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# Abstract

The Following paper is a detailed business plan and proposal involving the processing and commercialization of food waste based compost. This business was incepted as a reaction to the way waste is processed in Aruba. The plan is to properly process food waste from hotels and restaurants and turn that waste into something useful that can be sold commercially. This plan would allow N.O.P.A. to not only help with waste management in Aruba, but also to hopefully spurn other business to follow suite as it takes a collective effort to bring a better future, a better environment and a better way of living where humans will no longer create waste and hopefully have a completely sustainable way of living for all.

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# Introduction

The business team consists of seven principals: Justin, Geraldine, Nathany, Dorshon, Gia, Sanya and Juan. Each of the seven members is a student attending the University of Aruba. The respective fields of studies are all within the business field that includes management, marketing, finance, and sustainability.

The Natural Organic Process Aruba (N.O.P.A) business plan is currently in its most early stages of concept and formulation. This business plan is with purpose to provide opportunity and additional information pertaining to the plan and to aid in funding decisions. Given the increased notice towards the environment and sustainability, this business venture is truly new and important due to its compatibility with the initiative to environmental friendly practices. The environment itself, as well as the consumers occupying the island will benefit from this business model as it focuses on the current and future footprint left on our island and a targeted effort to decrease our vast waste dumping. The purpose of this business plan is to sincerely make an environmental impact on the immediate community of aruba and serve as an example of how waste management can be done right and economically viable. With the current waste management here in Aruba, it is becoming a problem for the environment and the oceans. The hospitality sector that benefits from the ocean being beautiful can have a positive and negative impact on the environment. That is the reason why this business was created so this firm can aid to helping the local community and the tourism sector. N.O.P.A. hopes to stop this problem at the source, create noble efforts to combat the problem and educate the people more on the subject of composting. If N.O.P.A. can start to reduce the massive amount of waste piling up in Parkieten Bos and also serve as an example for the businesses in Aruba, then the job was done correctly.

The following paper serves to give a detailed outline of the business plan set up by the founders of N.O.P.A. as a means to give an all around understanding of the how this company can serve the island of Aruba in properly managing food waste turning that waste into something useful whilst earning profits, showing that protecting the natural environment is not only important for current and future generations to survive and thrive, but also that there is financial growth to be gained from it also.

# Business Canvas

## Key Partners

The NOPA key partners would be Restaurants and other Food and Beverage companies, which are located along the high-rise areas. Restaurants that are located along the high rise are busier, thus a high percentage food wastes is being produced at a larger scale. As a company, N.O.P.A. would also want to target the different hotels on Aruba such as the Riu, Hyatt, Marriott, Hilton and many more, in collecting their food waste for further recycling.

Waste can be a revenue source. Smart Recycling Us is a company that is known for coming up with new solutions for organic waste management located in north and South Carolina. Smart Recycling is an organic hauling company dedicated to diverting food waste from landfills to local composting facilities. Their program is designed to reduce waste, preserve the environment while undergoing training for their employees to ensure their new partners have the tool they need to succeed in the program. Their slogan is that it’s only wasted if you don’t do something smart with it.

## Key Activities

N.O.P.A. will offer both a sustainable service and product to hotels, restaurants, farms; as well as landscape companies. The process begins by educating hotel and restaurant staff on how to properly divide food waste into compostable and non-compostable groups. This allows the process to be much quicker on our side. When the company launches, the food waste from hotels and restaurants will be picked up and taken to the waste management site. Three trucks will go at least once daily to these places and collect their food waste. One pickup delivers the collected food waste to local farms on Aruba and the other two trucks will go to the company’s site.  
Once it reaches the company’s factory, the composting process starts.

## Value Proposition

**Vision:**  
NOPA will be an economically and environmentally sustainable business model for Aruba, building local food security through the transformation of organic waste into soil fertility and providing public education on composting, food waste, and their relationship to food security and environmental concerns.

**Mission:**  
NOPA works to reduce waste and greenhouse gas emissions and increase local food security by diverting food scraps from landfills and turning it into a high quality soil amendment for local agriculture and landscaping use. NOPA partners with local businesses, Hotels, Restaurants, and schools to build a green business model for a sustainable Aruba.

**Core Values:**

· Waste reduction and recycling

· Environmental and agricultural education

· Green business model

· Environmental and economic sustainability

· Student-run

· Community partnership

**Our Elevator Pitch:**  
NOPA is a student-run business at Aruba that keeps food scraps out of the landfill and turns them into premium soil fertility for local farms and gardens. N.O.P.A. will sell compost and donate to local school gardens. A partnership with Aruba’s governments, schools, businesses, and nonprofits will help to educate the public on waste reduction and related environmental issues.

NOPA has a qualified and skilled staff. Consisting of Justin M, Nathany, Geraldine Borges, Dorshon, Gia Kolfin, Juan and Sanya as the main operating team. NOPA’s variety of talents make it capable of achieving the mission of creating operational partnerships in the immediate community with the goal of providing compost materials to different businesses and individuals while simultaneously reducing the waste the Aruban community sees.

## Customer Relationship

NOPA’s Customer relationships are about how do the company interact with the customer.  
The Customer relationship describes the type of relationship a company establishes with its specific customer segments. Customer relationships are driven by customer acquisition, customer retention, and boosting sales – in other words you need to get, keep, and grow your customer relationships.  
N.O.P.A. values define the type of customer relationship that is long-lasting and effective. Providing affordable, fresh and premium soil to the consumer  
Once consumers realize that the products are of higher quality than the competing businesses, they will continue to buy the products and they become loyal customers.  
The N.O.P.A. customers are quite curious and love the products when they test them. When there is great feedback for a particular product, it is then packaged, shipped and sold in the company’s store or wholesalers.  
What is really fantastic is that the customers are excited about the products and ways that can turn waste into soil. The company has a blog that educates people about composting and what N.O.P.A. does for Aruba to reduce waste.  
With an an easy access website or phone app for the customers to use to order products for delivery or pick-up and a loyalty program that offer customers discounts on products, consumer loyalty can be ensured for years to come.  
All of the employees and founders engage in community service projects, which helps promote and gather feedback from the customers, so that the company can continuously improve. NOPA has a customer is first policy.

## Customer Segment

**Who are the customers?**  
Customers can be segmented into distinct groups based on needs, behaviors and other traits that they share. It may also be defined through demographics such as age, ethnicity, profession, gender, or on their psychographic factors such as spending behavior, interests, and motivations. Since they are the heart of every business, the aim of this company is to think a lot about ways to get the customers to buy the products/services that N.O.P.A supplies. The starting point will be: What can be provided to consumers so that they lead happier lives? With this mindset, N.O.P.A. will better understand who the potential customers could be. N.O.P.A. can then better target them to maximize sales. Going forward the company will call these customers: Target Customer. The company will understand who the Target Customers are, and will be ready to understand their needs, provide them the products that the company offers and certainly find ways on how to solve their problems. In addition, N.O.P.A. will categorize the consumer segments into distinct groups such as:

* Mass Market à focuses on a large group of customers without really distinguishing between different types of customers.
* Niche Markets à is quite opposite from a mass market, focusing on a very specific group of customers.
* Segmented markets à is one in which you have multiple different groups of customers with different sets of needs and problems. In our case, we will provide the same product or service with slightly different value propositions to meet the varying of our customer needs.
* Diversified markets àis similar to a segmented except that it utilizes entirely different sets of value propositions to cater to unrelated customer segments rather than just slightly altering the product.
* Multi-sided Markets à serve two or more interdependent Customer Segments. A credit card company, for example, needs a large base of credit card holders and a large base of merchants who accept those credit cards.

By identifying these segments, N.O.P.A. will ensure to grow this organization and aiming to grow this building in a long-term relationship with and increasingly fulfilling the evolving needs of these customers. The main focus for this business is to obtain and get information about the customer desire, and most important identify patterns that can be used to create segments.

## Key Resources

As with any business, a continuous supply of resources is extremely important to keep everything running according to in house standards and to stay competitive in the market the company competes in. For N.O.P.A. this is no different. With the help of key suppliers and a driven labour force, N.O.P.A. intends to stay on top of the competition and deliver a supreme product with the help of the following resources:

* Financial Capital
* Specialized food waste bins
* Composting Barrels
* Land
* Labour (3 employees + founders)
* Building
* Bags to package the compost
* Plastic spray bottles for compost tea growth booster

With the help of these resources, N.O.P.A. will ensure consumer satisfaction and stay competitive in the market of plant products.

## Channels

Being young entrepreneurs certainly has its challenges, however when starting a business, the youth of our amazing team actually works to our advantage in terms of the potential marketing advantages it comprehends. Our age group is more in tune to social media than any other generation, so in terms of marketing, we will be putting a significant amount of effort into our social strategy. The main focus of our activity will be our website and Facebook page where we will link out to our Twitter, Instagram and Snapchat. Our Twitter feed will be linked onto our website with a live ticker updating our tweets. These tweets can range from facts about composting to promotions for other local businesses we are partnering with. By constantly updating our feeds, we will keep ourselves relevant in the social sphere.  
Instagram is one area where our rural setting and natural approach to business can be documented rather easily. We will post updates of compost piles every week until the batch is ready and have photo contests for our customers. By having a dynamic relationship with our partners and customers, both current and potential, we will be able to connect with our customer base and promote our product at the same time.  
The advantages of social media are obvious, it’s inexpensive, easy to manage, easy to update, efficient, and cutting edge. However, an aspect of this that must be taken into consideration is the idea that the majority of our customer base is not currently active on these social platforms.  
Because we are mainly selling to landscapers and farmers we have to take into consideration older, more traditional forms of marketing in order for our company to be able to connect to the older customer base. Our main way of being connected is going to be through strategic partnerships. We have partnered with Santa Rosa with the purpose of gaining exposure to the Aruban community. Through the use of these tactics, we plan to leverage the reach our business has on potential and current customers to effectively spread our message and mission

## Cost Structure

The composting business is one that does not need a lot of capital to start off with. Although we are carrying out our business on a pseudo-industrial scale, we can manage to keep the costs down by minimizing production issues. We do this by educating the employees of our partners on how to properly separate the waste into our specialized bins, this is to avoid the extra work needed to separate the waste. This speeds up the process and allows us to have higher rates of turnover on each barrel.

Even while working with waste, nothing goes to waste. The “Compost tea” leftover after every cycle will be turned into a product.

As for our key resources, e.g. the bins, barrels, trucks etc will be bought in bulk as to bring down costs.

The following are tables with the projected costs for the startup and then monthly costs in AWG. total.

The total Start up Costs

|  |  |
| --- | --- |
| *Startup costs including wage bill* | |
| *Resource* | *Amount in AWG* |
| Barrels (50) | 1,250 |
| Trucks (3) | 4,050 |
| Bins (50) | 1,000 |
| Reusable bags (2500) | 500 |
| Water | 400 |
| Electricity | 450 |
| Soil thermometer (2) | 40 |
| Employee Wage (3) | 5,002.80 |
| Total | 12,692.90 |

Monthly Cost

|  |  |
| --- | --- |
| *Monthly costs* | |
| *Resource* | *Amount in AWG.* |
| Trucks | 4,050 |
| Water | 400 |
| Electricity | 450 |
| Employee Wage | 5,002.80 |
| Total / month | 9,902.80 |
|  | |
|
|
|

With a minimum 3 employees + site manager. Each single employee would earn AWG. 1667.60 a month. Minimum wage. The site manager would be one of the owners and will not have a set wage for the first couple months.

## Revenue Stream

The revenue will be gained by the 2 products made onsite. The first being a 20L bag of compost, selling at AWG. 39.99 per bag. The second product sold will bel a “Compost Tea” growth booster selling them per bottle, at AWG. 29.99 per bottle of 500mL.

The average hotel creates a lot of waste every week. The current production capacity would be 10000L of compost per cycle (1 week). This would be packaged and would be about 500 bags a week at maximum capacity that we would produce and we would expect to sell about 100 bags a week of the compost and about 40 bottles a week of our Compost Tea growth booster.

This would bring the projected earnings per month at AWG. 20749,- while producing and selling at maximum efficiency, bringing in a healthy profit margin every month with room to wiggle.

However the company’s goal is to break even in a year. The total costs in the first year is $121623.70. If we want to break even in a year we would have to have an minimum income of $10,135.31 per month consistently. We would have to sell 254 compost bags per month to get to this amount of money.   
If the company can sell this amount excluding the compost tea we could reach the break even point after a year and earn profit and bring in dividends to company shareholders.

# Conclusion

They say that one man’s trash is another man’s treasure, and that is certainly the situation when it comes to organic waste such as food wastes.

The N.O.P.A has the potential to bring a great business and change to our community’s way of thinking. The primary concerns of the company: Health. Health of the community and of the environment is what served as the reason for the development of the company, but upon the research associated with the development of our business model, realizing the potential impact is what has driven NOPA’s concerns and ambitions. To have the opportunity to provide a large impact on our community, both environmentally and socially is incredible. The business has been designed under the idea of good will and worry for the generations to come and hope to educate the community of the failing waste management system of Aruba. The business model aims to turn significant profits, maximize community impact, limit transportation and infrastructure cost requirements for waste management, and push Aruba to the forefront of progressive countries with how it manages its waste streams.

In Environmental Sciences class about waste management has inspired the team and upon researching several composting businesses in the states, the decision was made that this type of business would benefit Aruba by helping to reduce its waste.

This group of seven students/entrepreneurs who decided to start to change themselves and try to bring a change in Aruba, one small step at a time. As a group of millennials, the founders do not had the means to change Aruba completely, but starting small and concentrating on the strengths of the company and on the surrounding area, there is the possibility to make a difference, and no matter how big or small that difference maybe it’s the act of change itself that matters to N.O.P.A.

**Thank you for making a difference by investing in N.O.P.A.**

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