHealth, and Pag-IBIG contributions, shall be provided. Each employee's work schedule shall be formally documented in accordance with the routine work policy.

Overall, the organizational and management structure ensures efficient operations and clear accountability. Defined roles, policies, and procedures support professionalism and the long-term success of the business.

### **Socio-economic Aspect**

This section provides a comprehensive analysis of the anticipated socio-economic impacts resulting from the establishment and operation of the Sweet Potato Balls of Chocomote enterprise. It assesses the potential effects on the local economy, employment landscape, environmental sustainability, household incomes, and government fiscal resources. The business is committed to prioritizing not only financial profitability but also the community it serves 'overall welfare and advancement.

The enterprise shall ensure the timely and accurate remittance of income taxes withheld from employees' earnings, in addition to fulfilling its corporate income tax obligations and remitting other applicable taxes as mandated by law. Furthermore, it is dedicated to making substantive contributions to local employment and fostering regional agricultural development by strategically sourcing sweet potatoes from local producers.

### **Financial Aspect**

This aspect presents a comprehensive financial assessment for the Sweet Potato Balls of Chocomote venture. It provides a detailed breakdown of total capital investment, including fixed asset acquisitions, initial working capital requirements (projected for 1 month), and all pre-operating expenditures. The proposed sources of funding for these costs shall also be identified. A three-year financial projection shall be developed, including the Projected Income Statement, Projected Balance Sheet, and Projected Cash Flow Statement, to assess the business's financial viability and profitability.

## **RESULTS AND DISCUSSION**

This study presents the core financial projections. It includes the Projected Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position, Statement of Cash Flow, and Financial Ratios.

**Table 1**  
**Projected Statement of Comprehensive Income**

<b>Chocomote Company</b>				
<b>Projected statement of comprehensive income</b>				
<b>For the year ended December 31, 2027, 2028, 2029</b>				
Sales	C	3,274,213.86	3,950,702.76	4,871,982.28
Less: Cost of Sales	C	2,415,022.99	2,562,951.03	2,718,455.67
Gross Profit		859,190.87	1,387,751.73	2,153,526.60
Less: Operating Expenses	C	419,082.18	483,045.41	505,094.96
Operating Income		440,108.70	904,706.32	1,648,431.65
Less: Income Tax	C	30,521.74	128,676.58	614,607.91
<b>Net Income</b>		<b>409,586.96</b>	<b>776,029.74</b>	<b>1,033,823.74</b>

Table 1, above, shows the result of business operations as follows: 2027 - ₱ 409,586.96 2028 – ₱ 776,029.74 and 2029 - ₱ 1,033,823.74. Total sales are calculated by multiplying the projected sales volume by the unit selling price. From this, all cash expenses (COGS and OPEX) and non-cash expenses (Depreciation) are subtracted to arrive at the Net Income.

**Table 2**  
**Projected Statement of Changes in Equity**

<b>Chocomote Company</b>			
<b>Projected Statement of Changes in Equity</b>			
<b>For the year ended December 31, 2027, 2028, 2029</b>			
	<b>2027</b>	<b>2028</b>	<b>2029</b>
Capital, Jan. 1	900,000.00	1,009,586.96	1,185,616.70
Add: Net Income	409,586.96	776,029.74	1,033,823.74
Total	1,309,586.96	1,785,616.70	2,219,440.43
Less: Withdrawal	300,000.00	600,000.00	900,000.00
<b>Capital, Dec. 31</b>	<b>1,009,586.96</b>	<b>1,185,616.70</b>	<b>1,319,440.43</b>

Table 2 presents the projected changes in equity, showing the yearly movement of the owner's capital, reflecting increases from net income and decreases from withdrawals. This supports the assessment of the project's financial position by showing steady growth in ending capital over the projection period.

**Table 3**  
**Projected Statement of Financial Position**

Chocomote Company				
Projected Statement of Financial Position				
For the year ended December 31, 2027, 2028, 2029				
	Appendix	2027	2028	2029
Assets				
Cash	C	737,453.26	1,012,034.48	1,337,475.43
Property, Plant, and Equipment	C	310,304.14	242,312.96	174,321.78
<b>Total Assets</b>	<b>C</b>	<b>1,047,757.39</b>	<b>1,254,347.44</b>	<b>1,511,797.21</b>
Liabilities and Equity				
Liabilities	C	38,170.43	68,730.75	192,356.78
Equity	C	1,009,586.96	1,185,616.70	1,319,440.43
<b>Total Liabilities and Equity</b>	<b>C</b>	<b>1,047,757.39</b>	<b>1,254,347.44</b>	<b>1,511,797.21</b>

Table 3 above presents the projected statement of financial position for Chocomote, detailing its assets, liabilities, and equity for the years 2027, 2028, and 2029.

**Table 4**  
**Projected Statement of Cash Flow**

Chocomote Company	
Projected Statement of Cash Flow	

<b>December 31, 2027, 2028, 2029</b>			
	<b>2027</b>	<b>2028</b>	<b>2029</b>
Cash Flow from Operating Activities			
Cash Sales	3,274,213.86	3,950,702.76	4,871,982.28
Cost of Sales	2,415,022.99	2,562,951.03	2,718,455.67
Operating Expenses	402,769.18	387,091.30	407,407.94
Net Cash Provided by (used in) Operating Activities	456,421.69	1,000,660.43	1,746,118.67
Cash Flow from Investing Activities:			
Purchase of Manufacturing Equipment	39,647.00	0.00	0.00
Purchase of Furniture and Fixture - Manufacturing	25,141.41	0.00	0.00
Purchase of Delivery Equipment	77,672.23	0.00	0.00
Purchase of Office Equipment	70,088.13	0.00	0.00
Purchase of Furniture and Fixtures - Office	25,530.59	0.00	0.00
Leasehold Improvement (Renovation Cost)	140,215.95	0.00	0.00
Net Cash used in Investing Activities	-378,295.31	0.00	0.00
Cash Flow from Financing Activities:			
Investment of Owner	900,000.00	0.00	0.00
Capital Withdrawals of Owners	-300,000.00	-600,000.00	-900,000.00
Net Cash Provided by (used in) Financing Activities	600,000.00	-600,000.00	-900,000.00
Net Cash Increase (Decrease)	678,126.38	400,660.43	846,118.67
Add: Cash Balance, Beg.	0.00	678,126.38	1,078,786.81
Cash, End	678,126.38	1,078,786.81	1,924,905.48

Table 4 above presents the projected statement of cash flow for Chocomote, providing insights how to manage cash inflows and outflows over the three-year period 2027-2029.

**Table 5**  
**Projected Statement of Financial Ratios**

	<b>2027</b>	<b>2028</b>	<b>2029</b>
Return on Investment/Return on Equity	40.57%	65.45%	78.35%
Gross Profit Ratio	26.24%	35.13%	44.20%
Net Profit Ratio	12.51%	19.64%	21.22%
Current Ratio	19.32	14.72	6.95
Quick Asset Ratio	19.32	14.72	6.95

Table 5 on the previous page, presents the financial ratios of Chocomote indicating that while the business remains profitable, its efficiency in generating returns from equity gradually decreases over time.

## **CONCLUSIONS AND RECOMMENDATIONS**

The feasibility study confirms that Chocomote Company is a viable and sustainable business venture across all evaluated aspects. The positive results indicate strong potential for growth, profitability, and long-term success. Therefore, the implementation of the proposed business is highly recommended. Proper management and continuous improvement shall further strengthen the company's performance and sustainability.

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