

## CHAPTER VII

## CONCLUSION

From the total investment the financial statement showed in the 5 years period of time. The rate of return on total investment equaled 25.56%

The pay-back period was only 3 years after the factory was completed. Sensitivity analysis indicated that even the expected selling price, variable cost and fixed cost were changed by 10% the break-even was about 80% of the sales forecast of the second year which was the first year of rated capacity of the factory but the least profit over the 5 years. Accordingly, the adhesives factory is a worth processing project in Thailand.

The principles of consideration of setting up of Neoprene Adhesives factory are based on plant location, plant layout. The major factors in the selection of the plant site are the factory operation characteristics, raw material supply, market distribution and public facilities. For the plant layout, the attention should be given to the flow of materials, unit operations, capacity, storage and future expansion. Since most of the solvents used in the manufacturing have the low flash points and are hazardous if directly exposed to the people concerned, it is very important to include arrangement of safe handling system in the factory.

The manufacturing process is operated mostly by the man power. Much care and more analysis must be taken in testing a new product while the quality control procedures are simplified in the routine checks.