

BUSINESS PLAN/PROGRAM

AMAON LUMBER AND CONSTRUCTION SUPPLY

San Nicolas, Talacogon, Agusan del Sur

I. INTRODUCTION

Amaon Lumber and Construction Supply is a family business owned and managed by Mr. Marlon Plaza located at San Nicolas, Talacogon, Agusan del Sur. This business is mainly engaged in dealing lumber products from plantation species such as Mangium and Falcata Species.

The increasing demand of lumber and other finished and semi-finished wood products from planted species is the most considered factor in the business establishment following the implementation of Executive Order No. 23 which banned the cutting of naturally grown trees and the absence of wood processing plant in the Province of Agusan del Sur which causes shortage of wood supply. However, there were several private tree plantations registered in the Department of Environment and Natural Resources (DENR) in the province and neighbouring provinces which could be the prospective suppliers in the lumber dealing business.

Therefore, the proponent has seen this as a bright prospect to venture in the wood industry in response to the increasing demand of lumber products in the Province and in the entire Region of Caraga.

II. OBJECTIVES

1. To established a functional and lumber yard at Brgy. San Nicolas, Talacogon, Agusan del Sur in order to cater/facilitate the lumber demand of the growing economy of Province of Agusan del Sur.
2. To provide employment opportunities to the abled local residences and upliftment of the urban poor;

III. PRODUCTION PROGRAM

A. Source of raw Materials:

- Chainsawn lumber with a dimension ranging from a minimum of 2 inches to a maximum of 5 inches in thickness regardless of length; and
- The plantation species considered Mangium and Falcata, and other species planted in a private land which is covered with registered and issued by the DENR.

B. Operation schedule:

The operation will start immediately as soon as the necessary permits and clearances are secured from the concerned government offices.

C. Processing Schedule:

- Lumbers purchased from different legal sources of marketable size shall be displayed immediately at the proponent's lumber yard without any further processing;

D. Employment Plan:

- The proponent's lumber dealer business is considered small scale business which shall require only three (3) workers in the meantime;
- The proponent shall prioritize the hiring of workers from the local residence which is capable of doing the job;

E. Pollution Control Measures:

Zero waste shall be the guiding principle of the proponent in engaging this kind of business since it endeavours value-added products.

IV. MARKETING PROGRAM**A. Products:**

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|---------------------|---|-------------------------|
| • Main product | - | lumber/chainsawn lumber |
| • Secondary product | - | sticks |

B. Pricing

Prices of lumber shall be negotiable by both parties using relevant references like the prevailing market prices, pre-agreed terms and related conditions that will give both parties the equitable shares of economic benefits that can be generated from the lumber dealership program. The exportation of same shall be based on the grading of quality.

C. Promotional Ads

The proponent shall construct one (1) bill board within the vicinity of the establishment that is conspicuous.

V. FINANCIAL PROGRAM

The proponent shall invest a sizeable amount of capital in this business for the first year of operation. The amount shall increase corresponding to the increase in the volume and economic activity in the area. Likewise, the proponent would enter into agreement for a long term supplies with the local suppliers.

Likewise, effective marketing strategies, product diversification and cost reduction schemes shall all contribute to the growth of the proponent's business which would redound to the attainment of a sound financial status and further investment opportunities.

Prepared by:


MARLON B. PLAZA
Proprietor