

e. Regulations

Manufacturing industries must comply with various legal, technical, and corporate regulations to manufacture, and distribute the products and services. The different areas that a manufacturing industries should comply includes;

- Health, and Safety
- Fair competition
- Employment Laws
- Data security
- IT safety and security
- Export control
- Product safety
- Consumer protection

f. SWOT Analysis

It is necessary to analyse the strength, weakness, opportunity, and threats of Virco manufacturing to realize the competitive advantage.

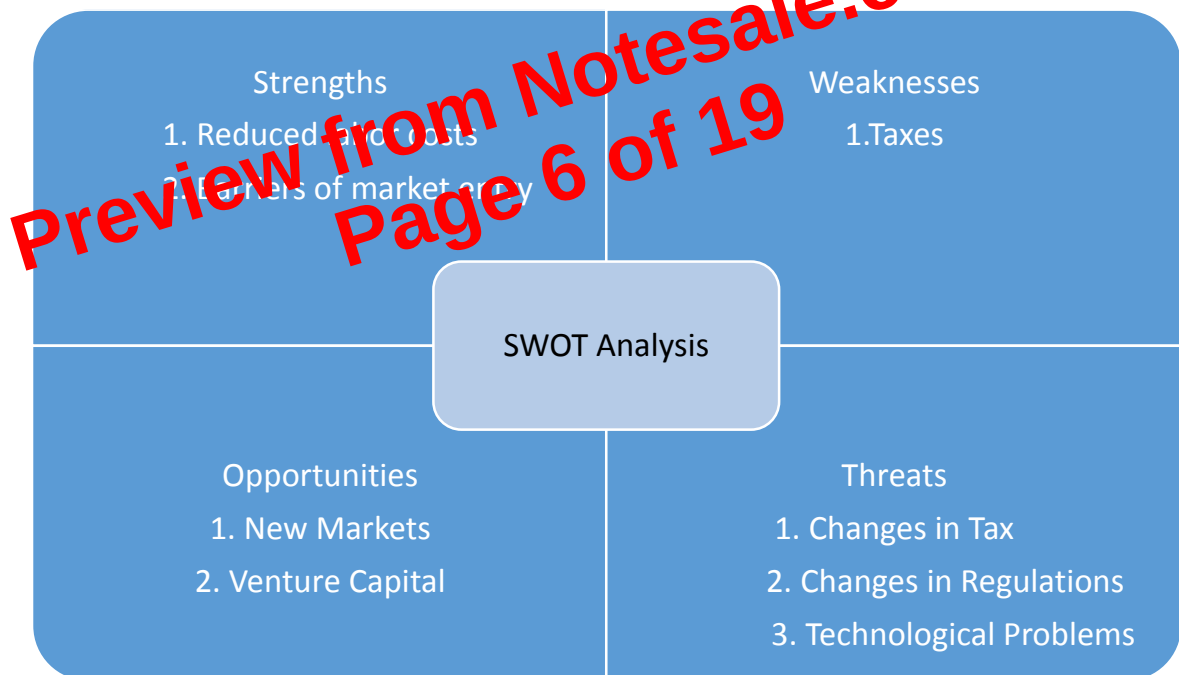


Figure: SWOT Analysis

g. Market Dynamics

Virco's major market comprises of educational institutions, government facilities, convention centre, and religious place. They sell the products by the methods of bid that includes state contracts, local buying groups, and consortium of school districts.

3. COMPANY ANALYSIS

a. Business Model

Virco Manufacturing Corporation manufactures the consumer products like tables, chairs, storage equipment, chairs, folding chairs, and folding tables. It's business model is developing high value on manufacturing, assembly line, and direct distribution of products and services. For example; emphasis on the finishing systems, fabrication of metals, moulding plastics.

b. Vision and Mission

The company is committed to provide the best resources for the educators. It is involved in providing the reliable furniture, movable tables, chairs, and storage equipment to schools, churches, government facilities, and convention centre.

4. FINANCIAL ANALYSIS

a. Financial Statements (SEC, 10-Q, 10K)

Income Statement (Figures in thousand)

Revenue	1/31/2016	1/31/2015	1/31/2014
Total Revenue	168,595	164,052	155,042
Cost of Revenue	108,985	108,654	102,488
Gross Profit	59,610	55,398	52,554
Operating Expenses			
Research Development	-	-	-
Selling General and Administrative	53,653	52,741	52,587
Non Recurring	-	287	1,408
Others	-	-	-
Total Operating Expenses	-	-	-
Operating Income or Loss	5,957	2,370	-1,441
Income from Continuing Operations			
Total Other Income/Expenses Net	-9	2	10
Earnings Before Interest and Taxes	5,948	2,372	-1,431
Interest Expense	1,281	1,254	1,302
Income Before Tax	4,667	918	-2,733
Income Tax Expense	113	69	-1,003
Minority Interest	-	-	-
Net Income from Continuing Operations	4,549	849	-1,730
Non-recurring Events			
Discontinued Operations	-	-	-
Extraordinary Items	-	-	-
Effect Of Accounting Changes	-	-	-
Other Items	-	-	-
Net Income			
Net Income	4,549	849	-1,730
Preferred Stock And Other Adjustments	-	-	-
Net Income Applicable To Common Shares	4,549	849	-1,730

The income statement indicates the profitability of a company. At a glance, the income statement of Virco looks increasing. There is a huge deviation from 2014 to 2016. Yet, income statement only comprises of income, expenses, and gains/losses and does not include the cash in and cash out activities.