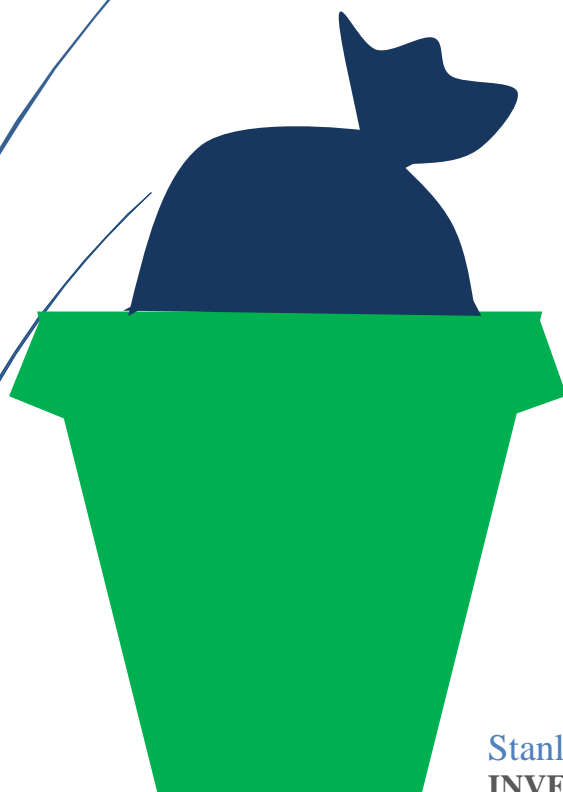


October 10, 2020

Business Plan

Africa-bin Recyclers limited



Stanley Upwork
INVESTMENT PROJECT

Contents

CONFIDENTIALITY STATEMENT	4
SECURITY STATEMENT	4
DISCLAIMER STATEMENT	4
1.0 Executive Summary	5
1.1 Objectives	5
1.2 Mission.....	5
1.3 Vision.....	5
1.4 Key Success Factors	5
1.5 Financing.....	6
2.0 Company Summary	6
2.1 Business Description.....	6
Value delivered	6
Location	6
2.1.1 Business Model.....	7
2.1.2 Projected Market Share.....	9
2.2 Company Ownership	11
2.3 Start-Up Plan.....	11
2.4 Company Locations and Facilities.....	13
3.0 Products.....	14
3.1 Product Description	14
3.2 Growth Strategy	15
4.0 Market Research	16
4.1 Market Study.....	16
WASTE: Management Status in Kenya.....	16
Garbage profile in Kenya.....	17
Plastics Management in Kenya.....	17
4.2 SWOT Analysis	20
4.3 Market Segmentation	28
4.3.1 Target Market Segment.....	29
4.3.1 Market Needs	30
4.3.2 Market Trends	31

4.4.1	Industry Participants	31
4.4.2	Distribution Patterns	32
4.4.3	Competitive Buying Patterns	32
5.0	Marketing & Sales	34
5.1	Value Proposition.....	34
5.1.1	Competitive Edge.....	34
5.1.2	Benefits & Features.....	34
5.1.3	Branding & Statement.....	35
	Company colors.....	35
5.1.4	Target Market & Customer Personas.....	35
5.1.5	Tactical Marketing Strategies	35
5.2	Sales Strategy.....	36
5.2.1	Pricing Strategy.....	36
5.2.2	Seasonality	36
5.2.3	Strategic Partnerships.....	36
5.2.4	Distribution Strategies.....	37
5.3	Marketing.....	37
6.0	Leadership.....	38
6.1	Mission.....	38
6.2	Vision.....	38
6.3	Company Core Values	38
5.4	Organizational Structure	39
6.5	Personnel Plan.....	40
7.0	Operations	46
7.1	Sourcing	46
7.1.1	Policies.....	46
7.2	Production Process.....	47
7.3	Inventory Management	49
7.5	Customer Service	49
7.6	Quality Control	50
8.0	Human Resources	50
8.1	Staffing.....	50
8.2	Onboarding/Training.....	50
8.3	Retention Strategies	50

8.4 Employee Disciplinary..... 51

9.0 Information Technology 51

10. Corporate Social Responsibility..... 51

11. Risk Assessment and Mitigation..... 52

Financial Analysis..... 53

12.1 Income statement 54

12.2 Cashflow statement..... 59

12.3 Capital expenditure and depreciation..... 60

12.4 Balance sheet 64

CONFIDENTIALITY STATEMENT

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1.0 Executive Summary

1.1 Objectives

- To recycle at least 90 % of the garbage collected.
- To produce the highest quality products from collected garbage.
- To grow the company at a minimum rate of 8% every year for the first 10 years.
- To employ technology where possible as a competitive edge and a solution to the garbage problem in Africa.
- To open a second operational plant in 6 years since the first begin operations.
- To reinforce cleanliness in African cities.

1.2 Mission

- ✚ RECYCLE
- ✚ REUSE
- ✚ REDUCE

1.3 Vision

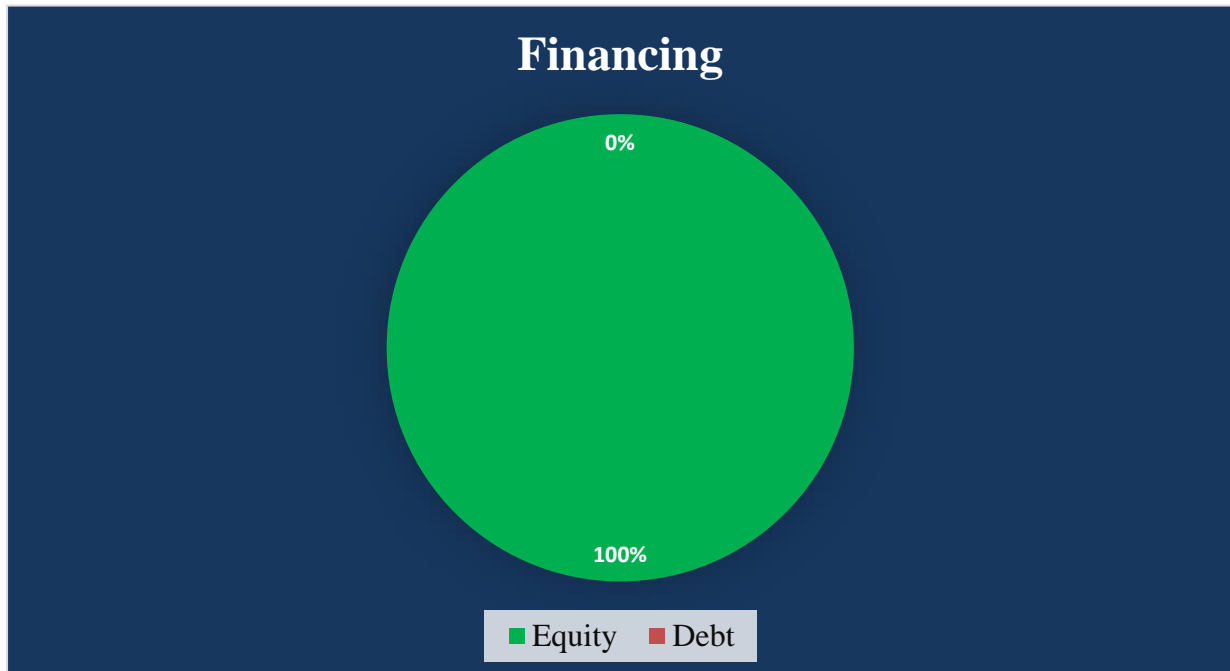
Clean African cities that can manage all waste produced by recycling reusing and reducing the garbage production.

1.4 Key Success Factors

1. Excellent management
2. Technology utilization
3. Skilled and motivated employees
4. Strong and flexible business model.
5. Strong capital base.

1.5 Financing

The company owners will finance the business through equity investment.



2.0 Company Summary

2.1 Business Description

Africa-bin recyclers Limited is a partnership recycling company that will be set up on the outskirts of Nairobi city mid-2021.

The company will be based on the passion and determination to see a dream come true where African cities will have effective management systems spearheaded by the private sector of recyclers.

Value delivered

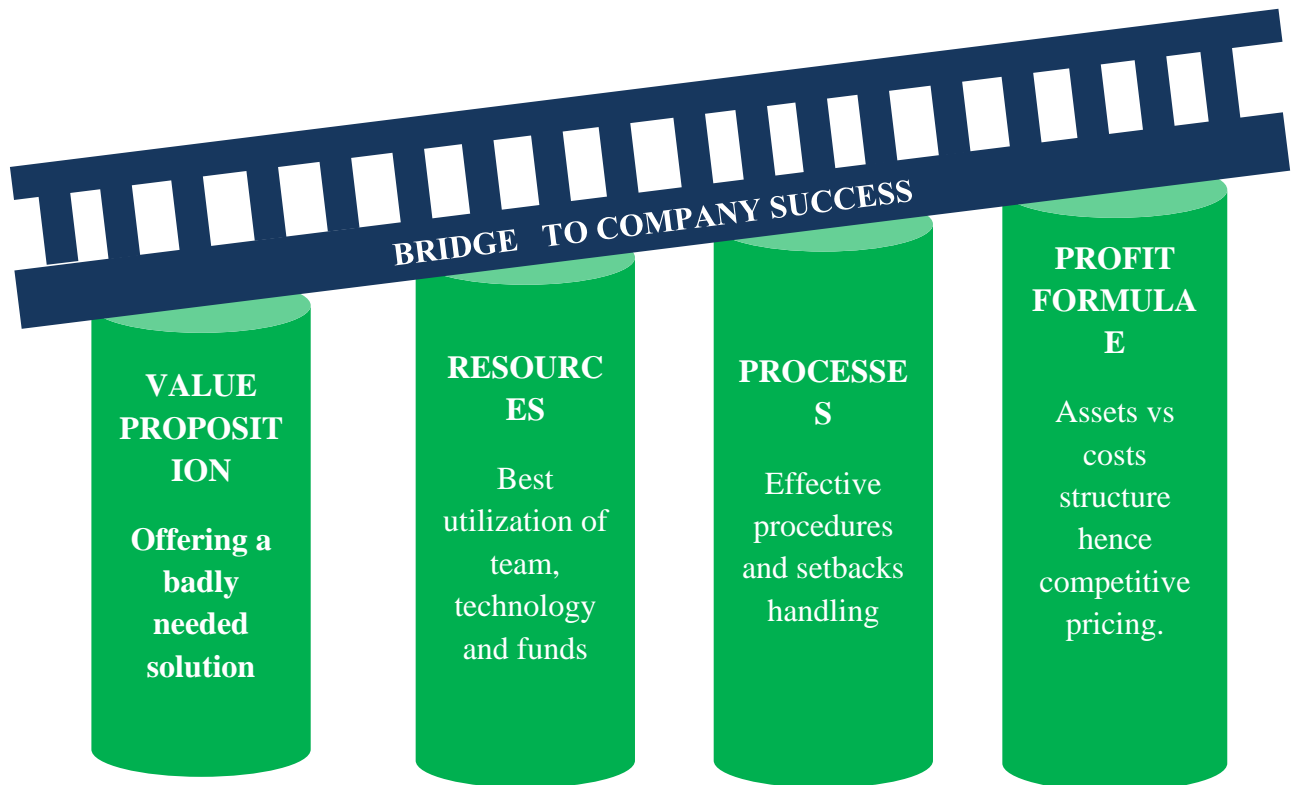
- Converting organic garbage into organic fertilizer.
- Converting green organic garbage into pig feeds.
- Processing garbage plastic into reusable pellets for factories locally and abroad.
- Collection and delivery of aluminum cans/Metal objects.
- Appropriate disposal and incineration of unrecyclable material.

Location

- ❖ Offices – Ngong road Nairobi.
- ❖ Operational Plant - Kikuyu in neighboring Kiambu County.

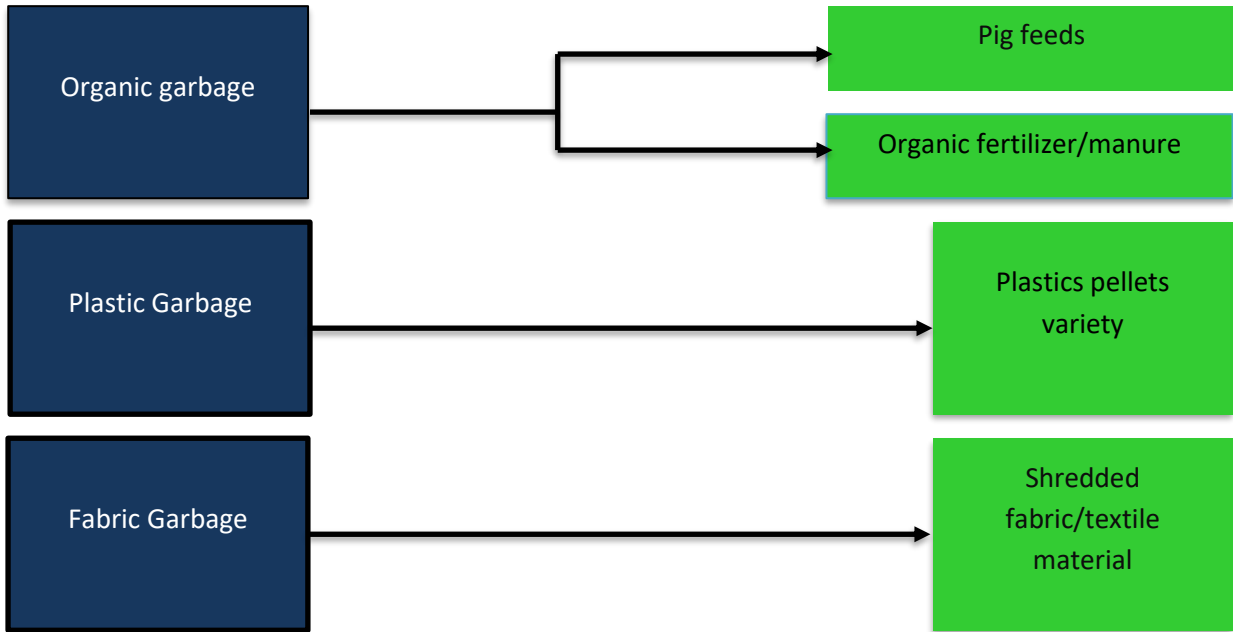
2.1.1 Business Model

The company's business model will heavily rely on four facets that will need a perfect mix to produce effective operational strategies that stand the pressures of the industry against competitors.



With a hybrid business model that combines **eCommerce** and **brick & mortar** business, the Business to Business linkage (B2B) will be highly enhanced.

Africa-bin recyclers are set to develop a recycling plant to convert the readily available garbage in Nairobi and beyond, into useful on-demand and high-quality products.

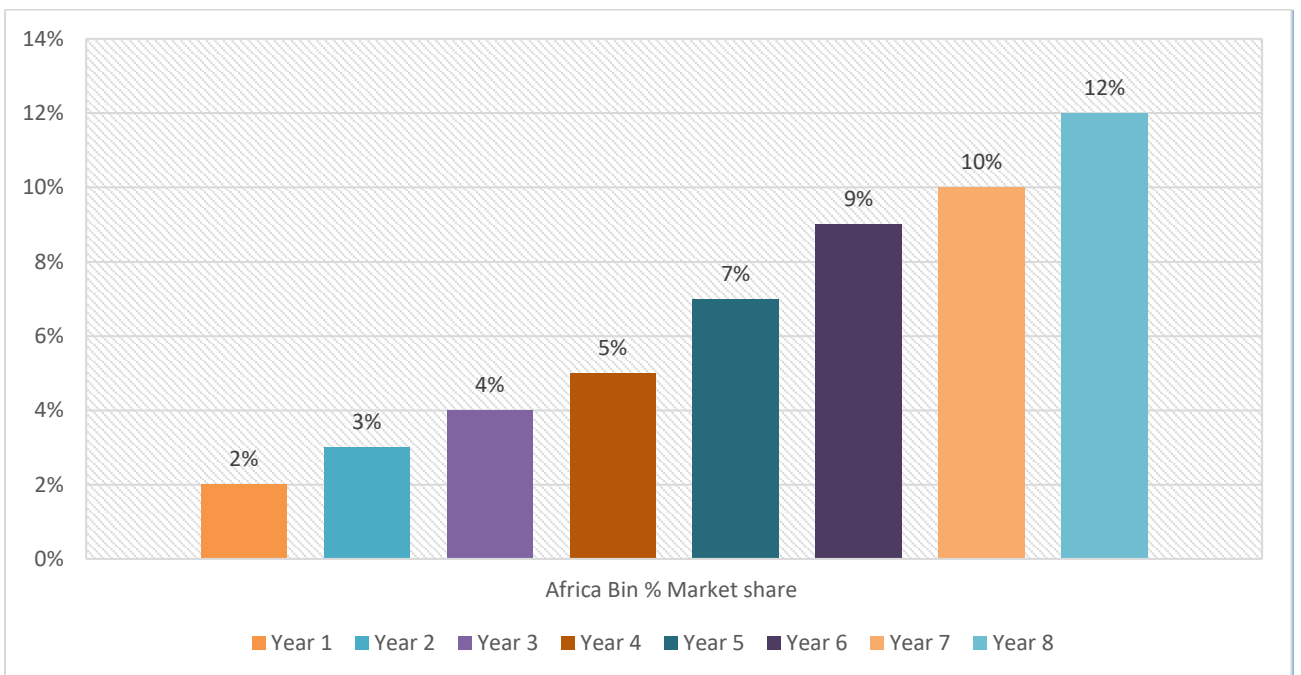
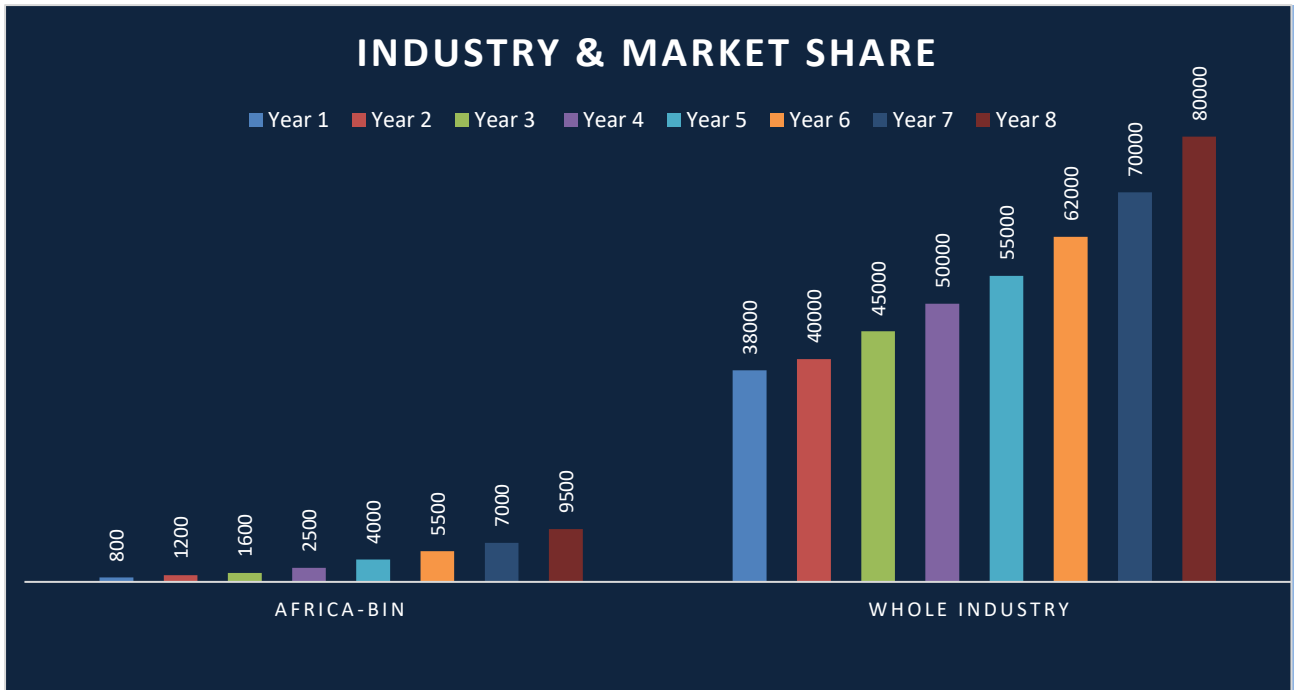


In the entire lifetime of the business, it will endeavor to come up with new ways to recycle different types of garbage to recycle 99% of the total garbage collected.

2.1.2 Projected Market Share

A researched primary data report by the [state of green](#) indicates that 38,000 tons of plastic is recycled in Kenya every year.

Plastic recycling Market share

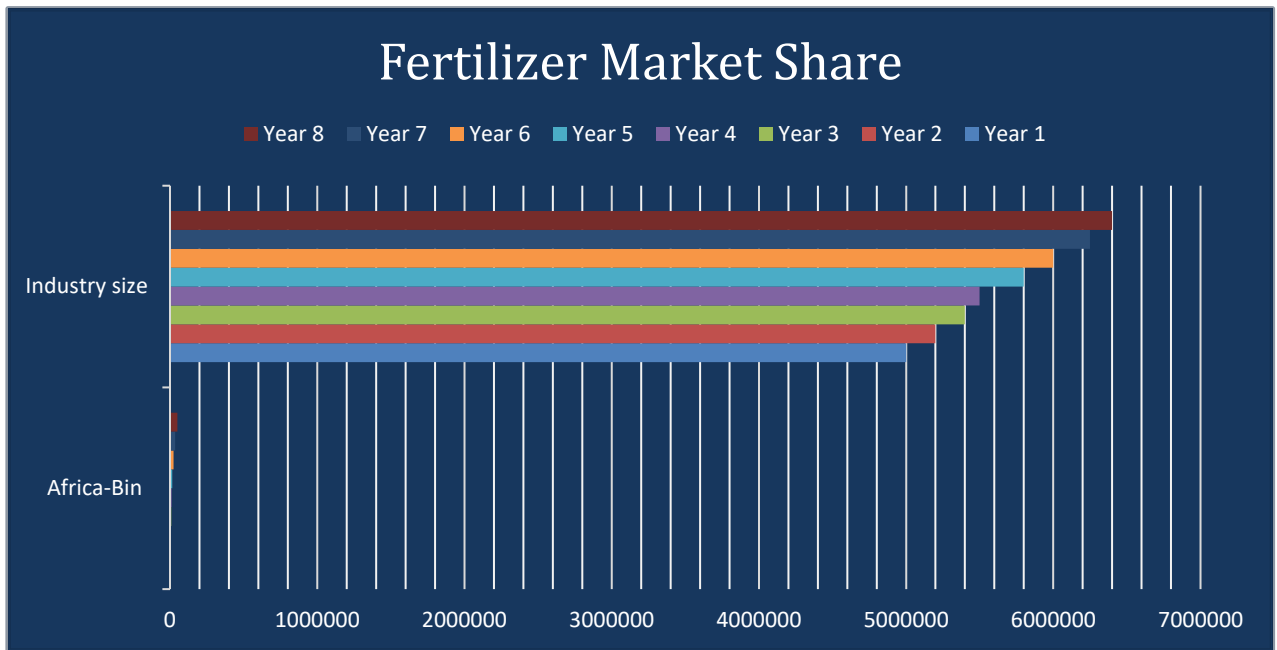


Organic Fertilizer

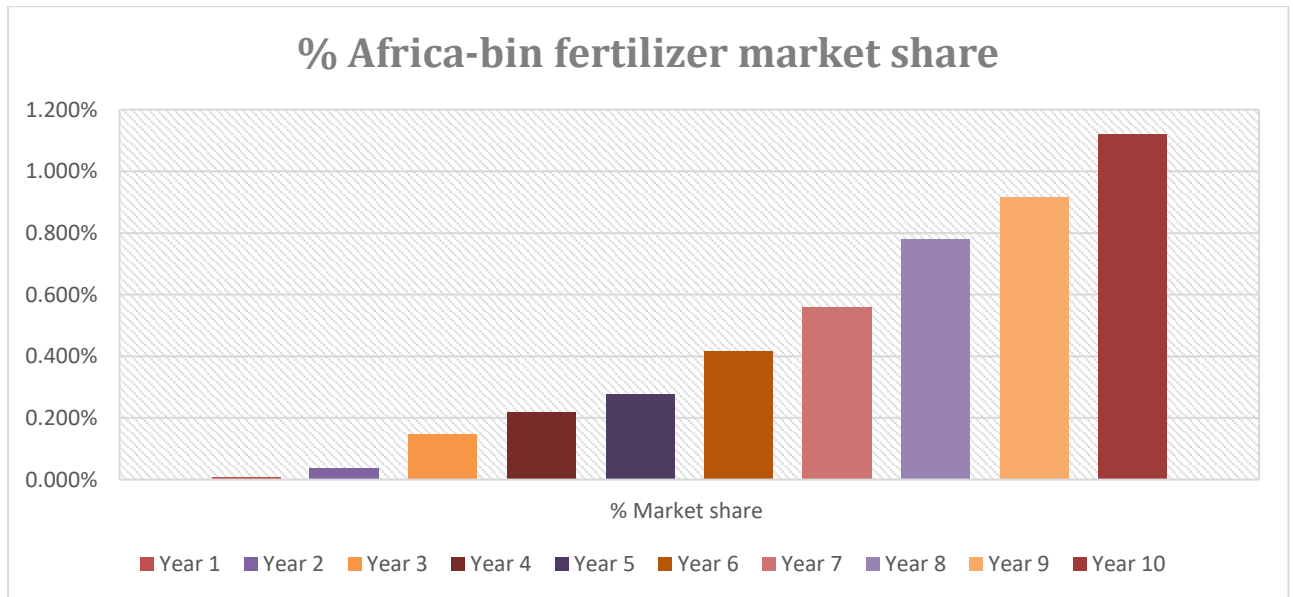
The soil PH in Kenya has dropped drastically due to the use of chemically produced fertilizer imported from Japan Asia and other countries.

Sighting the example of the Wanda Organic fertilizer dealer plan, African bin recyclers will develop organic fertilizer that will greatly boost production in the country.

Agriculture is the backbone of the Kenyan economy, therefore, there is a vast, ready, and the insatiable market for Affordable and effective Organic fertilizer. The estimated market share will be dwarfed by the economies' demand for reliable fertilizer.



Projected Percentage Market share



2.2 Company Ownership

Africa-bin recyclers limited is a dual-partnership owned by:

1. Alyssa Popat 50 %
2. 50 %

The owners will have an equal share in the company and will divide the management responsibilities at the first phase of the company operations.

2.3 Start-Up Plan

START-UP NEEDS

Legal Requirements

Company registration			\$	500.00
Business permit			\$	300.00
KEBS	4	\$	80.00	\$ 320.00
Nema permit			\$	350.00
W/H Rent & deposit	4	\$	900.00	\$ 3,600.00
Office rent & deposit	4	\$	500.00	\$ 2,000.00
			\$	7,070.00

Pre-Start Expenses

Research & development			\$	15,000.00
Transport			\$	1,000.00
Employees hiring			\$	500.00
Employees training			\$	500.00
Business planning			\$	250.00
Renovation			\$	5,000.00
Legal documents drafting			\$	300.00
consultation			\$	400.00
Marketing			\$	500.00
Company branding			\$	800.00
			\$	24,250.00

Assets

Website development	1	\$	500.00	\$ 500.00
App development	1	\$	500.00	\$ 500.00
Office seats	4	\$	150.00	\$ 600.00
Office waiting bench	2	\$	150.00	\$ 300.00
Office desks	2	\$	250.00	\$ 500.00
CCTV systems	2	\$	400.00	\$ 800.00
Office software's				
<i>Genuine windows</i>	4	\$	35.00	\$ 140.00
<i>Accounting software</i>	2	\$	120.00	\$ 240.00

	<i>CRM Softwires</i>	1	\$	50.00	\$	50.00
	<i>Antivirus</i>	4	\$	10.00	\$	40.00
computers		4	\$	350.00	\$	1,400.00
printers		2	\$	150.00	\$	300.00
water dispenser		1	\$	90.00	\$	90.00
minor stationeries		10	\$	20.00	\$	200.00
ETR machines		3	\$	250.00	\$	750.00
		10				
Garbage handling attire		0	\$	70.00	\$	7,000.00
<i>Machines</i>						
Complete organic fertilizer production line		1	\$	100,000.00	\$	100,000.00
Vans		1	\$	8,000.00	\$	8,000.00
Digital weighing scales		4	\$	200.00	\$	800.00
Trucks		2	\$	35,000.00	\$	70,000.00
compressor		1	\$	30,000.00	\$	30,000.00
washer		1	\$	25,000.00	\$	25,000.00
separator		1	\$	50,000.00	\$	50,000.00
granulator		1	\$	35,000.00	\$	35,000.00
pelletizer		1	\$	25,000.00	\$	25,000.00
shredder		1	\$	18,000.00	\$	18,000.00
Vacuum dryer		1	\$	32,000.00	\$	32,000.00
						\$ 393,800.00
<u>Cash Reserve</u>						
Cash		1	\$	500.00	\$	500.00
Bank		1	\$	1,000.00	\$	1,000.00
						\$ 1,500.00
						\$ 426,620.00
Total Start-Up Capital						\$ 426,620.00

2.4 Company Locations and Facilities

Africa-bin Recyclers Limited

Offices

Production Plant

Ngong Road

Kikuyu, Kiambu County

Official Phone Number:

Email Address:

Official Website address:

Post office address:

3.0 Products

3.1 Product Description



Plastic Pellets. The company shall recycle major types of plastic and prepare them as pellets for resale packaged in 1,000 kg bags



Organic Fertilizer. The company will convert the larger part of collect garbage into organic fertilizer. The fertilizer will be made by mixing nutrient supplements, farm produce garbage, animal waste, and produced to become highly effective fertilizer for Kenyan farms.



Pig feeds. Pig farming is a fast-growing industry in Kenya. The cost of meals is a major setback that leaves farmers earning little from their hard work. Africa-bin recyclers will prepare pig feeds at an affordable cost thereby creating value for numerous local farmers. Currently, there are about **350,000 pigs in Kenya and 80% of the production cost goes to meals.**



Fabric shreds. Toys, coaches (sofa sets), and pillows need soft and affordable materials for staffing. By shredding unwanted clean clothes, they shall be used to make raw materials for these industries' production.

3.2 Growth Strategy

I. **Diversification**. (forward expansion)

The company shall introduce new products into the market after research and development plus field market research yields positive and promising results.

II. **Market penetration**. (Roots expansion)

Over time the products will be introduced to a more diverse and several users. With time the products should have blanketed the market.

III. **Cost reduction** (internal expansion)

By acquiring raw materials in a more efficient and cheaper means the average cost of production will be lowered. Employees will gain experience also making sure they can produce multiple numbers of units than they were able to produce when the company was less than 6 months old.

Also, the company will consider generating some of its energy needs using the very garbage that they are recycling. Incineration can be used to produce the needed heat energy for bottle washing.

IV. **Competitors Buy-off** (horizontal expansion)

As the company grows, in two decades it will buy-off competitors leaving a better market environment by reducing competitors. The retained brand names will increase revenue streams from brand loyalties.

V. **Industry diversification**. (Forward expansion)

Rather than just selling raw pellets the company will consider making products such a new PET product or preparing fiber that is widely used in car parts, carpets, and mattress manufacturing.

4.0 Market Research

4.1 Market Study

Generation of waste is imminent wherever human settlements exist in the world; from the arctic to the tropical zones. The development of technology all over the world has seen the use of new materials to manufacture, cover, reinforce, seal, and package different kinds of products.

Kenya is a third world country. Most of her infrastructures are under major development, expansion, or renovation.

This implies that waste management is also barely developed. With a fast-growing middle-income group, the purchasing power is growing rapidly. More items are being shopped from mushrooming shopping malls and smaller well-developed local shops.

That being the case more products are being packaged unlike before where informal settlements would serve groceries without proper packing materials.

The skyrocketing urbanization in Kenya will see major cities especially Nairobi becomes home to more than 10 million residents in 5 years. Therefore, if garbage management is a problem current, then without major infrastructural, policy framework, private-public partnerships, the problem will continue swelling to unbearable levels.

WASTE: Management Status in Kenya

According to Statistica Official website, 72% of Kenyans live in rural areas. It is common practice that a rural home will set aside a small dump ground, mostly shallowly dug out to burn and dispose-off the remaining refuse from all the domestic activities. As expected the content of the disposal is mostly organic matter collected from expired farm products, cooked food gone bad, earthen house dust swept, and less than 5% being plastics materials. The metallic and glass products are less than 1 %.

The remaining 28% living in urban areas have a different set of circumstances. They buy most of their needs from local stores and large shopping malls. As expected, their waste products come with packaging materials that are more than 50 % of plastics of a different kind. Most live in permanent houses that don't host a dump pit near the residential house but rely on garbage collection companies. Such companies own dump trucks that collect garbage usually twice or once per week. The home or rental property owners pay for the services per month. The garbage is finally dumped in 1 legal (In Dandora) and several illegal dumping sites.

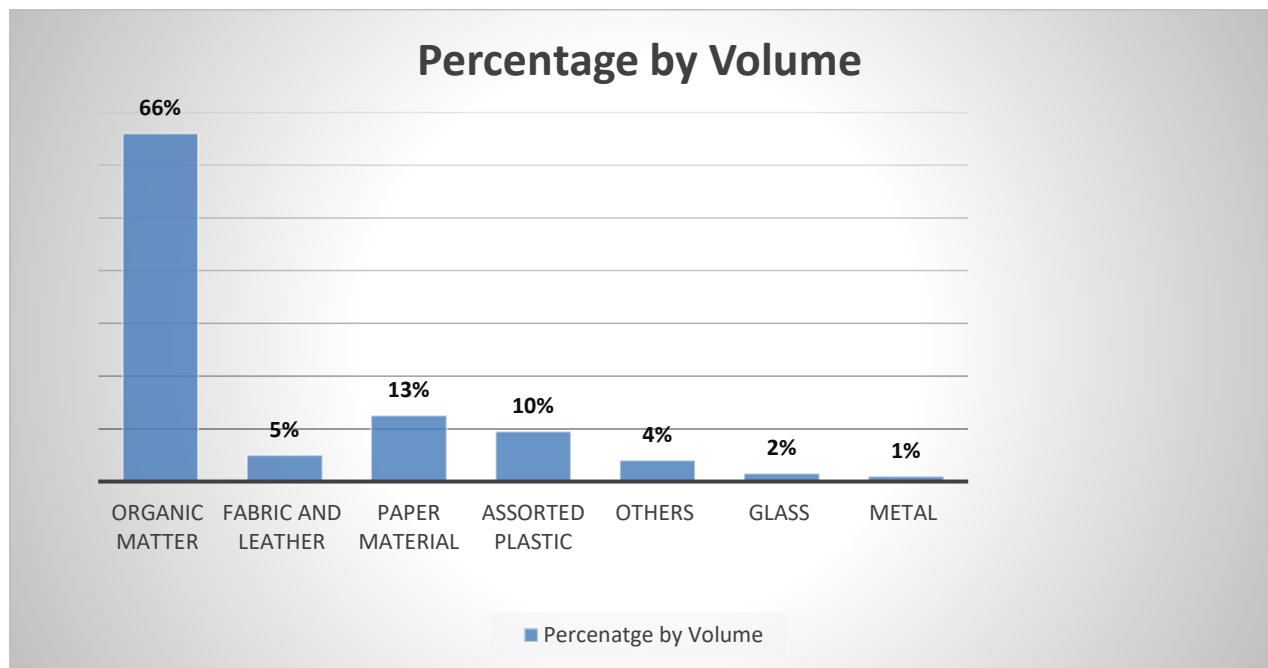
For various reasons, a few rental properties adhere to this cleanliness requirement. The situation on low end living slums in Nairobi where people earn too little (less than \$4 per day) to spend on something like garbage collection is dire. Therefore, much of the garbage ends up on the roadsides, streets, and shopping centers. Systematic garbage collection only exists in affluent neighborhoods like Kilimani, Karen, Kitusuru, Lavington, Hurlingham,

Parklands, and Kileleshwa among others. Clients need to part with \$500 (KSH 50,000) to \$5,000 (Ksh 500,000) for rent to live in these affluent neighborhoods.

Public and private learning institutions generate turns of garbage however they are well disposed-off in the large accommodative school grounds.

Most of the recycling companies that target reusable and recyclable PET bottles collect a lot of Soft drink bottles from institutions of higher learning.

Garbage profile in Kenya



Plastics Management in Kenya

Although Plastic materials that end up in dumpsites is the predominant material, it is particularly a matter of serious concern because it's non-biodegradable. Therefore efforts have been put forward to ensure in the first place it doesn't end up in the dumpsite.

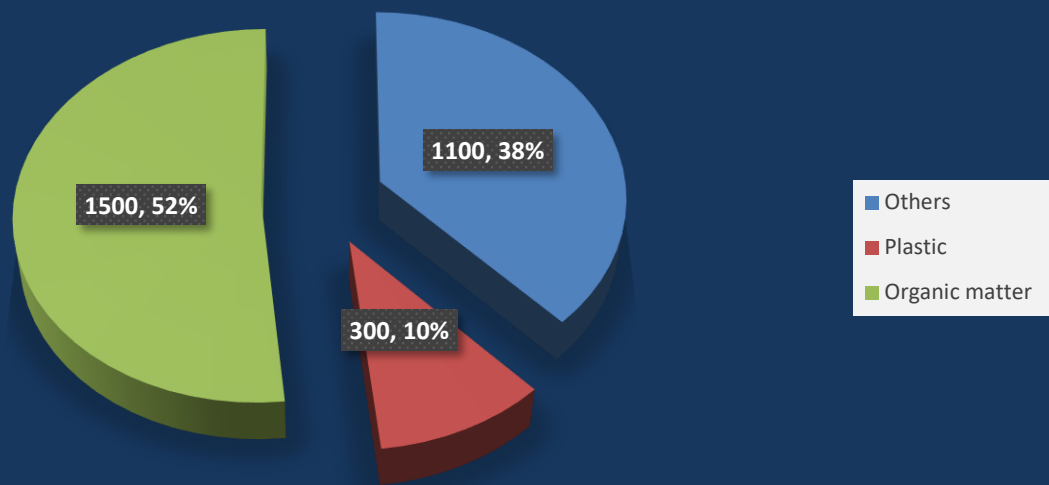
Organic matter easily decomposes to enrich the soil. Glass and Metal are collected for reuse. They are **rarely dumped because they are re-used multiple times sometimes for years** before being dumped or deposited with recyclers.

Plastics in particular have the attention of environmentalists and therefore need a serious solution, better converted to a business opportunity for sustainability, supported by the legal framework as opposed to charity work.

The table below shows types of plastic found in the Kenyan market their nature, uses, and re-uses after recycling if possible, at all.

	Plastic Type	Current use	Prevalence	Re-usability
1	PET Polyethylene Terephthalate	Used in perishable food containers e.g. soft drinks and yogurt etc.	25 % of all damped plastic	Recycled to produce fiber, carpet fiber furniture.
2	HDPE High-Density Polyethylene	A Few food handling plastic cans e.g. milk and yogurt. Makes jugs, basins, Toys, washing liquid bottles, Safe to handle cold food and drinks too	15% of all dumped plastics	Recycled to plastic poles, plastic lubber, Biro pens, certain car parts, etc. <i>(Most sought after for recycling)</i>
3	PVC Polyvinyl Chloride	Used in food wraps, pipes, tiles, medical tools, etc. Linked to carcinogenic elements passed on through food.	15%	Hardly recyclable. Specialized machines and conditions are required to do so. Where possible it used to produce building and construction materials
4	LDPE Low-density polyethylene	The type Is considered very safe in handling food, made into plastic wrap, grocery bags, frozen food containers, and squeezable bottles.	25%	Recycled to Garbage cans, construction tools, and materials, bubble gam wraps, etc.
5	PP Polypropylene	Very common in medical fields to packaging liquid medicine. Makes very strong products.	10%	Easily recycled. Used to make heavy-duty items s e.g. pallets, crates, posts, etc.
6	PS Polystyrene	Food caps e.g. coffee cups, disposable cutlery, insulation egg cartons, etc.	8%	Hardly recycled.
7	Others Especially SPI code	Used to make many electronics plastic casings, CDs, nylon, sunglasses, etc.	2%	Hardly recyclable Very dangerous to human health

Garbage Produced in Nairobi Daily (Tonnes)



In six of the major town in Kenya, Namely:

1. Kisumu
2. Mombasa
3. Eldoret
4. Thika
5. Nakuru
6. Nairobi

7,000 tons of garbage are produced every day. 40 % of it is left uncollected. Nairobi has the highest collection rate at 75 % but still, it's the highest producer among all towns leaving 290 tones laying unattended daily. This is how more than 10 unofficial dumping grounds have emerged.

Collection of garbage for recycling has to consider the most cost-benefit balanced method to use while locating, collecting, and delivery.

4.2 SWOT Analysis

Competitors

1. TAKATAKA SOLUTIONS

Takataka means “garbage” in *Swahili*, the second official language in Kenya after English.



Company
Facilities:
 Townhouses No.
 2, Laikipia Road
 Kileleshwa
 Nairobi, 00625
 Kenya

www.takatakasolutions.com (Official Website).

Company Type: Private Limited Company.

Garbage Collection

The company has invested in damp tracks that collect trash from various parts of the city. According to the data on their website, they have made deals with residential areas, townhouses, shopping malls, schools, and offices across Nairobi.

They customized dumping tracks are fitted with GPS to make collection and monitoring easier.

They charge a small fee from the clients to ensure they cover part of the cost as they make the best use of the refuse on board the tracks.

Their offices are located in Kileleshwa, an affluent suburb, but their production plants are in Banana and Kangemi in the neighboring county of Kiambu just 8 miles away.

Waste collection centers have an assigned day of the week when the track will pass by and collect whatever garbage is available, **except hazardous** garbage.

They do not collect garbage from hospitals.

Their network of garbage collection is spread out to these areas:

- | | | |
|----------------|---------------|------------------------------|
| ▪ Runda, | ▪ Westlands, | ▪ Upper Hill, |
| ▪ Gigiri, | ▪ Lavington, | ▪ Central Business District, |
| ▪ Ruaka | ▪ Kilimani, | ▪ Mombasa Road, |
| ▪ Kiambu Road, | ▪ Kileleshwa, | ▪ Industrial Area. |
| ▪ Thika Road, | ▪ Kangemi, | |
| ▪ Loresho, | ▪ Kawangware, | |

According to the list above the company has carefully covered developed areas of the city but left out low to middle-class living areas.

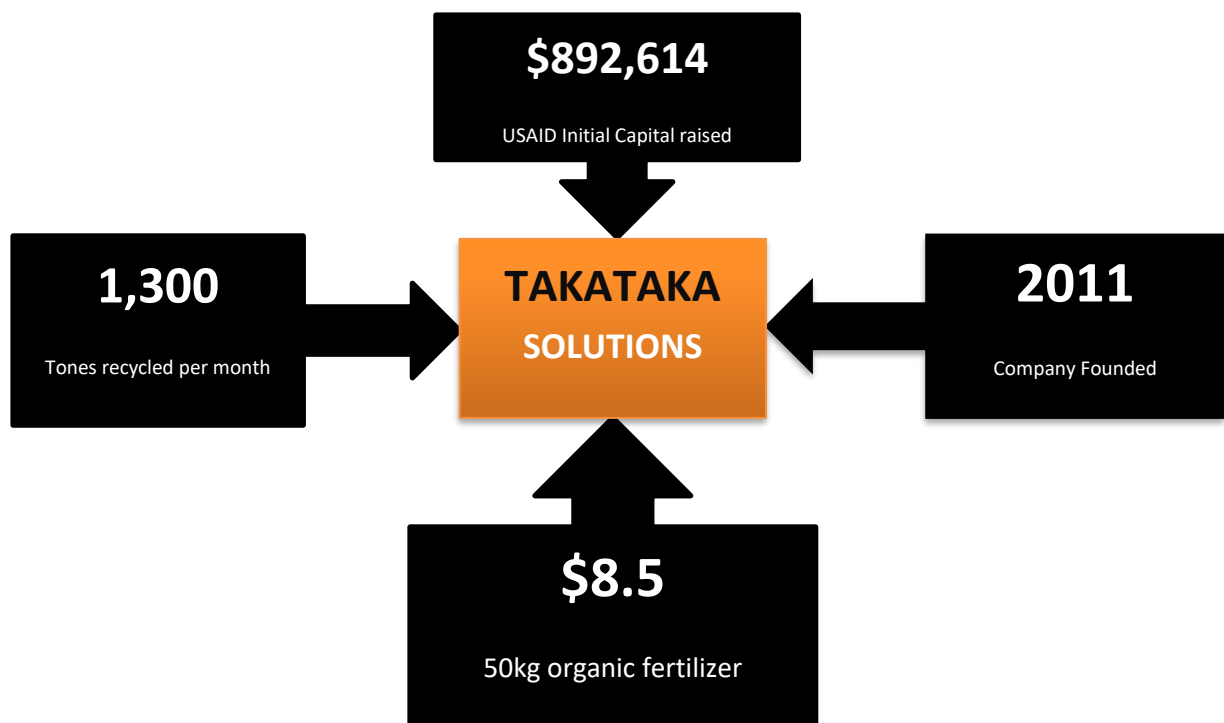
Recycling Process

After collecting garbage from different centers, the company has set up two sorting grounds. They are located in the southern and eastern side of the city.

- ✓ Each client except commercial centers is visited once a week. The trucks drop the garbage in the nearest sorting center or according to instructions.
- ✓ Each sorting center has trained and skilled employees who live nearby. With the appropriate work attire, they are trained to sort the garbage into 45 different sections.
- ✓ For materials that the company can't recycle they are handed over at a price to partners recyclers locally. This includes metal and glass.
- ✓ Organic matter is partly converted to pig feed and largely into farm manure, which is used to greatly enrich farming land. The manure is treated to ensure it's hygienic for handling using the latest technology available.
- ✓ Plastic waste is sorted and recycled according to the type of plastic. The company then sells pellets that are used to manufacture many different products locally and abroad.
- ✓ After recycling 95% of the collected waste, 5% is appropriately damped. This reduces garbage from 100% to 5% thereby contributing immensely to environmental management and pollution reduction.



Interesting statistics



2. Mr. Green Africa



Keiran Smith

Founder & CEO

Mr. Green Africa

The company has set up its operations in Nairobi with a slightly different business model in comparison to Takataka solutions.

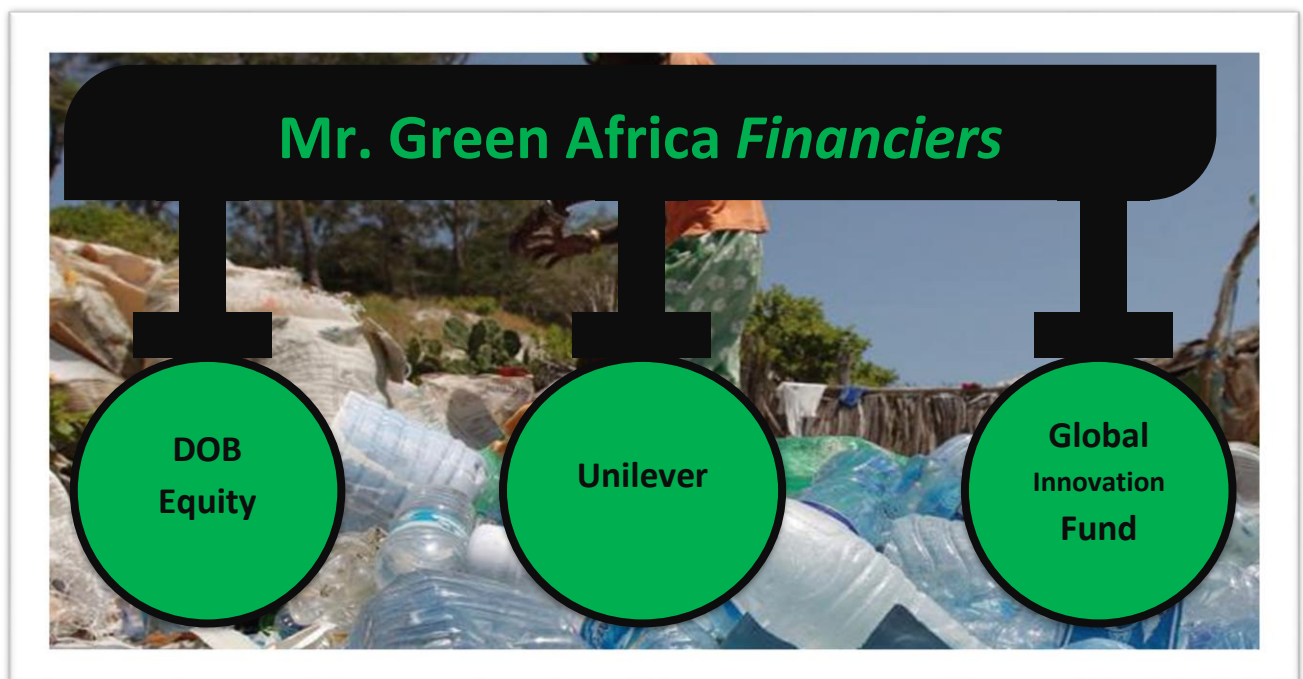
The company focuses on recycling different types of plastics **only**.

Garbage Collections

Garbage collection is conducted through a team of agents spread throughout the country. The highest concentration is in the major towns. The highest is in Nairobi, Thika, Machakos, and Kiambu. Recently Mr. Green Africa is expanding the operation to town more than 100 miles away from Nairobi specifically Kisumu, Eldoret, and Nakuru.

The team of more than 2,500 collectors is not salaried. Instead, they are individually contracted to collect specific types of plastic waste materials. The company then guarantees to purchase the products from them and an open price.

Funding Partners



Plastics Collected

HDPE	PP	PAP	PET
cooking oil and laundry containers	Bottle tops, margarine, and Yoghurt containers	Packing Cartons	Soda and soft drink plastic bottles

Products from collected waste



recycled HDPE	recycled PP	recycled PET
White pellets Yellow pellets Mix color pellets	White pellets Green pellets Red pellets Blue pellets Black pellets	Clear Pellets Blue pellets Green pellets

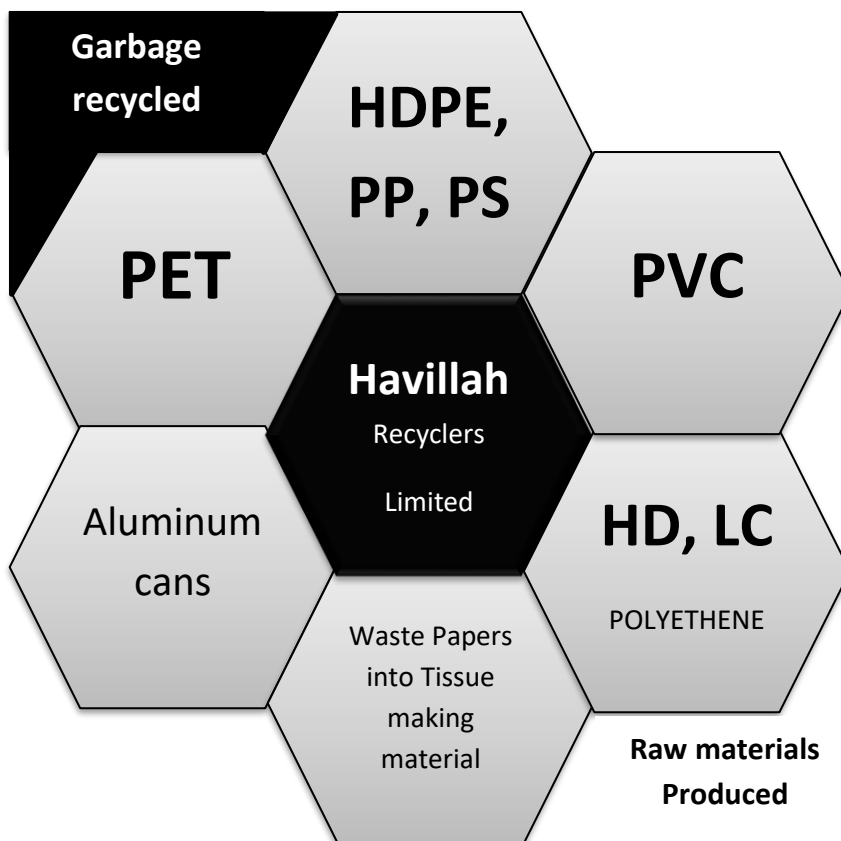
3. Havillah Smart Environs

Havillah Smart Environs

Ng'ong MSME Park (Jua Kali)

+254743922476

+254764015933



havillahsmartenvirons.co.ke

The company has been operational for 7 years now since it started its operational plant in the outskirts of Nairobi was launched. It is located in Ng'ong, 13 miles South of Nairobi.

Nairobi hosts about 10 million people during the day, but only three-quarters of them will spend the night there. The rest live in neighboring counties, majorly Kajiado and Kiambu, the major reason being the cost of living in Nairobi.

Business Model

The company uses the ON-SITE SORTING model. Just like Mr. Green Africa, Havillah smart environs have collection agents from all over the city and beyond. They are trained to **specifically collect certain contents of garbage** which is recyclable by the company capacity.

An interesting aspect of the company is that it visits hardware and construction sites to collect fractured the less desirable PVC plastics and processes then into valuable pellets.

Quick figures



3. SANERGY

It is a Kenyan company operating with subsidiary companies headquartered in other countries overseas.

Although the company is best known for providing mobile toilets in no-sewerage areas in Nairobi, we shall focus on another aspect of its operations. The company keeps insects that feed on green-produce waste largely available in Kenya.

From the manufacturing process, they produce the much-needed protein elements of making animal feeds as well as organic fertilizers.

Sanergy is designing and building a new waste processing facility to increase the production of its insect-based protein, branded **KuzaPro**, from the rearing of **black soldier fly larvae** (BSFL).

The fertilizer from organic sanitation waste is processed into fertilizer branded **Evergrow Fertilizer**.

Other recyclers in Kenya:

- A) **WEEE Centre.** They are specialized in the collection of obsolete and **waste electronic equipment** that have hazardous carcinogenic components.
- B) **Tranbiz waste solutions.**

Dealers in the following Special garbage category:

- Hazardous industrial waste
 - Regulated Medical Waste
 - Chemotherapeutic Waste
 - Pathological Waste
 - Sharps Management and Disposal
 - Fixer/Developer Solutions
 - Hazardous Chemicals
 - Laboratory Chemical Management
 - Expired/Unused Pharmaceutical Disposal
 - Hazardous Pharmaceutical Disposal
 - Non-Hazardous Pharmaceutical Disposal
 - Waste Pharmaceutical Disposal
 - Electronic Waste Recycling (Unwanted electronics, Monitors, Keyboards, CPU, etc.)
 - Old Medical Equipment
 - X-ray equipment/ X-ray heads
 - Lamp bulbs/lamp ballasts
 - Batteries
 - Medical waste/Sharps
 - Fixer/developer solutions
 - Waste Amalgam debris
 - Amalgam filters/traps
 - Lead Foil
 - Hazardous chemicals
 - X-ray films
 - X-ray heads/vests
- A complete line of sharps/chemical containers

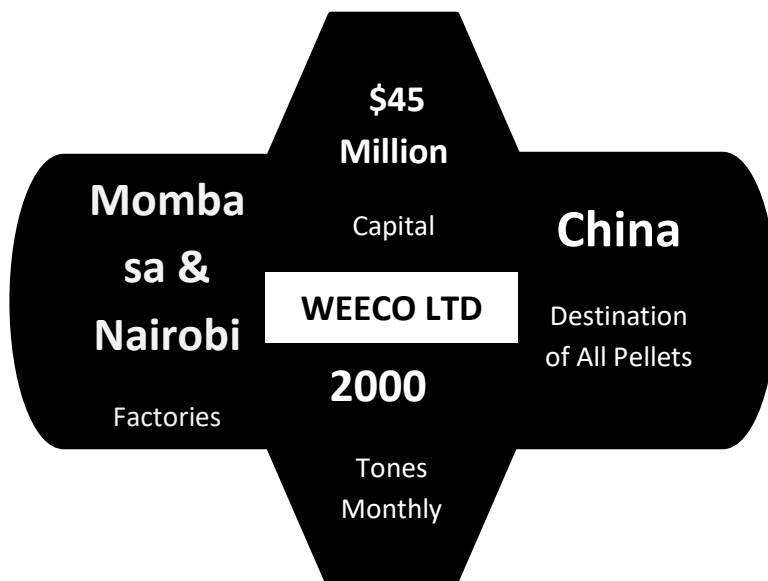
C) WEECO RECYCLING COMPANY LTD

This is a brand-new company in Kenya. It has been operational for less than two years having been set up in late 2019.

They purely deal with PET type of plastic which is in high demand and availability in garbage produced in Kenya.

The company is owned by Chinese investors who identified a major opportunity in the Kenyan market presented in form of a garbage menace.

Their business model resembles most of the other PET plastic dealers where independent collectors are paid for the corresponding weight and quality of waste PET collected.

Quick Facts about WEECO

D) **Envirosolo limited.** (Website no longer functional and barely any data/information available online about the company.)

E) **Hui Commercial EPZ limited.** Deals with plastics

F) **Young** – Mombasa.

G) **East Africa Pagers Enterprises.** Old Newspaper dealers.

NB: PETCO Subsidizes \$0.05 for every PET garbage kilo bought by the company over the market rate for the bottles, giving the company an upper hand in the competition.*

** PETCO is the trading name of Kenya PET Recycling Company, a company incorporated in 2018 to represent the Kenyan PET plastic industry's joint effort to self-regulate post-consumer polyethylene terephthalate (PET) recycling.*

- H) **USAFIPLUS waste disposal services.** Waste collection, Recycling, incineration and proper disposal. Deals with a wide range of waste including dangerous hospital waste.
- I) **Kamongo recyclers.** Dealers in cardboard and papers recycling.
- J) **Enviroserve.** Recycling Metals, Batteries, and Plastics.

There are more than **50 more** recycling plants in Kenya most of which are micro-enterprises recycling different parts of garbage.



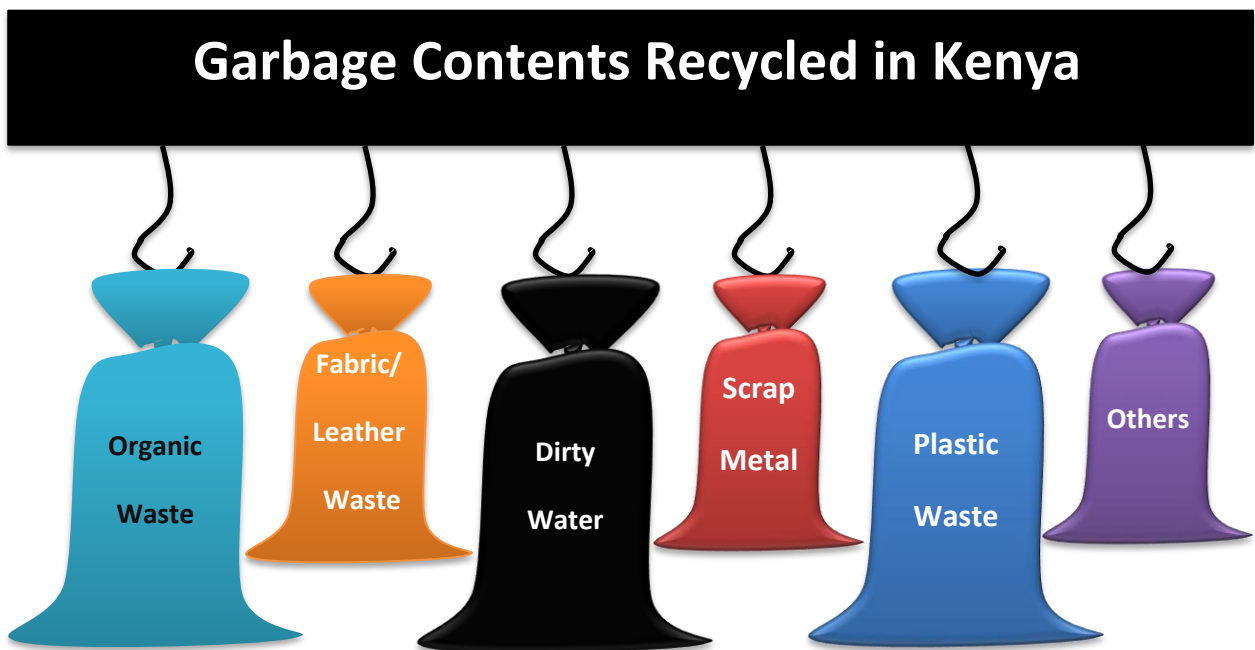
STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Effective and management team. • Thorough research with ample budget • Superior recycling technology • Specialization • Water tight business model • Small range diversification 	<ul style="list-style-type: none"> • Latest market entrant. • Limited product uniqueness. • Weaker capital base unlike WEECO. • Operating cost. • Brand image perception • Business process • Distribution • Weak business model. 	<ul style="list-style-type: none"> 🇰🇪 Young plastic recycling industry barely exploited. 🇰🇪 Few competitors on organic fertilizer industry. 🇰🇪 Animal waste recycling. 🇰🇪 Training, education and sensitization. 	<ul style="list-style-type: none"> 🇰🇪 Sudden shift in government policies 🇰🇪 competitors price war. 🇰🇪 New powerful entrants 🇰🇪 Political violence. 🇰🇪 Competitor innovation 🇰🇪 Customer perception 🇰🇪 Quality defective

4.3 Market Segmentation

After the trash is produced, recyclers have the option of selecting what waste products they will recycle depending on the attractiveness of the market where recycled products will be sold.

A ready market must exist for such products for private investors to engage in recycling as much as possible.

The market segmentation in this case will be done according to Market availability for recyclable garbage available in Kenya's streets or dumpsites.



After recycling products will be sold to the following target clients:

Organic fertilizer	Plastic pellets	Shredded old fabric	Un-recycled metal/aluminum/leathers
<ul style="list-style-type: none"> Local Farmers Landscapers in posh estates Greenhouse farms	Exported to neighboring countries and Overseas Sold to: <ul style="list-style-type: none"> KENPOLY, Benland springs Kenya limited, Burhani 52 limited, Advance plastic limited, 	Sold to numerous coach makers, stuffed dolls and pillows in various Furniture dealers.	Sold at a current market rate price to specialized recyclers of the respected collected waste products. NB: <i>Collection, sorting, and delivery fee will be factored in.</i>

4.3.1 Target Market Segment

Africa-bin recyclers shall consider a few options of the above in the short run and consider expanding activities as the company gains more experience and insight into the industry.



4.3.1 Market Needs

Waste recycling in Kenya and especially Nairobi has presented some market developments that shape themselves it needs as follows:

1) **Circular economy.**

Kenya needs a system of recycling where waste products are directly fed into an efficient recycling system. Products need not be dumped everywhere before they become a menace that needs urgent care. End-user and companies need to implement responsible measures by treating, reusing, or handing over recyclable garbage to relevant sites and companies.

2) **Effective waste collection, recycling, and disposal.** The environment and Kenyans need effective waste collection and disposal to keep the environment clean and habitable.

3) **Affordable, high quality, and safe recycled plastic pellets.** Manufacturers have an insatiable demand for plastic products. However recycled pellets have lower quality and fewer products they can be made into. Virgin plastic often makes high-quality products that are priced higher. Reduced recycling costs will significantly larger demand for the products.

4) **New use of waste products.** If new ways to use recycled products are brought up in the market, the demand will change the perception towards garbage and it will soon be handled with due respect due to its increase in value.

5) **Public Awareness and Attitude.** Most Kenyans especially from middle to low-income earners have a **serious level of ignorance**. For the garbage problem to be properly handled, there has to be cooperation by all the industry participants; Government, private companies/businesses, and the general public. Therefore, public awareness is a great need that can easily attract funding to support the entire process.

6) **Garbage sorting.** Recycling could be a much easier and straightforward process if garbage was sorted **at the source**. Like Japan where garbage bins are marked for a type of garbage, thereby making recycling easier and much less waste is dumped.

4.3.2 Market Trends

1. Growth of the recycling industry value at 9% per annum globally.
2. Race for the development of machines that will enable automated sorting and recycling process.
3. Heightened advocacy and sensitization for sorting garbage at source thereby completing one of the difficult parts of waste management.
4. Growing pressures on pure plastic producers to support waste plastic collection and recycling.
5. Grassroots and general public education and sensitization on responsible garbage handling as the government put more effort into proper garbage collection and disposal. Governments are introducing tougher laws on littering and irresponsible waste handling.
6. A new line of plastics products that were initially made of wood, metal, or glass.

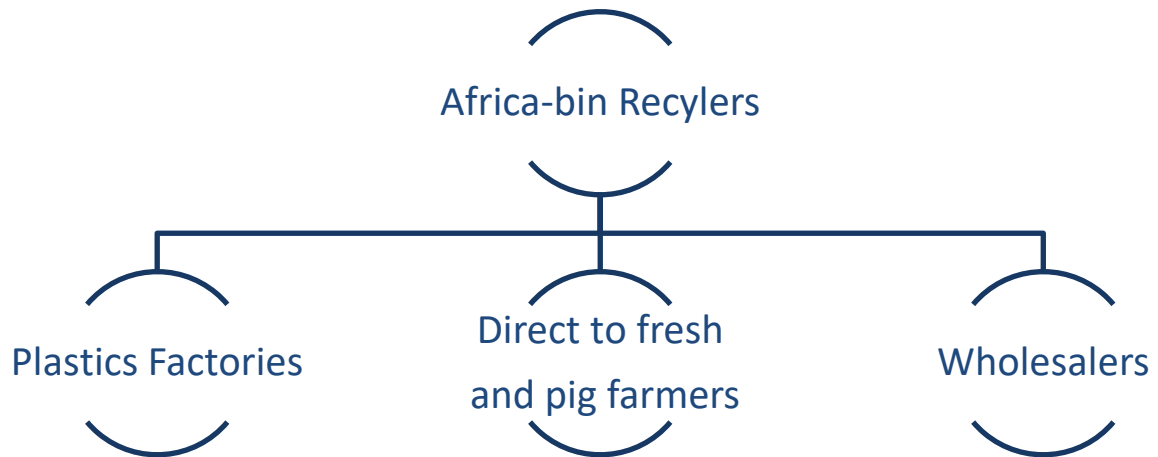
4.4.1 Industry Participants

- National Government Agencies (Especially NEMA, Kenya Revenue Authority)
- County Government
- NGOs
- Kenya Recyclers association
- Offices all-over Nairobi and beyond
- Shopping Malls
- New Homes and Apartments in Nairobi
- Restaurants
- Open-air vegetable markets
- Homesteads in rural areas
- Rental residential in cities
- Higher learning institutions (Source of Garbage and skills collaboration)
- Competitors Recyclers
- Garbage collection companies
- Independent sorted garbage collectors
- Software (app and website) developers
- Security companies.
- CCTV dealers
- Mechanics shop

- Activists
- Plastic manufacturers
- Plastics importers and exporters
- Funding partners
- Farmers
- Tissue paper manufacturers
- Construction sites.
- Soft drink companies
- Labor unions
- Motor dealers
- American Embassy In Kenya
- Construction companies
- Hiring companies
- Work attire dealers
- Kenya Power Lighting Company
- Property leasing agent/owner.

4.4.2 Distribution Patterns

All reached through Ecommerce, distributor, or brick & mortar sales



4.4.3 Competitive Buying Patterns

Manufacturers are looking for the best quality and reliable recycled plastics pellets supplier. The demand for plastics bottles and products assures suppliers and manufacturers of the ever-increasing demand for plastics.

Virgin plastic competes favorably with recycled types of plastic. Some items are only made with newly produced plastic especially luxury products, while recycle plastic is in high demand to produce numerous products for third-world countries.

Plastic is also fast replacing concrete and wood to make electricity transmission poles, car parts, and fencing posts in Kenya. Therefore, the demand for recycled plastic is ever on the increase.

Market Research Findings and Conclusion

1. Kenya garbage management is a prime business opportunity that is open to entrepreneurs.
2. Garbage production in Kenya isn't about to reduce but will double in the next decade especially in Nairobi.
3. All companies that engage in garbage recycling have chosen a niche as per the research data above shows.
4. The industry is largely dominated by foreigners who have made their business a social enterprise thereby attracting needed funding to invest in the operations process.
5. The rate of recycling in Kenya vs. the rate of garbage produced daily in Nairobi is very low, below 10%.
6. **Garbage sorting**, at source, is among **top problems** why recycling is difficult, slow, unattractive and sometimes impossible.
7. There is **no virgin plastics production in Kenya**. All of it is imported as raw pellets or as new products.
8. The recycling industry is fairly developed and young. The Kenya Recyclers organization has 50 members, who have been registered since 2017 when the organization re-emerged.
9. The Kenyan government is in favor of investors (local and foreign) who invest in the recycling industry. They will be exempted from taxation for the first 5 years (Machine importation and corporate tax on profit).
10. **Cost of Energy (electric power)** is one of the biggest challenges for all manufacturers in most of the African Countries. *0.12Kwh in the USA VS 0.22Kwh in Kenya.*
11. Garbage collection for recycling need to be a combination of collection agents and manned tracks to collect garbage for recycling. Self-collected garbage will ensure more organics garbage is sourced while collection agents will deal with plastic varieties.
12. Less than companies deals with **organic garbage** in Kenya as Takataka solutions that is on record.
13. PETCO, an organization financed by the biggest brands e.g. Coca-Cola and Unilever, has been set up to offer stipends for every collected tone of PET bottle. The organization is **NOT one of the most successful teams**. **Corruption is very high in Kenya. It was formed in 2010, failed and later rose in 2017.**
14. The Kenyan government **hasn't assigned enough landfill space**. The available dump sites were long declared filled but still it's the official dumpsite that has spilled over to some hectares further.

5.0 Marketing & Sales

5.1 Value Proposition

- ✓ Affordable and reliable organic fertilizer to repair the badly overused farmland in Kenya.
- ✓ Reliable supplier of high-quality PET, PP, and HDPE plastics to selected manufacturers.
- ✓ Affordable feeds for pig farmers.
- ✓ Soft clean and reliable supplier of shredded fabric.
- ✓ Systematic and reliable waste collection mechanisms ensuring a clean living environment in Nairobi and beyond.
- ✓ Creating the much-needed employment opportunities in Kenya where unemployment is at a staggering 40%.

5.1.1 Competitive Edge

- 1) Advanced technology.
- 2) High quality produced.
- 3) Efficient and reliable management.
- 4) Specialization.
- 5) Efficient production system thereby building a cost leader brand name.

5.1.2 Benefits & Features

Organic fertilizer

- Non-carcinogenic food.
- Non-toxic food is produced from the fertilizer.
- Soil aeration booster.
- Upgrading soil fertility.
- Affordability and availability.
- Wholesome soil enrichment without disrupting PH balance and soil structure.

Plastic Pellets

- Variety of on-demand plastic pellets types.
- Highest levels of purity in recycled plastics, e.g. by removing labels.
- Segregation of pellets.

5.1.3 Branding & Statement

Africa-bin Recyclers Limited

“Africa’s Garbage Gold Diggers “

Company colors



5.1.4 Target Market & Customer Personas

Market	Persona
Plastic pellets users	<ul style="list-style-type: none"> • Need affordable pellets • Need high quality (pure) pellets. • Need a reliable supplier. • The higher quantities the better. • Variety plastic pellets
Pig farmers	<ul style="list-style-type: none"> • Reliable pig feed producer • High quality in terms of nutrients. • Very price sensitive. • Packaging quantities. • Distribution to the nearest farmer outlet.
Shreds	<ul style="list-style-type: none"> • Shreds should be clean. • Shreds should be as affordable as possible. • Shreds should be as soft as possible. • Packaging quantities. • Reliable supplier
Organic fertilizer	<ul style="list-style-type: none"> • The farmer needs highly quality (nutritious) fertilizer. • Affordability • Reliable supplier • Low or no negative effects.

5.1.5 Tactical Marketing Strategies

- Attending and participating in trade shows
- Sponsoring seminars/events
- Free support to grass-root groups
- Working with higher learning institutions for research and development
- Ally with big companies such as Safaricom and collect their garbage for recycling.

- Partner with industry participants to collect needed industry information for the company's benefit.
- Introduce the philanthropic aspect to be the center of sales. E.g. 10 % of all our sales goes into supporting the poor in Kenyan slums enabling a better world for them.

5.2 Sales Strategy

5.2.1 Pricing Strategy

By considering the target market personas it is without a doubt that the pricing strategy will be a combination of **two strategies** of all the products because the company is best described as a **business to a business model based**.

1. **Value-based pricing.** Our client will be very keen to ensure that our products assist them in their business for better quality production.
2. **Competitor based pricing.** The business will always look for cheaper sources of raw material therefore Africa-bin recyclers will form a hybrid pricing strategy that is quite competitive in the industry.

The entire period of research and development, should pinpoint prices and ascertain business viability.

5.2.2 Seasonality

Production is consistent all year round with minimal disruptions because consumption can't stop.

- ❖ The demand for animal feeds unaffected by seasons unless unpredictable diseases that can kill a large number of animals.
- ❖ Plastics demand has so many uses that the demand is always leveraged by the introduction of new uses and drop in others.
- ❖ Planting seasons in Kenya are two. Around February and March as well as September and October. Therefore, fertilizer demand is **largely affected by season**.
- ❖ Fabric shreds remain largely inelastic all year round.

5.2.3 Strategic Partnerships

- 1) Partner with fellow recyclers and sell to them such material as aluminum and metal scrap. In exchange, they offer valuable business connections and information.
- 2) Partner with garbage collection companies to drop off garbage at our facilities for free in exchange for a small refund. In that case, we save on costs as they also make a double sale on the same product.
- 3) Partner with fellow plastic recyclers. Buy off specific types of plastics collected that they don't deal with but African bin recyclers deal with.

5.2.4 Distribution Strategies

Key Principle: The distribution chain selected will be made as short and effective as possible

1. Agrovets wholesalers to distribute organic fertilizer.
2. Selling pellets to manufacturers in the industrial area dealing with plastics
3. Connecting with plastic dealers to join loads reducing the cost of export to China and other countries.
4. Using Ecommerce such as Alibaba, Amazon, and eBay to get plastic dealers on the world.
5. Connecting agro vet stores to the supplier of feeds and also supply directly to large scale pig farmers
6. Shreds will be directly sold furniture, mattress, dolls, and pillow dealers.

5.3 Marketing

Getting to reach the client will need a calculated marketing plan:

Marketing Goals

1. Building the brand and product awareness.
2. Grow market share.
3. Inform and teach clients about the benefits of the company's organic fertilizer.
4. Reduce clients' churn.
5. Generate new corporate and individual leads.

Marketing Channels

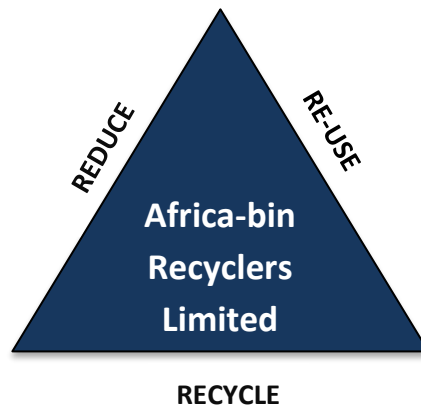
- ❖ **SEO and SEM.** They will be used to direct as many clients as possible to the official companies' website where emails can be tactically collected and hopefully closing the deal.
- ❖ **Brochures and leaflets.** Colorful, short, straight to the point information and call to action.
- ❖ **Social media.** Using Facebook filter and advanced marketing the company will reach out to farmers and groups that are likely to buy off pig feeds and organic fertilizer.
- ❖ **Premises, trucks, and attire branding.** All will be branded with the company colors and names.
- ❖ **Email Marketing.** It is one of the most effective marketing strategies because parties that offer their emails are actively looking for items, information, or brand associated with Africa-bin recyclers.
- ❖ **Affiliate marketing.** Connecting with influential industry people brands and marketers such as *shamba shape up* will greatly boost brand awareness and sales eventually. In Kenya, *comedians have taken a great part in this industry.*

6.0 Leadership

The two co-owners will spearhead the operations, proving their unmatched management and entrepreneurial skills.

With time they will hire a skilled and proven manager who will be relied upon to drive the company to the next level.

6.1 Mission



6.2 Vision

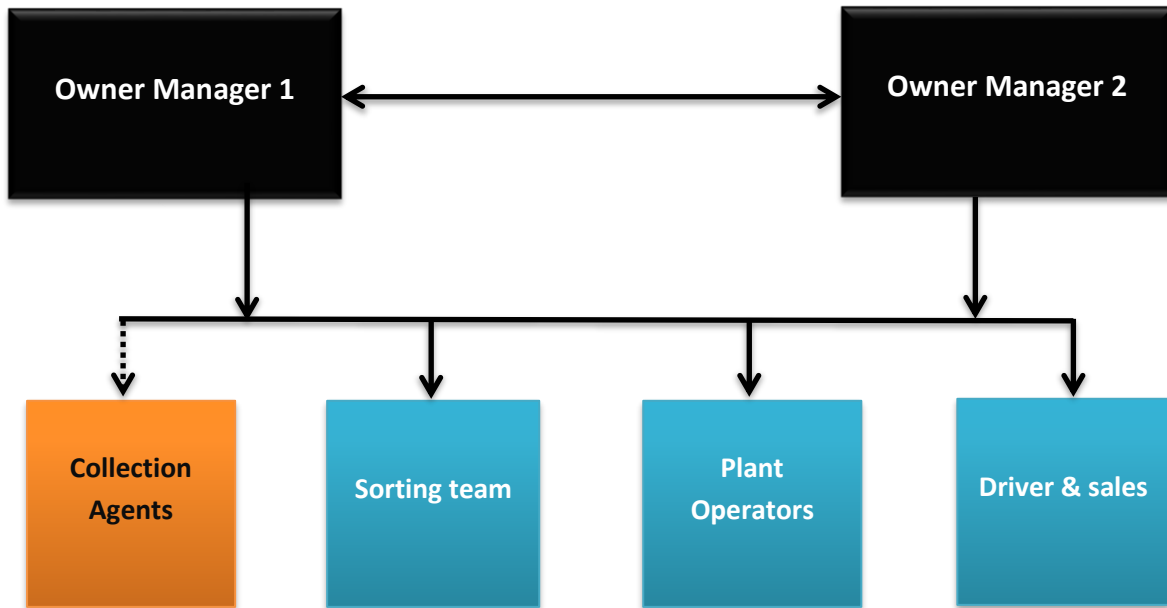
A clean Africa fitted with efficient waste management systems.

6.3 Company Core Values

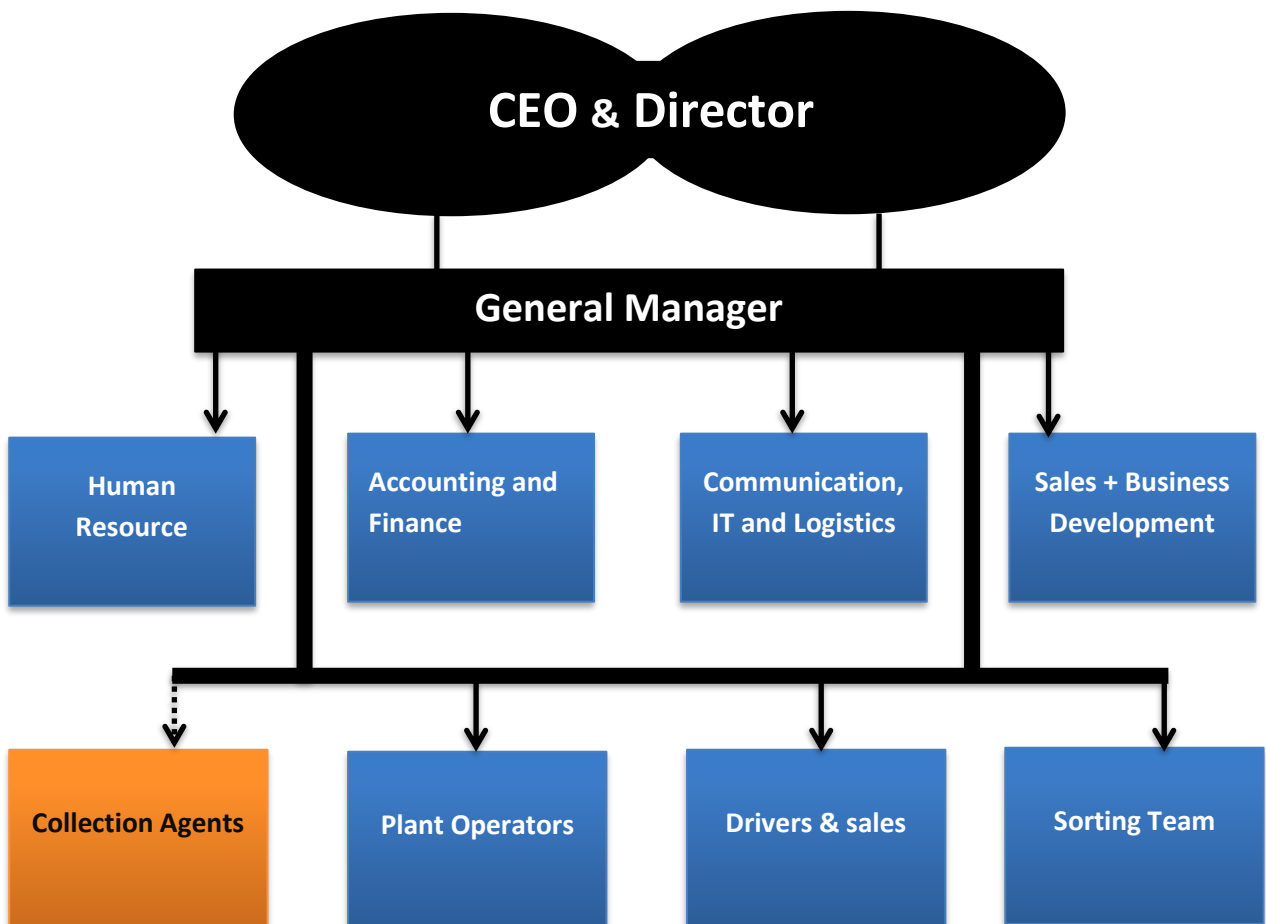
- 1) Diligence.
- 2) Integrity.
- 3) Accountability.
- 4) Passion.
- 5) Cleanliness

5.4 Organizational Structure

Short-run structure



Long-Run Structure



6.5 Personnel Plan

YEAR 1						
Management	No.	Salary	Bonuses	Salary Rise	Total	
Owner Manager 1	1	\$ -	\$ 200.00	3%	\$ 200.00	
Owner Manager 2	1	\$ -	\$ 200.00	3%	\$ 200.00	
Assistant Manager						
Employees						
sales	2	\$160.00	\$ -	3%	\$ 320.00	
machine operators	3	\$250.00	\$ -	3%	\$ 750.00	
Driver	2	\$180.00	\$ -	3%	\$ 360.00	
Garbage sorting	3	\$135.00	\$ -	3%	\$ 405.00	
Accounting	1	\$ -	\$ -	3%	\$ -	
Office secretary	0	0	0	0	0	
Plant supervisor	0	0	0	0	0	
Monthly Payslip	13				\$ 2,235.00	
Annual Payslip				12.00	\$26,820.00	

YEAR 2						
Management	No.	Salary	Bonuses	Salary Rise	Total	
Owner Manager 1	1	\$600.00	\$ 150.00	5%	\$ 750.00	
Owner Manager 2	1	\$600.00	\$ 150.00	5%	\$ 750.00	
Assistant Manager					\$ -	
Employees						
sales	2	\$164.80	\$ -	3%	\$ 329.60	
machine operators	4	\$257.50	\$ -	3%	\$ 1,030.00	
Driver	2	\$185.40	\$ -	3%	\$ 370.80	
Garbage sorting	4	\$139.05	\$ -	3%	\$ 556.20	
Accounting	1	\$ -	\$ -	3%	\$ -	
Office secretary						
Plant supervisor						
Monthly Payslip	15				\$ 3,786.60	
Annual Payslip				12	\$45,439.20	

YEAR 3

Management	No.	Salary	Bonuses	Salary Rise	Total
Owner Manager 1	1	\$630.00	\$150.00	8%	\$ 780.00
Owner Manager 2	1	\$630.00	\$150.00	8%	\$ 780.00
Assistant Manager					
Employees		\$ -			
sales	3	\$169.74	\$30.00	3%	\$ 599.23
machine operators	5	\$265.23	\$30.00	3%	\$ 1,476.13
Driver	2	\$190.96	\$30.00	3%	\$ 441.92
Garbage sorting	6	\$143.22	\$30.00	3%	\$ 1,039.33
Accounting	1	\$220.00	\$30.00	3%	\$ 250.00
Office secretary					
Plant supervisor					
Monthly Payslip	19				\$ 5,366.61
Annual Payslip				12	\$64,399.32

YEAR 4

Management	No.	Salary	Bonuses	Salary Rise	Total
Owner Manager 1	1	\$680.40	\$180.00	5%	\$ 860.40
Owner Manager 2	1	\$680.40	\$180.00	5%	\$ 860.40
Assistant Manager					
Employees					
sales	6	\$174.84	\$20.00	3%	\$ 1,169.02
machine operators	7	\$273.18	\$20.00	3%	\$ 2,052.27
Driver	3	\$196.69	\$20.00	3%	\$ 650.07
Garbage sorting	10	\$147.52	\$20.00	3%	\$ 1,675.18
Accounting	1	\$226.60	\$20.00	3%	\$ 246.60
Office secretary	1	\$150.00	\$20.00	3%	\$ 170.00
Plant supervisor	1	\$350.00	\$35.00	3%	\$ 385.00
Monthly Payslip	31				\$ 8,068.94

Annual Payslip

12 \$96,827.33

YEAR 5					
Management	No.	Salary	Bonuses	Salary Rise	Total
Owner Manager 1	1	\$714.42	\$ 200.00	7%	\$ 914.42
Owner Manager 2	1	\$714.42	\$ 200.00	7%	\$ 914.42
Assistant Manager					
Employees					
sales	7	\$180.08	\$ 22.00	3%	\$ 1,414.57
machine operators	7	\$281.38	\$ 22.00	3%	\$ 2,123.64
Driver	3	\$202.59	\$ 22.00	3%	\$ 673.77
Garbage sorting	13	\$151.94	\$ 22.00	3%	\$ 2,261.27
Accounting	1	\$233.40	\$ 22.00	3%	\$ 255.40
Office secretary	1	\$154.50	\$ 22.00	3%	\$ 176.50
Plant supervisor	1	\$360.50	\$ 22.00	3%	\$ 382.50
Monthly Payslip	35				\$ 9,116.49
Annual Payslip					12 \$ 109,397.89

YEAR 6					
Management	No.	Salary	Bonuses	Salary Rise	Total
Owner Manager 1	1	\$764.43	\$ 200.00	7%	\$ 964.43
Owner Manager 2	1	\$764.43	\$ 200.00	7%	\$ 964.43
Assistant Manager					
Employees					
sales	7	\$185.48	\$ 25.00	3%	\$ 1,473.39
machine operators	7	\$289.82	\$ 25.00	3%	\$ 2,203.73
Driver	4	\$208.67	\$ 25.00	3%	\$ 934.68
Garbage sorting	15	\$156.50	\$ 25.00	3%	\$ 2,722.53
Accounting	1	\$240.40	\$ 25.00	3%	\$ 265.40
Office secretary	1	\$159.14	\$ 25.00	3%	\$ 184.14
Plant supervisor	1	\$371.32	\$ 25.00	3%	\$ 396.32
Monthly Payslip	38				\$ 10,109.03
Annual Payslip				12	\$ 121,308.39

YEAR 7					
Management	No.	Salary	Bonuses	Salary Rise	Total
Owner Manager 1	1	\$817.94	\$ 200.00	7%	\$ 1,017.94
Owner Manager 2	1	\$817.94	\$ 200.00	7%	\$ 1,017.94
Assistant Manager					
Employees					
sales	6	\$191.05	\$ 27.00	3%	\$ 1,308.29
machine operators	8	\$298.51	\$ 27.00	3%	\$ 2,604.10
Driver	4	\$214.93	\$ 27.00	3%	\$ 967.72
Garbage sorting	16	\$161.20	\$ 27.00	3%	\$ 3,011.15
Accounting	1	\$247.61	\$ 27.00	3%	\$ 274.61
Office secretary	1	\$163.91	\$ 27.00	3%	\$ 190.91

Plant supervisor	1	\$382.45	\$ 27.00	3%	\$ 409.45
Monthly Payslip	39				\$ 10,802.12
Annual Payslip				12	\$ 129,625.44

YEAR 8

Management	No.	Salary	Bonuses	Salary Rise	Total
Owner Manager 1	1	\$875.20	\$ 200.00	7%	\$ 1,075.20
Owner Manager 2	1	\$875.20	\$ 200.00	7%	\$ 1,075.20
Assitant Manager	1	\$450.00	\$ 100.00	4%	\$ 550.00
Employees					
sales	6	\$196.78	\$ 30.00	3%	\$ 1,360.68
machine operators	8	\$307.47	\$ 30.00	3%	\$ 2,699.75
Driver	4	\$221.38	\$ 30.00	3%	\$ 1,005.51
Garbage sorting	18	\$166.03	\$ 30.00	3%	\$ 3,528.59
Accounting	1	\$255.04	\$ 30.00	3%	\$ 285.04
Office secretary	1	\$168.83	\$ 30.00	3%	\$ 198.83
Plant supervisor	1	\$393.93	\$ 30.00	3%	\$ 423.93
Monthly Payslip	42				\$ 12,202.71
Annual Payslip				12	\$ 146,432.57

YEAR 9

Management	No.	Salary	Bonuses	Salary Rise	Total
Owner Manager 1	1	\$936.46	\$ 200.00	7%	\$ 1,136.46
Owner Manager 2	1	\$936.46	\$ 200.00	7%	\$ 1,136.46
Assitant Manager	1	\$468.00	\$ 100.00	4%	\$ 568.00
Employees					
sales	7	\$202.68	\$ 32.00	3%	\$ 1,642.78
machine operators	9	\$316.69	\$ 32.00	3%	\$ 3,138.23
Driver	4	\$228.02	\$ 32.00	3%	\$ 1,040.07
Garbage sorting	19	\$171.01	\$ 32.00	3%	\$ 3,857.27
Accounting	1	\$262.69	\$ 32.00	3%	\$ 294.69

Office secretary	1	\$173.89	\$ 32.00	3%	\$ 205.89
Plant supervisor	1	\$405.75	\$ 32.00	3%	\$ 437.75
Monthly Payslip	45				\$ 13,457.60
Annual Payslip				12	\$ 161,491.21

YEAR 10

Management	No.	Salary	Bonuses	Salary Rise	Total
Owner Manager 1	1	\$1,002.01	\$ 200.00	7%	\$ 1,202.01
Owner Manager 2	1	\$1,002.01	\$ 200.00	7%	\$ 1,202.01
Assitant Manager	1	\$ 486.72	\$ 100.00	4%	\$ 586.72
Employees					
sales	8	\$ 208.76	\$ 34.00	3%	\$ 1,942.11
machine operators	10	\$ 326.19	\$ 34.00	3%	\$ 3,601.93
Driver	4	\$ 234.86	\$ 34.00	3%	\$ 1,075.44
Garbage sorting	20	\$ 176.14	\$ 34.00	3%	\$ 4,202.89
Accounting	1	\$ 270.57	\$ 34.00	3%	\$ 304.57
Office secretary	1	\$ 179.11	\$ 34.00	3%	\$ 213.11
Plant supervisor	1	\$ 417.92	\$ 34.00	3%	\$ 451.92
Monthly Payslip	48				\$ 14,782.71
Annual Payslip				12	\$ 177,392.49

7.0 Operations

7.1 Sourcing

Sourcing the garbage will depend on the following strategies:

3. Collection Agents.

A contracted team will be spread throughout Nairobi and major towns in Kenya. The Pet bottles collected will be then bought from the collecting agents at selected centers. The plastics will then be ferried to the Nairobi recycling plant.

4. Subscription garbage collection

Various homes and rental properties in Nairobi will pay an affordable rate to have their garbage collected.

5. City Market Collections

There is a lot of freely available organic garbage made-up of spoiled fresh farm food that is left rotting in the market areas.

6. Fabric collection in the *Gikomba mitumba market* (second-hand clothes market).

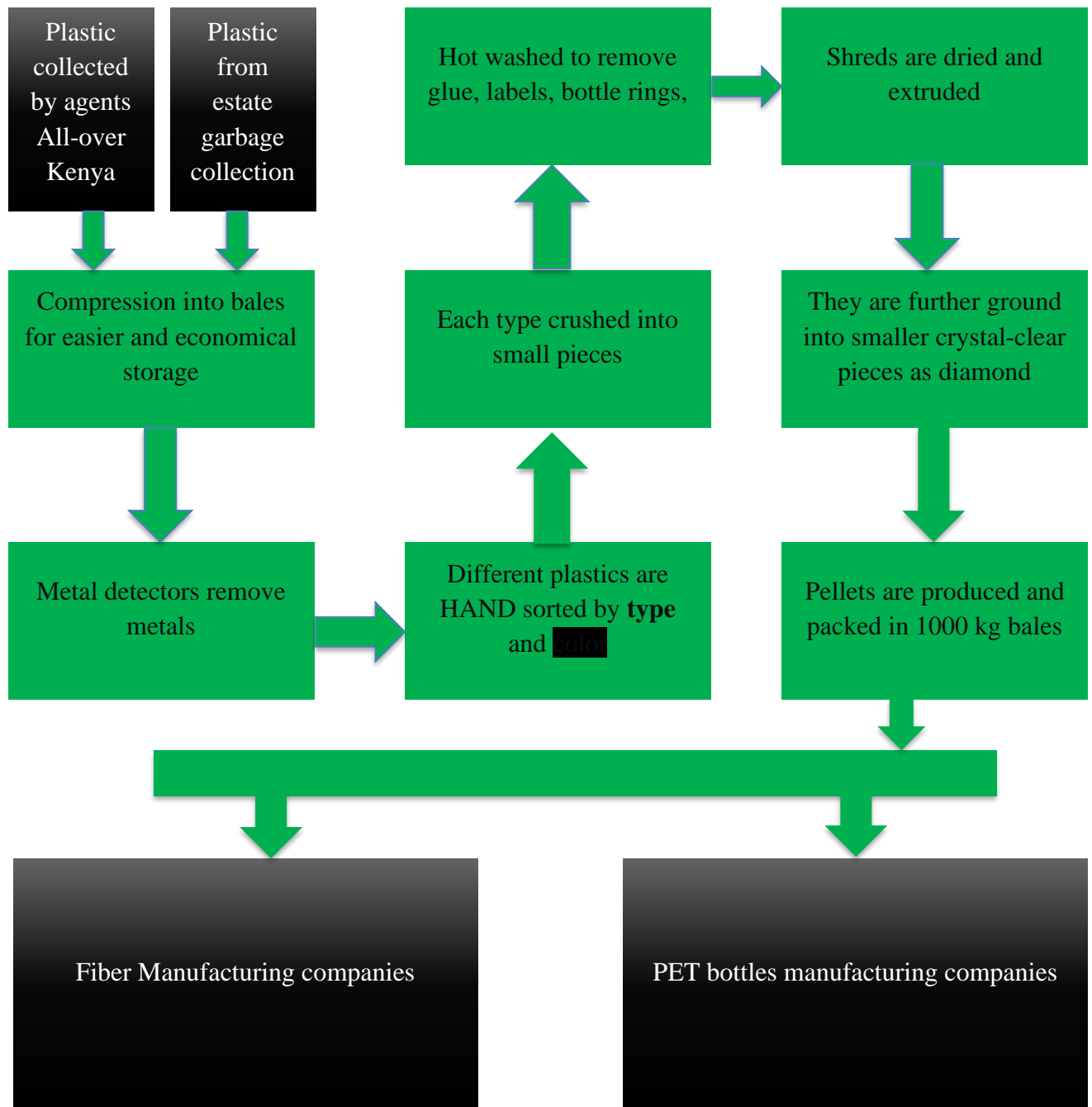
Garbage clothing will be collected from the market and delivered at the production plant and shredded to be used to make coach stuffing materials.

7.1.1 Policies

- 1) There will be a quarterly review of a cost-benefit analysis of every supplier to ensure the best quality at the lowest cost.
- 2) Payment will be made in a particular predetermined pattern as opposed to random unpredictable schedules. This will help win trust from garbage collectors and other suppliers.
- 3) Payment will be handled only by the authorized company representatives by only legally recognized means.
- 4) Materials will be considered out of stock they fall short of the needed amount for 15 days.
- 5) Each supplier must have an alternative in standby to ensure the operation process doesn't fail in case one supplier fails to deliver.
- 6) Garbage collection will have a schedule for each home preferably once a week.

7.2 Production Process

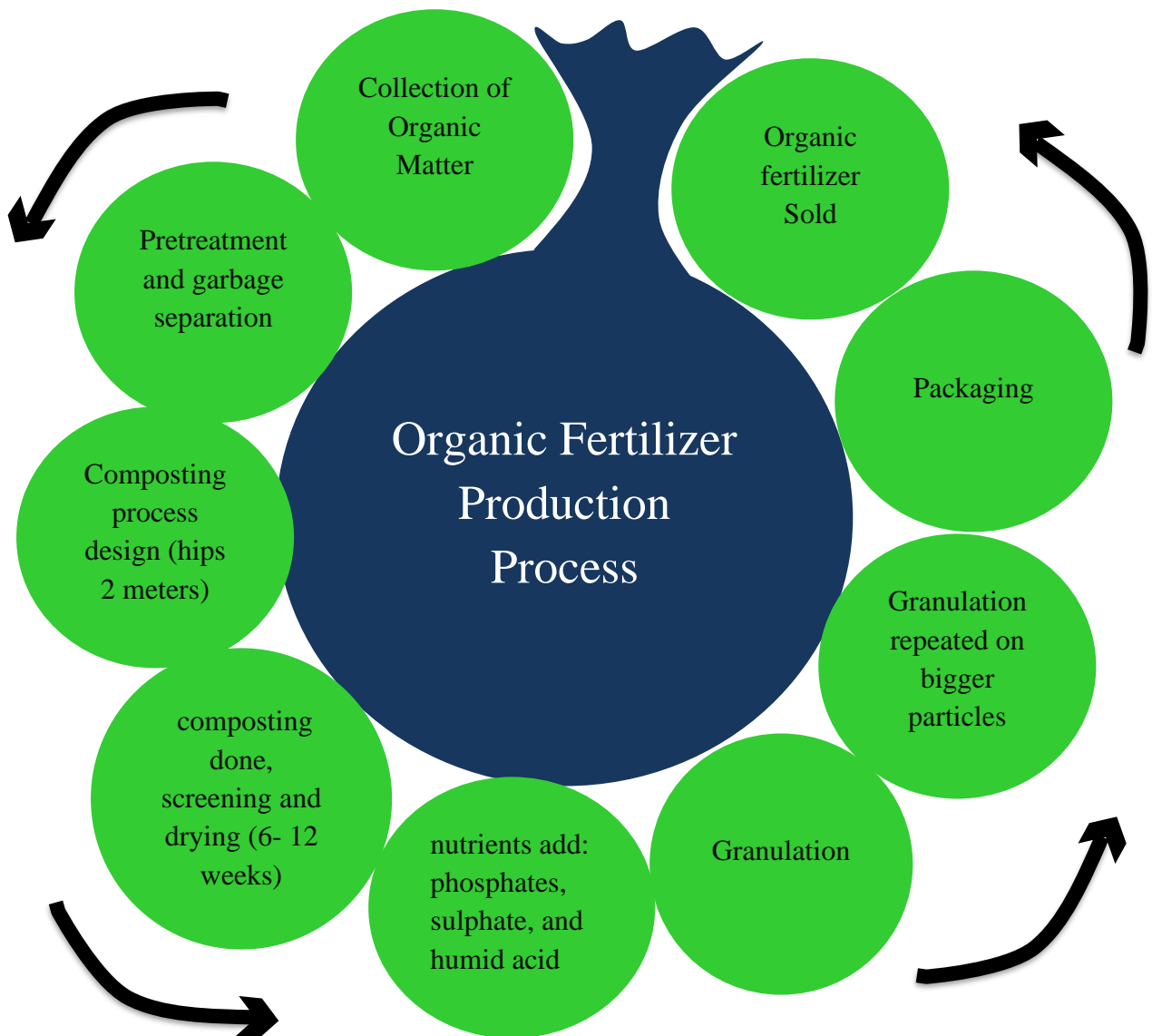
1. Plastic recycling process



Africa-bin recyclers

Market

2. Organic Fertilizer production process



7.3 Inventory Management

Monitoring and managing inventory are directly linked to customer satisfaction. The following parameters will put in place to ensure the company has the lowest inventory hitches.

1. **Inventory Management software.** With more than a dozen to select from the company will fit the purchases computer department with the selected accounting software. It will be set to send an alarm where the stock goes low.
2. **Data Analytics.** By analyzing previous sales records the management can easily anticipate the level of demand hence prepare in advance.
3. **Regular machine maintenance.** If the machine maintenance schedule is ignored it is likely to break down in the middle of a very busy working day thereby creating a discrepancy in the inventory production goal for the day.
4. **On-demand expansion.** The company should be able to hold a sudden rise in demand by utilizing unused capacity in terms of manpower, funds, and technology. In this way, such orders can be taken care of without a risk to collapse the overworked system.
5. **Surplus production.** All products produced by Africa-bin recyclers will have a very long shelf life. Therefore, it doesn't harm to produce goods and stock them in great quantity.

7.5 Customer Service

African bin recyclers will take care of current and potential clients through the following strategies:

- ✚ **Vanity Phone number.** An easy to recall phone number will be set up to ensure clients can easily reach out to our communication department who will promptly respond and handle the matter satisfactorily.
- ✚ **Town office.** The offices will be located at an easily accessible location preferably along Ngong road, a region that has a newly built highway.
- ✚ **Social media pages.** Facebook, LinkedIn, and WhatsApp will be active and responding to client queries.
- ✚ **Email.** Professionals will reach us via email and the will be responded to promptly.

7.6 Quality Control

Each department will have clearly outlined quality standards that they will be expected to meet. The standards will be reachable and above industry and legal requirements.

The mixing ratios will be very specific and measured with the appropriate instruments to ensure uniformity.

Operations in the factory will have been rehearsed enough to make sure the products are Right from The First Time they hit the market

8.0 Human Resources

8.1 Staffing

Sourcing employees the company will combine two strategies.

- 1) **Informal referrals.** For the unskilled or semiskilled job posts, we shall use referrals from networks and connections to secure employees.
- 2) **Job boards.** Skilled labor will be harnessed formerly. By placing job adverts on professional sites e.g. Brighter Monday and Linked.

Whatever the method used, there will be through vetting to test Soft skills over hard skills.

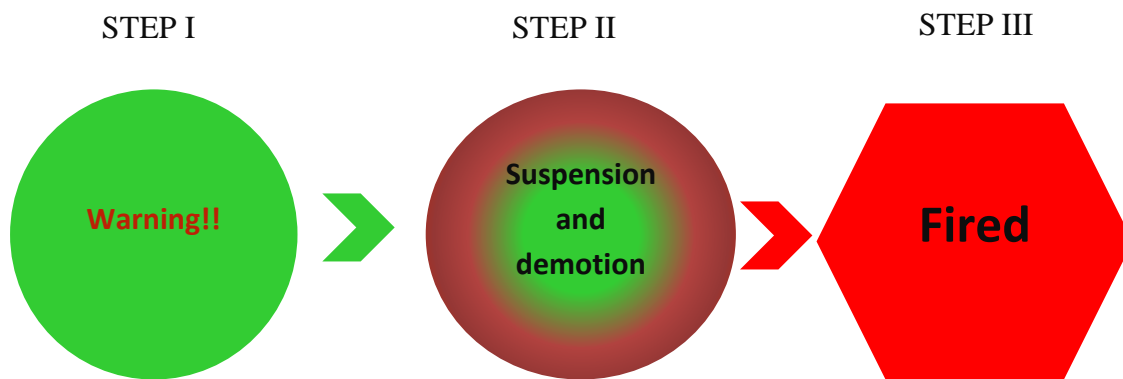
8.2 Onboarding/Training

- Employees will be hired in time to ensure enough time for training and placement.
- A pool of contacts will be retained, for sensitive job positions, to replace vacant positions in the shortest time possible. (Evergreen program)
- Experienced, trusted and delegation employees will be required to introduce and orient new employees making them feel welcomed and ready to work as a team.

8.3 Retention Strategies

1. Always hire the best employee from the word go.
2. Develop a growth path for their career in the industry.
3. The manager adopts the “Our company” attitude instead of my “my company”.
4. Ensure efficient vertical communication, especially by holding weekly meetings.
5. Offer competitive remuneration rates.
6. Conducive working environment.
7. Give space, duty, and delegation to employees who show diligence and reward their efforts equally.

8.4 Employee Disciplinary



9.0 Information Technology

10. Corporate Social Responsibility

The entire business idea focuses on solving a nuisance problem in society. African-bin recyclers will focus its business idea entirely on cleaning, recycling, and reusing garbage contents produced in Kenya and beyond.

Other than the general CSR aspect the business will play the company shall employ specific strategies to ensure the community around benefits greatly through the establishment of this local company.

Therefore, the company will:

1. **Distribute dustbins for free.** The company will select strategic organizations and centers where branded garbage bins will be placed. Examples are government institutions especially tertiary institutions, playgrounds, and sports centers.
2. **Educate the public.** Africa-bin recyclers will spend hours of free training through its internal capacity to sensitive the public about the importance of waste management and the part they can play to enable a cleaner future home for all mankind. The public will need to understand the need to dispose of garbage into a garbage bin by separating them.
3. **Create employment for the most vulnerable.** Collection agents will likely be made up of trainable but barely skilled people. These people hardly access any job in the society that can see them be assured of a living. The company shall train and equip the team with proper attire and training to enable them to do perfect work.

4. **Clean Public places.** The company will volunteer to clean such places as very dirty markets in the major Nairobi Markets. The rotten farm produce will be processed into pig meals or manure and sold at a profit.

11. Risk Assessment and Mitigation

RISK	MITIGATION
Body Injury	<ul style="list-style-type: none"> • Full and appropriate Work attire • Work procedure policy • Insurance • Machine safety operating procedure • Enough working space
Fire	<ul style="list-style-type: none"> • Clear exit • Fire extinguisher • Standard working procedure re that avoids fire risk. • Insurance • Firefighter contacts
Business and/or Product Failure	<ul style="list-style-type: none"> • Proper research and planning • Testing and control • Starting small • Hire carefully • Sound management (MBWA style)
Theft	<ul style="list-style-type: none"> • Access control • Barriers e.g. gates, doors, and locks • Security guard. • CCTV • Management monitoring
Corruption	<ul style="list-style-type: none"> • Honest work environment • Strict measure for corrupt employees • Accountable management team
Technology Risk	<ul style="list-style-type: none"> • Keeping up to date with industry tech. • Embrace technology from the start. • Product diversification. • Innovation. • Adaptation.
Legal and regulatory risk	<ul style="list-style-type: none"> • Legal advice. • Compliance. • Innovation.
Economic risk	<ul style="list-style-type: none"> • Products diversification. • Keeping debts as low as possible. • Work with a high-profit margin business model. • Focus on essential and growing industries.
Over Competition	<ul style="list-style-type: none"> • Dynamic Research and development. • Product differentiation. • Products diversification • Perfect cost accounting • Growing the business in small calculated steps.

Financial Analysis

12.1 Income statement

Revenue Year 1 - 5	Sales	105%	107%	108.5%	111%
	Expenses	104%	105%	105.5%	107%
Products	Year 1	Year 2	Year 3	Year 4	Year 5
<i>Plastic pellets (1 kg)</i>	\$ 330,600.00	\$ 347,130.00	\$ 371,429.10	\$ 403,000.57	\$ 447,330.64
<i>Pig feed (50 kgs)</i>	\$ 20,736.00	\$ 21,772.80	\$ 23,296.90	\$ 25,277.13	\$ 28,057.62
<i>Organic fertilizer (50 kgs)</i>	\$ 4,200.00	\$ 5,460.00	\$ 7,098.00	\$ 9,227.40	\$ 11,995.62
<i>Fabric shreds (20 kgs)</i>	\$ 5,850.00	\$ 6,142.50	\$ 6,572.48	\$ 7,131.14	\$ 7,915.56
	\$ 361,386.00	\$ 380,505.30	\$ 408,396.47	\$ 444,636.24	\$ 495,299.43
Returns	\$ 10,841.58	\$ 11,415.16	\$ 11,415.16	\$ 11,415.16	\$ 11,415.16
Discounts	\$ 16,182.32	\$ 11,415.16	\$ 11,415.16	\$ 11,415.16	\$ 11,415.16
	\$ 27,023.90	\$ 22,830.32	\$ 22,830.32	\$ 22,830.32	\$ 22,830.32
Net Revenue	\$ 334,362.10	\$ 357,674.98	\$ 385,566.15	\$ 421,805.92	\$ 472,469.12
Cost Of Goods Sold					
<i>Plastic waste (1000 kg)</i>	\$ 125,400.00	\$ 130,416.00	\$ 136,936.80	\$ 144,468.32	\$ 154,581.11
<i>Pig feed (50 kgs)</i>	\$ 6,912.00	\$ 7,188.48	\$ 7,547.90	\$ 7,963.04	\$ 8,520.45
<i>Organic fertilizer (50 kgs)</i>	\$ 1,750.00	\$ 2,065.00	\$ 2,436.70	\$ 2,875.31	\$ 3,392.86
<i>Fabric shreds (20 kgs)</i>	\$ 1,350.00	\$ 1,404.00	\$ 1,474.20	\$ 1,555.28	\$ 1,664.15
	\$ 135,412.00	\$ 141,073.48	\$ 148,395.60	\$ 156,861.95	\$ 168,158.57
Gross Margin	\$ 198,950.10	\$ 216,601.50	\$ 237,170.55	\$ 264,943.97	\$ 304,310.55
Gross Margin %	59%	61%	62%	63%	64%
Operating Expenses					
Office rent	\$ 5,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00

Warehouse rent	\$ 9,000.00	\$ 10,800.00	\$ 10,800.00	\$ 10,800.00	\$ 10,800.00
Water bill	\$ 2,055.00	\$ 2,137.20	\$ 2,244.06	\$ 2,367.48	\$ 2,533.21
Permits	\$ -	\$ 970.00	\$ 970.00	\$ 970.00	\$ 970.00
Labour	\$ 26,820.00	\$ 45,439.20	\$ 64,399.32	\$ 96,827.33	\$ 109,397.89
Power	\$ 5,350.00	\$ 5,564.00	\$ 5,842.20	\$ 6,163.52	\$ 6,594.97
Refreshments	\$ 3,744.00	\$ 3,893.76	\$ 4,088.45	\$ 4,313.31	\$ 4,615.24
Statutory deductions	\$ 4,023.00	\$ 8,179.06	\$ 11,591.88	\$ 17,428.92	\$ 19,691.62
Transport/Fuel	\$ 4,200.00	\$ 4,368.00	\$ 4,586.40	\$ 4,838.65	\$ 5,177.36
Repair	\$ 4,950.00	\$ 5,148.00	\$ 5,405.40	\$ 5,702.70	\$ 6,101.89
Packaging expenses	\$ 1,855.00	\$ 1,929.20	\$ 2,025.66	\$ 2,137.07	\$ 2,286.67
Insurance	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,400.00	\$ 1,400.00
Audit	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Marketing	\$ 1,850.00	\$ 1,924.00	\$ 2,020.20	\$ 2,131.31	\$ 2,280.50
Bank Charges	\$ 279.00	\$ 290.16	\$ 304.67	\$ 321.42	\$ 343.92
Parcel charges	\$ 360.00	\$ 374.40	\$ 393.12	\$ 414.74	\$ 443.77
Cleaning	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,600.00
Web host	\$ 50.00	\$ 50.00	\$ 51.00	\$ 52.00	\$ 53.00
Telecommunication	\$ 2,400.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Miscellaneous	\$ 4,100.00	\$ 4,264.00	\$ 4,477.20	\$ 4,723.45	\$ 5,054.09
Depreciation	\$ 51,865.00	\$ 51,865.00	\$ 51,865.00	\$ 57,865.00	\$ 63,767.50
Total OPEX	\$ 130,301.00	\$ 158,595.98	\$ 182,464.55	\$ 228,856.91	\$ 252,311.63
Operating Income	\$ 68,649.10	\$ 58,005.53	\$ 54,706.00	\$ 36,087.06	\$ 51,998.92
Loan Interest	\$ -	\$ -	\$ -	\$ -	\$ -
Profit before Tax	\$ 68,649.10	\$ 58,005.53	\$ 54,706.00	\$ 36,087.06	\$ 51,998.92
Tax	\$ 10,297.37	\$ 8,700.83	\$ 8,205.90	\$ 5,413.06	\$ 7,799.84

Net Income	\$ 58,351.74	\$ 49,304.70	\$ 46,500.10	\$ 30,674.00	\$ 44,199.08
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NI percentage 17% 14% 12% 7% 9%

EBITBDA	\$ 120,514.10	\$ 109,870.53	\$ 106,571.00	\$ 93,952.06	\$ 115,766.42
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Revenue Year 5 - 10		108%	107%	107%	106.8%	105%
		105%	104%	104%	104%	104%
Products	Year 6	Year 7	Year 8	Year 9	Year 10	
<i>Plastic pellets (1 kg)</i>	\$ 483,117.09	\$ 516,935.28	\$ 553,120.75	\$ 590,732.96	\$ 620,269.61	
<i>Pig feed (50 kgs)</i>	\$ 30,302.23	\$ 32,423.38	\$ 34,693.02	\$ 37,052.14	\$ 38,904.75	
<i>Organic fertilizer (50 kgs)</i>	\$ 15,594.31	\$ 20,272.60	\$ 26,354.38	\$ 34,260.69	\$ 44,538.90	
<i>Fabric shreds (20 kgs)</i>	\$ 8,548.81	\$ 9,147.22	\$ 9,787.53	\$ 10,453.08	\$ 10,975.73	
	\$ 537,562.42	\$ 578,778.48	\$ 623,955.68	\$ 672,498.88	\$ 714,688.99	
Returns	\$ 11,415.16	\$ 11,415.16	\$ 11,415.16	\$ 11,415.16	\$ 11,415.16	
Discounts	\$ 11,415.16	\$ 11,415.16	\$ 11,415.16	\$ 11,415.16	\$ 11,415.16	
	\$ 22,830.32	\$ 22,830.32	\$ 22,830.32	\$ 22,830.32	\$ 22,830.32	
Net Revenue	\$ 514,732.11	\$ 555,948.17	\$ 601,125.36	\$ 649,668.56	\$ 691,858.68	
Cost Of Goods Sold						
<i>Plastic waste (1000 kg)</i>	\$ 162,310.16	\$ 168,802.57	\$ 175,217.07	\$ 182,576.18	\$ 188,966.35	
<i>Pig feed (50 kgs)</i>	\$ 8,946.47	\$ 9,304.33	\$ 9,657.90	\$ 10,063.53	\$ 10,415.75	
<i>Organic fertilizer (50 kgs)</i>	\$ 3,969.65	\$ 4,644.49	\$ 5,434.05	\$ 6,357.84	\$ 7,438.67	

<i>Fabric shreds (20 kgs)</i>	\$ 1,747.36	\$ 1,817.25	\$ 1,886.31	\$ 1,965.53	\$ 2,034.33
	\$ 176,973.64	\$ 184,568.64	\$ 192,195.32	\$ 200,963.08	\$ 208,855.10
Gross Margin	\$ 337,758.46	\$ 371,379.53	\$ 408,930.04	\$ 448,705.48	\$ 483,003.58
Gross Margin %	66%	67%	68%	69%	70%

Operating Expenses

Office rent	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
Warehouse rent	\$ 10,800.00	\$ 10,800.00	\$ 10,800.00	\$ 10,800.00	\$ 10,800.00
Water bill	\$ 2,659.87	\$ 2,766.26	\$ 2,871.38	\$ 2,991.98	\$ 3,096.70
Permits	\$ 970.00	\$ 970.00	\$ 970.00	\$ 970.00	\$ 970.00
Labour	\$ 121,308.39	\$ 129,625.44	\$ 146,432.57	\$ 161,491.21	\$ 177,392.49
Power	\$ 6,924.72	\$ 7,201.70	\$ 7,475.37	\$ 7,789.33	\$ 8,061.96
Refreshments	\$ 4,846.01	\$ 5,039.85	\$ 5,231.36	\$ 5,451.08	\$ 5,641.87
Statutory deductions	\$ 21,835.51	\$ 23,332.58	\$ 26,357.86	\$ 29,068.42	\$ 31,930.65
Transport/Fuel	\$ 5,436.23	\$ 5,653.67	\$ 5,868.51	\$ 6,114.99	\$ 6,329.02
Repair	\$ 6,406.98	\$ 6,663.26	\$ 6,916.46	\$ 7,206.95	\$ 7,459.20
Packaging expenses	\$ 2,401.00	\$ 2,497.04	\$ 2,591.93	\$ 2,700.79	\$ 2,795.32
Insurance	\$ 1,400.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00
Audit	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 300.00
Marketing	\$ 2,394.53	\$ 2,490.31	\$ 2,584.94	\$ 2,693.51	\$ 2,787.78
Bank Charges	\$ 361.12	\$ 375.57	\$ 389.84	\$ 406.21	\$ 420.43
Parcel charges	\$ 465.96	\$ 484.60	\$ 503.02	\$ 524.14	\$ 542.49
Cleaning	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,600.00	\$ 1,800.00
Web host	\$ 54.00	\$ 55.00	\$ 56.00	\$ 57.00	\$ 58.00
Telecommunication	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Miscellaneous	\$ 5,306.79	\$ 5,519.06	\$ 5,728.79	\$ 5,969.40	\$ 6,178.33
Depreciation	\$ 67,307.50	\$ 72,607.50	\$ 75,107.50	\$ 76,157.50	\$ 76,157.50

Total OPEX	\$	271,728.60	\$	288,531.84	\$	312,335.53	\$	332,842.52	\$	353,321.71
Operating Income	\$	66,029.86	\$	82,847.68	\$	96,594.50	\$	115,862.96	\$	129,681.86
Loan Interest	\$	-	\$	-	\$	-	\$	-	\$	-
Profit before Tax	\$	66,029.86	\$	82,847.68	\$	96,594.50	\$	115,862.96	\$	129,681.86
Tax	\$	19,808.96	\$	24,854.31	\$	28,978.35	\$	34,758.89	\$	38,904.56
Net Income	\$	46,220.91	\$	57,993.38	\$	67,616.15	\$	81,104.07	\$	90,777.30
<i>NI percentage</i>			9%		10%		11%		12%	13%
EBITBDA	\$	133,337.36	\$	155,455.18	\$	171,702.00	\$	192,020.46	\$	205,839.36

12.2 Cashflow statement

Cash Flow statement	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Net Income	\$ 58,351.74	\$ 49,304.70	\$ 46,500.10	\$ 30,674.00	\$ 44,199.08	\$ 46,220.91	\$ 57,993.38	\$ 67,616.15	\$ 81,104.07	\$ 90,777.30
Operating Activities										
Depreciation	\$ 51,865.00	\$ 51,865.00	\$ 51,865.00	\$ 57,865.00	\$ 63,767.50	\$ 67,307.50	\$ 72,607.50	\$ 75,107.50	\$ 76,157.50	\$ 76,157.50
Change in AR	\$ -13,374.48	\$ -932.52	\$ -1,115.65	\$ 1,449.59	\$ -2,026.53	\$ -1,690.52	\$ -1,648.64	\$ -1,807.09	\$ -1,941.73	\$ -1,687.60
Change in AP	\$ 23,405.35	\$ 1,631.90	\$ 1,952.38	\$ 2,536.78	\$ 3,546.42	\$ 2,958.41	\$ 2,885.12	\$ 3,162.40	\$ 3,398.02	\$ 2,953.31
Change in Differed revenue	\$ 10,030.86	\$ 699.39	\$ 836.74	\$ 1,087.19	\$ 1,519.90	\$ 1,267.89	\$ 1,236.48	\$ 1,355.32	\$ 1,456.30	\$ 1,265.70
Operating Cash Flow	\$ 130,278.46	\$ 102,568.47	\$ 100,038.57	\$ 90,713.39	\$ 111,006.37	\$ 116,064.18	\$ 133,073.84	\$ 145,434.28	\$ 160,174.16	\$ 169,466.21
Investing Activities										
Capital expenditure	\$ 427,310.00	\$ 14,470.00	\$ 14,670.00	\$ 74,470.00	\$ 75,020.00	\$ 51,670.00	\$ 67,670.00	\$ 39,470.00	\$ 58,920.00	\$ 14,470.00
Free Cash Flow	\$ -297,031.54	\$ 88,098.47	\$ 85,368.57	\$ 16,243.39	\$ 35,986.37	\$ 64,394.18	\$ 65,403.84	\$ 105,964.28	\$ 101,254.16	\$ 154,996.21
Financing Activities										
Debt Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Borrowing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Equity	\$ 415,300.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NCF from financing	\$ 415,300.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Cash Flow	\$ 118,268.46	\$ 88,098.47	\$ 85,368.57	\$ 16,243.39	\$ 35,986.37	\$ 64,394.18	\$ 65,403.84	\$ 105,964.28	\$ 101,254.16	\$ 154,996.21

12.3 Capital expenditure and depreciation

Capital Expenditure	Useful life	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Website development	10	\$ 600.00	\$ -								
App development	10	\$ 500.00	\$ -								
Office seats	5	\$ 600.00					\$ 800.00				
Office waiting bench	8	\$ 300.00								\$ 400.00	
Office desks	8	\$ 500.00								\$ 600.00	
CCTV systems	8	\$ 800.00								\$ 800.00	
Office software											
<i>Genuine windows</i>	1	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00	\$ 140.00
<i>Accounting software</i>	1	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00
<i>CRM Software</i>	1	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
<i>Antivirus</i>	1	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00	\$ 40.00
computers	5	\$ 1,400.00					\$ 1,400.00				
printers	4	\$ 300.00				\$ 300.00				\$ 400.00	
water dispenser	4	\$ 90.00				\$ 100.00				\$ 100.00	
minor stationeries	2	\$ 200.00		\$ 200.00		\$ 200.00		\$ 200.00		\$ 200.00	
ETR machines	4	\$ 750.00				\$ 750.00				\$ 750.00	
Garbage handling attire	0.5	\$ 7,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00	\$ 14,000.00
<i>Machines</i>	-										

Fertilizer production line	20	\$ 120,000.00									
Vans	10	\$ 8,000.00			\$ 8,000.00						
Weighing scales	4	\$ 800.00			\$ 1,200.00				\$ 1,200.00		
Trucks	10	\$ 70,000.00		\$ 35,000.00			\$ 35,000.00				
compressor	10	\$ 30,000.00									
washer	10	\$ 25,000.00		\$ 25,000.00							
separator	10	\$ 50,000.00			\$ 50,000.00						
granulator	10	\$ 35,000.00				\$ 35,000.00					
pelletizer	10	\$ 25,000.00						\$ 25,000.00			
shredder	10	\$ 18,000.00					\$ 18,000.00				
Vacuum dryer	8	\$ 32,000.00							\$ 40,000.00		
Total Capex		\$ 427,310.00	\$ 14,470.00	\$ 14,670.00	\$ 74,470.00	\$ 75,020.00	\$ 51,670.00	\$ 67,670.00	\$ 39,470.00	\$ 58,920.00	\$ 14,470.00
Depreciation		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Website development	60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00
App development	50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
Office seats	120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00	\$ 160.00
Office waiting bench	37.50	\$ 37.50	\$ 37.50	\$ 37.50	\$ 37.50	\$ 37.50	\$ 37.50	\$ 37.50	\$ 37.50	\$ 50.00	\$ 50.00
Office desks	62.50	\$ 62.50	\$ 62.50	\$ 62.50	\$ 62.50	\$ 62.50	\$ 62.50	\$ 62.50	\$ 62.50	\$ 75.00	\$ 75.00
CCTV systems	100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00

Office software	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Genuine windows</i>	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Accounting software</i>	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00	240.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>CRM Software</i>	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<i>Antivirus</i>	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
computers	280.00	280.00	280.00	280.00	280.00	280.00	280.00	280.00	280.00	280.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
printers	75.00	75.00	75.00	75.00	75.00	75.00	75.00	75.00	100.00	100.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
water dispenser	22.50	22.50	22.50	22.50	25.00	25.00	25.00	25.00	25.00	25.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
minor stationeries	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ETR machines	187.50	187.50	187.50	187.50	187.50	187.50	187.50	187.50	187.50	187.50
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Garbage handling attire	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00	14,000.00
Machines										
Fertilizer production line	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00	6,000.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Vans	800.00	800.00	800.00	800.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00	1,600.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Weighing scales	200.00	200.00	200.00	200.00	300.00	300.00	300.00	300.00	300.00	300.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Trucks	7,000.00	7,000.00	7,000.00	10,500.00	10,500.00	10,500.00	14,000.00	14,000.00	14,000.00	14,000.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Compressor	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Washer	2,500.00	2,500.00	2,500.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00	5,000.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Separator	5,000.00	5,000.00	5,000.00	5,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00	10,000.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Granulator	3,500.00	3,500.00	3,500.00	3,500.00	3,500.00	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Pelletizer	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	5,000.00	5,000.00	5,000.00

	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Shredder	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	1,800.00	3,600.00	3,600.00	3,600.00	3,600.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Vacuum dryer	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	5,000.00	5,000.00
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total Depreciation	51,865.00	51,865.00	51,865.00	57,865.00	63,767.50	67,307.50	72,607.50	75,107.50	76,157.50	76,157.50

12.4 Balance sheet

Balance Sheet										
Assets	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Bank	\$ 118,268.46	\$ 206,366.93	\$ 291,735.50	\$ 307,978.89	\$ 343,965.26	\$ 408,359.44	\$ 473,763.28	\$ 579,727.57	\$ 680,981.73	\$ 835,977.94
Accounts Receivable	\$ 13,374.48	\$ 14,307.00	\$ 15,422.65	\$ 16,872.24	\$ 18,898.76	\$ 20,589.28	\$ 22,237.93	\$ 24,045.01	\$ 25,986.74	\$ 27,674.35
Mpesa (Mobile money)	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Total Current Assets	\$ 133,142.95	\$ 222,173.93	\$ 308,658.14	\$ 326,351.12	\$ 364,364.02	\$ 430,448.73	\$ 497,501.21	\$ 605,272.58	\$ 708,468.47	\$ 865,152.29
Fixed assets	\$ 427,310.00	\$ 441,780.00	\$ 456,450.00	\$ 530,920.00	\$ 605,940.00	\$ 657,610.00	\$ 725,280.00	\$ 764,750.00	\$ 823,670.00	\$ 838,140.00
Accumulated depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net fixed assets	\$ 51,865.00	\$ 103,730.00	\$ 155,595.00	\$ 213,460.00	\$ 277,227.50	\$ 344,535.00	\$ 417,142.50	\$ 492,250.00	\$ 568,407.50	\$ 644,565.00
	\$ 375,445.00	\$ 338,050.00	\$ 300,855.00	\$ 317,460.00	\$ 328,712.50	\$ 313,075.00	\$ 308,137.50	\$ 272,500.00	\$ 255,262.50	\$ 193,575.00
Total Assets	\$ 508,587.95	\$ 560,223.93	\$ 609,513.14	\$ 643,811.12	\$ 693,076.52	\$ 743,523.73	\$ 805,638.71	\$ 877,772.58	\$ 963,730.97	\$ 1,058,727.29
Liabilities										
Accounts payable	\$ 23,405.35	\$ 25,037.25	\$ 26,989.63	\$ 29,526.41	\$ 33,072.84	\$ 36,031.25	\$ 38,916.37	\$ 42,078.78	\$ 45,476.80	\$ 48,430.11
deferred revenue	\$ 10,030.86	\$ 10,730.25	\$ 11,566.98	\$ 12,654.18	\$ 14,174.07	\$ 15,441.96	\$ 16,678.45	\$ 18,033.76	\$ 19,490.06	\$ 20,755.76
Long term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	\$ 33,436.21	\$ 35,767.50	\$ 38,556.62	\$ 42,180.59	\$ 47,246.91	\$ 51,473.21	\$ 55,594.82	\$ 60,112.54	\$ 64,966.86	\$ 69,185.87
EQUITY										

Stock	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00	\$ 500.00
Owners contribution	\$ 415,300.00	\$ 415,300.00	\$ 415,300.00	\$ 415,300.00	\$ 415,300.00	\$ 415,300.00	\$ 415,300.00	\$ 415,300.00	\$ 415,300.00	\$ 415,300.00
Retained earning	\$ 58,351.74	\$ 107,656.43	\$ 154,156.53	\$ 184,830.53	\$ 229,029.61	\$ 275,250.52	\$ 333,243.89	\$ 400,860.05	\$ 481,964.12	\$ 572,741.42
Gifts (CSR)	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Total s/h contribution	\$ 475,151.74	\$ 524,456.43	\$ 570,956.53	\$ 601,630.53	\$ 645,829.61	\$ 692,050.52	\$ 750,043.89	\$ 817,660.05	\$ 898,764.12	\$ 989,541.42
Liability & Equity	\$ 508,587.95	\$ 560,223.93	\$ 609,513.14	\$ 643,811.12	\$ 693,076.52	\$ 743,523.73	\$ 805,638.71	\$ 877,772.58	\$ 963,730.97	\$ 1,058,727.29
Balance check	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ASSUMPTIONS										
Net Revenue	\$ 334,362.10	\$ 357,674.98	\$ 385,566.15	\$ 421,805.92	\$ 472,469.12	\$ 514,732.11	\$ 555,948.17	\$ 601,125.36	\$ 649,668.56	\$ 691,858.68
AR (% of revenue)	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%
AP (% of revenue)	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
deferred revenue	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%