

Sariki Imobele Rejoice

Civil engineering

Entrepreneurship

18/Eng03/054

Executive Summary

Plastic recycling refers to the process of recovering waste or scrap plastic and reprocessing the materials into functional and useful products. This activity is known as the plastic recycling process. The goal of recycling plastic is to reduce high rates of plastic pollution while putting less pressure on virgin materials to produce brand new plastic products. This approach helps to conserve resources and diverts plastics from landfills or unintended destinations such as oceans.

Company

We are a young company in Nigeria that specializes in pet bottle business, We are capable to make available, sufficient quantity common material for production and land for the factory structures. We recycle plastic waste and sell them to industries where they are used to manufacture a wide range of products like, ropes, car bumpers, chairs etc.

Products and Services

We have developed Eco recycled plastic as a sustainable substitute for virgin materials. Eco recycled plastic granules are readily available and suitable for your processes and products. And if they aren't the right fit, we will tailor them to match your needs. The production of Eco Recycling takes sustainability factors into account from beginning to end. We guarantee that also your supply chain stays traceable and transparent. Eco Recycling is sustainable in every sense: it is made with no compromises.

Market Analysis

Strong demand for recycled plastics is working in the industry's favor. Major users of plastic packaging, apparently responding to consumer desires, have begun incorporating at least some recycled plastic content in their products as part of the growing interest in recycling. Recycled resin demand is on the rise as prices for the two major recycled resins, PET and HDPE, continue to hold value or appreciate against their virgin counterparts.

In volume, PET is currently the number one recycled resin. Supply of recycled PET is in excess of 800 million pounds per year. This figure is expected to grow, reaching over 1 billion pounds

during the next few years. The plastics industry has developed new markets and applications for recycled resins from both post-consumer and post-industrial sources.

Plastics, after aluminium, represent the second highest value material in the waste stream and have the highest projected growth rate. PET leads the recycled recovered resins as the most visible and valuable, and its use is increasing.

Barriers to Entry

Limited Supply of raw material

Recycled PET (RPET) resins are in high demand, and demand is currently under-supplied. Many manufacturers are delaying expansion because of uncertainty of supply. Entrants would have to consider sourcing post-consumer or post-industrial waste and clean and refine it rather than attempting to purchase flake on the open market. Even at that, there is not an over-abundance of post-consumer or post industrial material in the marketplace.

Equipment costs are high and industry specific, resulting in a high exit cost.

Because of the scarcity of RPET flake, entrants may be forced to establish cleaning and refining facilities for post-consumer bottles. The equipment required is costly and very industry specific. It would not easily be re-sold as a system.

There is a market for used extrusion equipment, which normally sees 60-70% of new value being realized.

Vertical integration is an important consideration and difficult to accomplish successfully.

Because of the scarcity of RPET resin, and to maximize profit potential, entrants must consider a two-stage production facility. Cleaning and refining post-consumer bottles and extruding the resulting flake into commercial products requires a management team such as Replay has, with a broad range of expertise, experience, industry contacts and knowledge in both areas

Freight is a major cost of operations; proximity to source of supply and markets is crucial.

Hauling plastic materials is expensive so entrants will have to consider establishing facilities close to materials and markets. Entrants with existing operations would have to consider new separate facilities in many cases, reducing economies of scale and making management more difficult.

Competition and Buying Patterns

There has been a strong demand (sellers' market) for our products for several years. Traditional buying patterns in this industry are based on quality, price, reputation of manufacturer, freight

costs, delivery times and proximity to markets. During such a sellers' market, buying patterns are often more influenced by availability.

Main Competitors

Currently in Nigeria, there is no direct competition for cleaning and refining post-consumer or post-industrial PET.

Markets and uses for recycled plastics are rapidly expanding.

Strategy and Implementation:

The company aims to implement aggressive marketing and pricing strategies, including, but not limited to digital marketing and advertising, market survey, product research and development, etc.

Management Team

Founder/President: Imobele King

As founder and president of Eco Plastic Recycling, Ms. Imobele King will be responsible for the entire operation. Some of her duties will include overseeing the areas held by the other company executives, as well as the output produced by other employees.

Operations Manager: Pere King

As operations manager. His job will be crucial in the growth of Eco Plastic Recycling. He will ensure that day-to-day operations are conducted such that materials are received, methods and processes are standardized, and production is maximized to ensure uniform production of compost materials. This duty will entail establishing a good working relationship with production line employees.

We have projected a number employees in 2020. This includes the owner, 2 managers, 3 truck drivers, 4 equipment operators, 2 laborers, 2 metal workers, and 1 secretary; this staff of 15 will operate the recycling facility.

Financial Plan: A complete set of forecasts including a Profit and Loss Statement, Cash Flow Statement, and Balance Sheet.

The company will require a startup capital of #7,700,000, which will be used for

Sorting machine - #1,500,000

Processor - #950,000

Crushing machine - #2,000,000

Renting factory space - #750,000

Advertising and Marketing - #500,000

Miscellaneous - #2,000,000

The objective of the company is to make #20,000,000 in sales in the first year and #50,000,000 the second year and maintain a constant growth doubling on investment.

REFERENCES

Bplans.com

Fortum.com

Scrapmonster.com