

**Business Plan/Program for Mini-Sawmill and Veneering Manufacturing Project of
RYC WOOD PRODUCTS MANUFACTURING
P-3, Nuevo Trabajo, San Luis Agusan del Sur**

INTRODUCTION

The creation of RYC WOOD PRODUCTS MANUFACTURING was motivated by the increasing demand of Lumber for construction purposes and veneer sheets for big plywood companies of the people in the community and those of the neighboring Municipalities, Province and Cities. It is single proprietorship owned by Manager Ronaldo L. Corvera Jr. The plant will engage in sawing undersized Logs and processing of peelable planted species/logs into veneer which is the source of raw materials are to be taken from the tree Plantation owners to whom we have a supply contract Furthermore, it is the desires of the management that whatever volume (especially Lumber), of export quality not absorbed in the domestic market will be sold to foreign Buyers.

However, with easing of economic condition and our projected entry into the export market as well as the easily visible increase, efforts and vigilance of local forest officers in curtailing illegal forestry activities in the community, we foresee a profitable year before us and our government, by way of taxes and wages as well as in the earning of dollars in the export market, we may help in meager ways in the economic recovery of our country.

MARKETING PROGRAM

Source and Processed Products

The proprietor will be dealing with finished products of different sizes out of planted species. These are either for construction, furniture and other purposes. Patterned after its use the round logs are milled in the sawmill into green lumber, which are all in standard cut or as being demanded by the customers. The specification and market requirements are being submitted to the processing plant for confirmation. Confirmed orders are being monitored to our Customers in accordance with the time table deliveries. Likewise, peeled logs (peeled sized logs, 26cm. diameter log and up) processed by lathe machine and other accessories into veneer sheets and/or veneer panels, shall be dealt by the proprietor according to the demand of the customer.

Price Structures

The pricing structure is based on the current market price of logs bought from our legitimate suppliers, the overhead expenses, the production cost in milling the logs and usually the price of the lumber in the locality. However, the proprietor shall only add a marginal mark-up to the acquisition cost taking into considering the price set by the price Control Committee.

Distribution Channels and Outlets

The local of this plant is within the reach of the consumers with less transportation cost. The processed products have their outlets in the neighboring towns, provinces and cities such as Butuan City, Davao City, Cagayan de Oro and other cities or even its distributional channels/outlets goes locally, domestic and exports. Conveyances used in transporting these products are hauling trucks for places accessible by road and ship/vessel for Cebu and Manila.

Use of the Promotional Means

The promotional facility used in the Sawmill/Veneer Business is not very important compared to those products such as beverages, wine and liquor commodities because our best promotion is in the quality of lumber/veneer being produced. Meantime, we may always kept in mind the quality control as the most important guide in the promotion of our products. However, we may also consider there effective promotional techniques the construction of a medium billboard at the site of the sawmill/veneer yard and offering price discount that shall be directly proportional the increase in volume of the customer purchase.

PRODUCTION PROGRAM

The proponent geared towards market sales especially in the needs of construction housing program and veneer panels for big manufacturing Plywood Plants both in the private and government sectors. In order to meet the increasing demand of our costumer, efforts are being exerted and concentrated in negotiating additional raw materials from legitimate suppliers. This will eventually increase our daily lumber and veneer production.

The processing schedule normally is six (6) days a week and eight hours daily, within 15 minutes break both in the morning time and afternoon and one-hour noon break. The working time starts in the morning up to four o'clock in the afternoon. Overtime work for 2-3 hours are made in cases where there are plenty of logs stocks on hand or as demand by the costumer.

In the employment program of the establishment, local workers are given priority over those from other places, however, technical work are to be handled by skilled and experienced one. Standard salaries and wages including medical and other allowances required by the government shall be provided to the workers. Additional fringe benefits shall be given to the workers once the business will economically prosper as the proponent believes that incentives will encourage employees to render good and honest service.

COST REDUCTION PROGRAM

It has been the main objective of the management to reduce or minimize cost in the milling operation. In order to attain the said goal, we have to avoid excessive overtime work, conserve energy through wise use, application of preventive maintenance in all machineries and gradual conversion on areas that can be converted from manual labor instead of using machinery.

Sawmill/milling waste such as sawdust, slabs, barks, Veneer missed cuts and other particles of wood are utilized in different ways. These are either used for fire wood or sold to other manufacturing plants to be feed to boiler plant as source of energy for steam engine and wood craft factories while sawdust is used to fill up low places in the nearby locality or in places where stagnant water used to exist. Likewise, all other waste materials from one product shall be converted and / or utilized as raw materials to other products, such us production of wood tiles from log trimmings as value added products.

POLLUTION CONTROL MEASURES

This establishment is using band-type saw and lathe machines for other peelable logs in the operation. Aerial pollution is not a problem as the proprietor will be applying devices to combat air pollution waste products and other garbage disposal shall be done regularly to maintain cleanliness with in the yard and its vicinity to keep the place in sanitary condition.

The proprietor is willing to collaborate will always abide with laws, rules and regulation implemented by the DENR particularly on Pollution Control Measures.

FINANCIAL PROGRAMS

The proprietor has allotted/ provided financial requirements for the projects; however, to supplement present cash capital of the business, the entity plans to get loans/ barrow from the commercial banking institution if ever deemed necessary.

Submitted by:

RYC WOOD PRODUCTS MANUFACTURING


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Proprietor/Gen Manager