

# JESSAJELLEVAN

# LUMBER TRADING

## Annual Business Plan

## EXECUTIVE SUMMARY

JessaJelleVan Lumber Trading, located in San Jose, Dinagat Islands, procures and processes quality lumber into beams and planks for residential construction, furniture makers, and individual buyers. With a strategic location at the province's center of commerce and accessible sea transport routes, the business minimizes logistics costs while serving both local and nearby markets.

We source lumber from suppliers across the Philippines and from local households, ensuring a steady and diverse supply. Our products, primarily from Mahogany and Mangium, are processed with reliable equipment to meet customer needs. Committed to sustainability, the business also conducts tree-planting initiatives to help replenish resources.

The Philippine lumber industry requires around 6 million cubic meters of wood annually, with most of the demand currently filled by imports. This creates strong growth potential for local suppliers like us. With ₱800,000 in start-up costs and projected ₱1.5 million annual sales, JessaJelleVan Lumber Trading expects a 34% gross margin and 8–10% net profit margin in its first year.

By combining strategic location, competitive pricing, reliable supply, and sustainable practices, the business is positioned to become a trusted and profitable lumber supplier in Dinagat Islands.

# BUSINESS PLAN

## Section 1

### Business Overview

Legal Name: JessaJelleVan Lumber Trading

Business Address: Purok 4 Brgy. Don Ruben, San Jose, Dinagat Islands

Contact Number: 0955 957 4575 / 0919 301 5946

E-mail Address: racatana03@gmail.com

#### Description of Business

JessaJelleVan Lumber Trading procures and processes wood into beams and planks which are primarily used, but not exclusive to, residential construction. Our products are mostly sold to customers from San Jose where our station is, although we also cater to those hailing from other municipalities.

#### Nature of the Industry

In the Philippines, forests constitute a valuable economic resource. As of 2000, residual forests covered 5,789,000 ha (14,300,000 acres), or 19.4 percent of the total land area of the Philippines. Mindanao, Luzon, Samar, Negros, and Palawan all have significant commercial forest reserves. In 2000, the area devoted to industrial tree plantings was expected to be 753,000 ha (1,860,000 acres).

#### Government Regulation

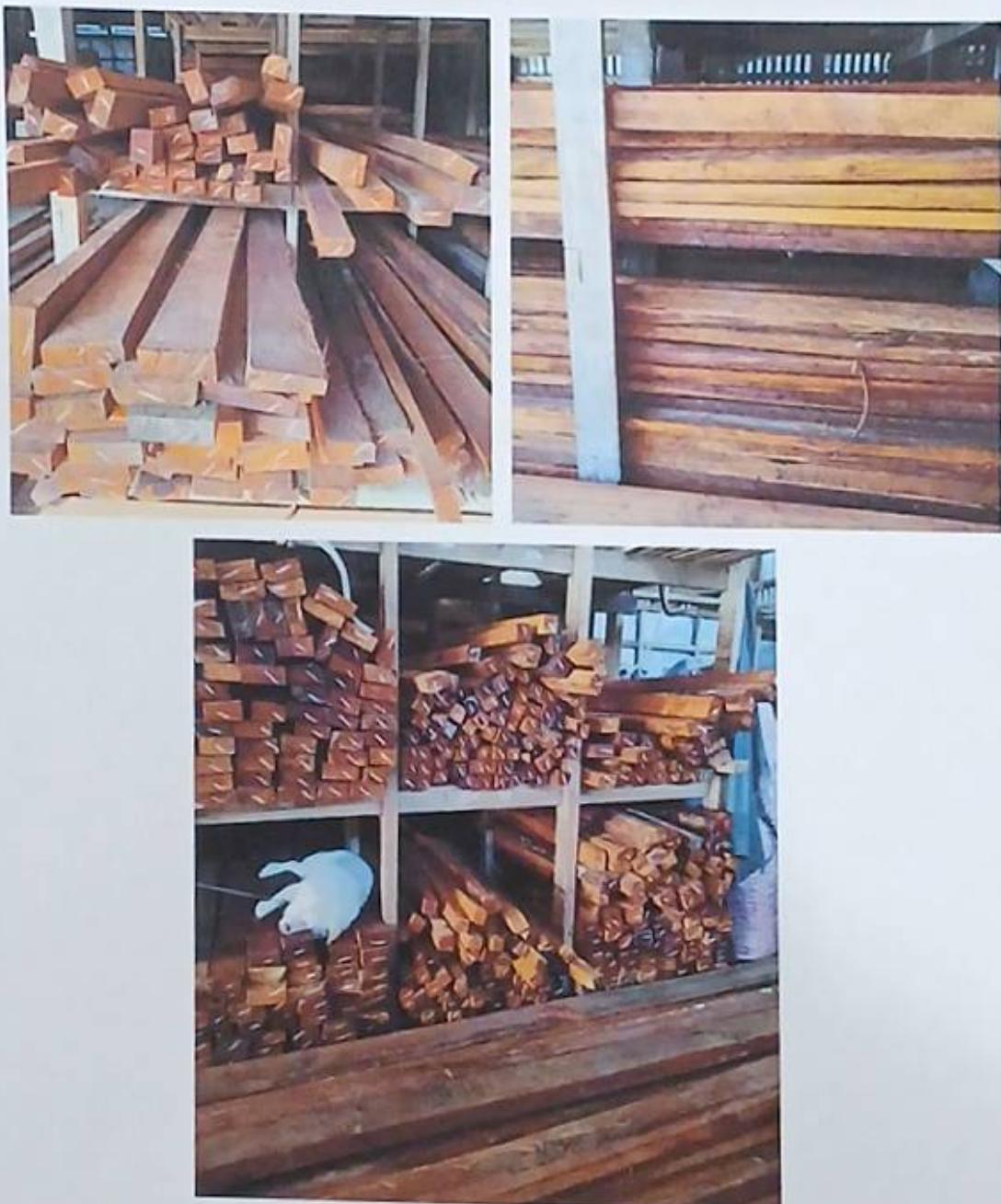
Presidential Decree no. 705, otherwise known as the Revised Forestry Code of the Philippines, is an act discouraging the destruction of forests; therefore, penalizing the illegal procurement, cutting, and smuggling of logs.

In addition, Republic Act No. 9175, or also known as the Chain Saw Act of 2002, safeguards forest resources and "regulates the ownership, possession, sale, transfer, importation and/or use of chain saws to prevent them from being used in illegal logging or unauthorized clearing of forests."

## Products & Services

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JessaJelleVan Lumber Trading provides sturdy and top-of-the-line wood beams and planks, processed from Mahogany, Mangium, Gemelina, and Falcata trees; each coming with a variety of sizes, which will surely satisfy all the customers' construction needs.



## Market Trends

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Based on the report of the Forest Management Bureau regarding the average wood consumption from 2006 to 2017, the Philippines will require 6 million cubic meters of wood annually with an expected increase in demand in the next following years. Only 25% of the national demand for wood comes from domestic sources, while the remaining 75% is imported.

The need to increase the country's wood base and to increase the economic opportunities in the forest industry is underlined by the Philippine Development Plan.

## Competitive Advantage

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Our lumber business holds a strong advantage by being strategically located in San Jose, Dinagat Islands, the center of the province's commerce. It also provides accessible transport routes by sea, which reduces the logistics costs compared to competitors further in-land. Moreover, by focusing on sustainable sourcing practices, such as planting trees on a dedicated area, we ensure a steady supply of quality lumber in the future.

# BUSINESS PLAN

## Section 2

### Sales and Marketing Plan

#### Customers

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Our primary customers include local construction companies, furniture manufacturers, and individual buyers in San Jose, Dinagat Islands and nearby areas who require reliable and quality lumber for their projects. We make sure to be accessible for a wide range of clients by catering to both bulk purchasers and small-scale buyers.

#### Suppliers

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We source our lumber from various suppliers across the Philippines to ensure a diverse and steady supply of quality wood. This nationwide network allows us to access different types of lumber based on market demand. In addition, we also purchase wood from individual households within the community who wish to sell logs or timber for cutting and processing. This flexible and wide-ranging supplier relationships is the key to keeping our inventory well-stocked.

#### Marketing

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JessaJelleVan Lumber Trading primarily relies on word-of-mouth marketing, building its reputation through customer satisfaction, reliability, and strong relationships within the community. Our satisfied clients—especially local builders and furniture makers—serve as our most effective promoters. However, as the business grows, we are prepared to expand our reach by creating social media pages and developing promotional materials such as flyers and banners to attract new customers and strengthen brand visibility across nearby municipalities.

# BUSINESS PLAN

## Section 3

## Financial Plan

### Start-up Costs

| Particulars         | Estimated Costs |
|---------------------|-----------------|
| Warehouse           | ₱200,000        |
| Initial Inventory   | ₱400,000        |
| Equipment and Tools | ₱100,000        |
| Working Capital     | ₱100,000        |

### Revenue Projection (Year 1)

| Particulars         | Estimated Revenue      |
|---------------------|------------------------|
| Monthly Sales       | ₱125,000               |
| Annual Sales        | ₱1,500,000             |
| Gross Profit Margin | Approximately 30 – 40% |
| Net Profit Margin   | Approximately 8 – 10%  |

# BUSINESS PLAN

Section 4

Operating Plan

## Location

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JessaJelleVan Lumber Trading is situated at Purok 4 Brgy. Don Ruben, San Jose, Dinagat Islands.

## Equipment, Furniture, and Fixtures

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The facility is built in with a customized wood storage to properly organize and preserve lumber. For processing, a table saw is utilized to accurately cut wood into the customers' desired sizes, alongside a chainsaw for handling larger logs and rough cuts.

## Future Expenditures / Technology Requirements

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The business remains functional for today's sales levels given the equipment that we have. With that said, any need for any new equipment will be considered thoroughly.

## Research and Development

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To ensure that our inventory matches market demand, we continuously conduct research on customer buying habits. This involves monitoring which types and sizes of lumber are most frequently purchased by local contractors, furniture manufacturers, and individual buyers. These sales patterns and customer feedback provide us insight on which products are high-demand, allowing us to adjust our stocking strategies accordingly.

## Environmental Compliance

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As part of our commitment to sustainability, we regularly conduct tree-planting activities to help replenish resources and support environmental balance.

# BUSINESS PLAN

## Section 5

### Risk Analysis

#### Supply Risk

The availability of quality lumber depends on suppliers and weather conditions that may affect harvesting and transport. To mitigate this, the business maintains partnerships with multiple suppliers across the Philippines and sources additional wood from local households to ensure a steady supply.

#### Regulatory and Legal Risk

Strict government regulations such as **Presidential Decree No. 705 (Revised Forestry Code)** and **Republic Act No. 9175 (Chain Saw Act of 2002)** require full compliance in wood procurement and processing. The business will adhere to all legal requirements and secure the necessary permits to avoid penalties or suspension.

#### Market Risk

Fluctuations in construction activity, competition, and lumber prices can impact sales. To minimize this risk, the business continuously monitors market trends and adjusts pricing, product types, and stock levels based on customer demand.

#### Environmental and Natural Risk

Extreme weather events, such as typhoons common in the region, may damage inventory or disrupt operations. To reduce this impact, the business will use durable storage facilities and establish proper wood preservation and drainage systems.

#### Financial Risk

Rising operational costs or delays in customer payments could affect cash flow. Maintaining a working capital reserve and implementing clear payment terms will help sustain financial stability.

#### Safety and Equipment Risk

The use of power tools such as chainsaws and table saws poses safety hazards. Regular equipment maintenance and proper employee training will be enforced to ensure safe operations.

# BUSINESS PLAN

Section 6

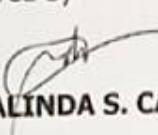
Validity

Validity

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This document shall remain valid for up to one (1) year and shall be rendered invalid upon the deadline on October 13, 2026.

Prepared by

 ROSALINDA S. CATANA

Proprietor

10/13/25

TO GOD BE THE HIGHEST GLORY