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COURSE: GST 212 ENTREPRENEURSHIP

TITLE: ASSIGNMENT ANSWERS

- A. Using a company or business of your choice, write a good and customized business plan, covering all relevant aspects and analyses. Your submission should strictly be in the following format and as a PDF file; Times New Roman, size 12 for font and 1.5 line spacing. Page limit should be a minimum of 5 and a maximum of 10. Don't forget to write your details; full name, matric number and department.

ANSWERS

Contact details

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1. Executive summary.

Plastic Pollution is a serious problem. It is projected that in 2050 there will be more plastic in the ocean than fish. Our solution is to develop a collection, sorting and shredding system for handling plastic waste in Rivers State that could otherwise enter the ocean, landfills or be burned. We believe that all waste is valuable (as due to the circular economy), so we will be using our own designed shredder to process this valuable material (plastic) and deliver it to other Plastic Recycling outposts for it to be turned into new valuable products in an ever-changing market.

2. Mission and Vision.

It is unfortunate that many Nigerians are not aware of the danger of plastic pollution, and where they are aware of it, they will feel like they are unable to do anything about it because almost all of their food and water are packaged in it. We want to increase public awareness around the plastic problem as well as take action by turning post-consumer-use plastic into cool durable products.

Our hope is that by launching our collection and shredding system, people will begin to see that plastic is actually a valuable material. This change will be a radical shift for Nigeria. With our new system, we will change the image of Nigeria into being a forerunner in the African Continent in the world of Circular Economy.

Our aim is to collect and recycle 100% of Nigeria's post-consumer-use plastic. This will be achievable through setting up an accessible and affordable grassroots recycling infrastructure. While making plastic recycling more accessible, we will raise awareness about environment quality and sustainability every step of the way. Furthermore, we will make high quality recycled plastic available as a resource for the nearby plastic recycling outposts.

Our Mission is to develop an efficient plastic waste recovery system in Nigeria while creating more valuable products out of it and helping in reducing-to-eliminating the plastic waste problem.

Currently our vision is to drastically reduce the plastic waste going to our landfills by 25% and steadily climb up to 80%.

3. Team



Olagunju Joseph

Founder

B.Eng. in Mechatronics Engineering, focusing on designing sustainable mechanical and electrical machines.

4. Market analysis

Currently there is no real demand for recycled plastic materials in my locality, Bonny Island, but I plan to initiate that insatiable demand by advertising a healthier alternative to virgin plastic products in the pursuit of our vision.

Our company would also include a general-waste collection service that can easily access the plastic waste generated by the community, a sorting service that separates the plastic waste from other forms of waste (and sells the other waste to bring more value to the waste collection venture), the recycling service that breaks down the plastic waste according to types and sells it off to other plastic production companies to replace or partially substitute virgin plastic use.

Then, we use a value-added service to transform the shredded (1st- stage processed plastic) plastic into more valuable products.

A. Products and Services

Plastic+Recycled offers unique products and services in a blue ocean economy. Our primary service is to provide public and private waste cleanups and collection services. Some of our products we create and sell are



Competitive Advantage

In Rivers State, there is an existing waste collection system, with the inclusion of several private waste collection agencies that focus on waste collection.

However, these collection agencies are short-sighted on the possibilities of plastic waste collection and recycling, as the only method of plastic waste management is provided by the land fill system or sent to the incinerator for burning thereby leading to waste of energy and resources (new raw materials in my case) without consideration for the environment. These agencies also collect their waste combined in one bin, so the waste is highly contaminated, i.e., mixed without any sorting. Our collection system is highly segmented, which allows us to accept different plastic types which can be used by other plastic recycling outposts.

Total Available Market

We know from published city waste reports that the city generates about 10,000 tons of plastic waste every month. This means that if we are able to recover 100% of the market, we would be processing these 10,000 tons. If we value each ton at ₦100, that means we can have this market of ₦1,000,000.

B. Target Groups.

The groups that we will be targeting for our collection service is businesses focused on sustainability, and businesses interested in replacing their virgin plastic intake.

Research

We've done a survey of 85 businesses asking them of the possibilities of providing plastic waste services (with the inclusion of raw-material plastic) and asking them about their ability to pay for such services. We received positive results, with over 80% of businesses saying they were impressed and interested in procuring our services, and over 50% said they would be willing to pay our service fee of ₦5 per 0.1 ton. While looking for local business sustainability groups, we found The Zero Waste Initiative funded by the World Bank, which has over 10,000 business investors and members. We will also target these businesses in our later sales expansion after the second-quarter of the year.

On the other hand, we will include Governmental agencies, buildings, offices and workspaces into our business market model after the second-year expansion. We would be providing a service fee of ₦50 per 0.1 ton due to the voluminous nature of Governmental waste.

Facing residential units, we will be offering our services at ₦5 per ton even though they do not have the same volume as businesses.

C. Engagement

We plan three main points of engagements – social media advertising, market canvassing, and google adds. Our social media channels are primarily LinkedIn, Instagram and Facebook. Our market canvassing would involve passing out flyers about expanding our service and describing the alternative recycling system that we're creating within the plastic recycling network.

Google advertisements will help us reach a wider audience of businesses so that they become aware of our services.

D. Sales Channels

Our sales channels are the direct to business models through phone calls and emails and WhatsApp as well as the Precious Plastic Bazaar for sales of our shredded recycling plastic. We have a list of all the companies that are members of The Zero Waste Initiative, which we will be contacting to get our next customers. We are primarily a business to business company, meaning we sell our plastic waste collection service and recycled plastic shreds to other businesses.

5. Operations

A. Key Resources

Our key resources are shredder, truck for collections, waste sorting facility, bins for handing out to customers for promoting our services and our workspace. These are the core tools for efficiently operating our business. We will be building the official Zero Waste Initiative shredder, which has a throughput capacity of around 30-50 kg per hour. The size of the shredder will allow us to process a significant amount of material per month (1.5 tons). Our workspace provides an operational space as well as storage for the material before it is processed. The bins and the truck are the resources that allows us to run our collection services, as well as deliver a final product to customers.

B. Key Tasks

The three main activities of plastic+Recycled are collection logistics, efficient shredder operations, and sales of the material. Collection logistic is a notoriously difficult task (managing customers, on time pick-up, clean maintenance of the bins and space). Currently we are new to the collection

operations sector of the company, but we have been able to get other plastic waste collection agencies to provide that by-service to us for a reasonable fee ₦3 per ton. Shredding operations is the core of our business – this is the main value we are creating. Truly, it is a hidden gem- taking a material considered as waste, and turning it into a useful raw material for production facilities to make new products.

Honestly, out-sourcing collection logistics has helped reduced our overhead costs and enabled us to focus on the shredding of the plastic waste material, even though we plan to take a lion's share of this services provided within 4-6 months' time.

C. Running Costs

The three main running costs we face are employee wages, petrol and waste bins. Our collection operations take a lot of human power, and we will be paying employees to carry out this work. Driving from business to business picking up their waste material requires petrol, which will be a significant cost to us. Lastly bins will need to be purchased and dropped off at each collection unit or even given to customers to promote brand loyalty. Well, these bins will need to be replaced over time.

D. Collaborators

Our key collaborators will be The Zero Waste Initiative, World Health Organization (, The WHO) and Mr. Paul Okon – the director of our local waste collection youth group. While the Zero Waste Initiative, and The WHO has agreed to help us reach-out to their business members, The WHO gives out grants for our recycling projects, which we are currently applying for.

6. Impacts

A. Community

The impact of plastic waste collection and recycling brings a huge educational benefit to the community. Through seeing our collection programs and products created from it, people are currently showing up interest in the value of plastic as a material. This shows that plastic isn't something that should be used for single use items, but saved for long term uses. We will be hosting a plastic reduction pledge- although that's a bit difficult for Nigerians as a whole cause everyone has problems they want to focus squarely on, not big ones like

plastic waste. But we hope to change all that by bringing an economic value to discarded plastic waste in my State for a start and then expand to every corner of the nation, AS THE LORD HELPS US.

B. Planet

It should be noteworthy that, our primary goal will be to deal with all the plastic waste problem in Rivers State. Thus, we will be doing our part in helping the planet by making sure that this material is appropriately recycled and turned into a useful product instead of entering the ocean, landfill, or the incinerator. We will be measuring our impact on the planet by tracking the amount of plastic we collect and shred.

C. Income Streams

Our income streams will come from two main sources – businesses that pay for our collection service, and plastic recycling outposts/production companies that buy our shredded plastic. We envision this to be a 30/70 split between the collection and sales in terms of revenue.

7. Financials

Investment Costs	
Initial Investment	Cost (₦)
Shredder	30,000.00
Washing/sorting system	5,000.00
Business license and permits	3,000.00
Workshop Renovation	5,000.00
Tools	3,000.00
First Aid Kit	2,000.00
Office Supplies	20,000.00
Computer	50,000.00
Fuel	6,000.00
Cargo Van	5,000.00
Electricity Bill	8,000.00
Shop Floor Rent	16,000.00
Total:	153,000.00

Investment Costs	(5,405)										
Variable Costs	(2,642)	(2,642)	(2,642)	(2,642)	(2,642)	(2,642)	(2,642)	(2,642)	(2,642)	(2,642)	(2,642)
Fixed Costs	(600)	(600)	(600)	(600)	(600)	(600)	(600)	(600)	(600)	(600)	(600)
Total Cash Out	(8,647)	(3,242)	(3,242)	(3,242)	(3,242)	(3,242)	(3,242)	(3,242)	(3,242)	(3,242)	(3,242)
Net Cashflow	12,152	11,367	11,367	11,367	11,367	11,367	11,367	11,367	11,367	11,367	11,367
Money in Bank (End of Month)	12,152	23,519	34,886	46,254	57,562	68,988	80,355	91,723	103,090	114,457	125,824

8. Legal Structure

The legal structure of plastic+Recycled is a sole proprietorship, i.e. the founder has 100% of the shares of the company. We are seeking grant funding to provide the capital investment for our initial startup costs.

9. Appendix.