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**Authentic Aruban Recycling**

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**Introduction**

On September 12, 2017 Aruba celebrated the World Tourism Day at E.P.I (Educacion Profesional Intermedio) in accordance with the United Nations and the World Tourism Organization, which officially celebrate World Tourism Day on September 27, since 1980. During this event new data became available on the status of tourist perceptions and experiences in Aruba. This data indicated that Aruba was lacking Authentic Aruban made products. The recycled products will therefore oppose against the scarcity of authentic locally made souvenirs and products thus hopefully increasing the tourist experience. According to a lecture by C. Mettes, at least 50 % of the trash collected in Aruba is derived from tourist activity, such as hotels. Thus, Authentic Aruban Recycling believes it would be a selling point to give tourists the option to buy Aruban made products that might contain paper waste materials that actually come from the tourists themselves. According the laws of physics and “Environmental Sciences” by William P. Cunningham & Mary Ann Cunningham, the principle of conservation of matter is: Under ordinary circumstances, matter is neither created nor destroyed but rather is recycled over and over again. It can be transformed or recombined, but it doesn’t disappear; everything goes somewhere. Thus, Authentic Aruban Recycling believes why not recycle this waste into Authentic Aruban notebooks, notepads, and other paper based products with an Aruban touch.

Authentic Aruban Recycling does not only want to create valuable Customer relationships, but also wants to create awareness among tourists, that sustainability on an island is far more complex than that for mainland locations. That the purchase of these products contributes to a less paper waste and export resources which in all is better for the planet.

**Business Proposal**

**Key Partners**

The main suppliers of our company will be companies that in their daily routine produce cardboard paper waste, such as small hotels, retail stores, supermarkets. We are not looking at high rise hotels and big supermarkets, like Superfood, because of the competitors that are collecting paper waste from them and because of the size of our production.

Our products we are planning to distribute to the souvenir stores, retail stores, supermarkets, office supply stores and other companies where our customers, tourists and locals, can easily find them. Very important for our company is an artist for creating authentic Aruban design of products.

Even though Authentic Aruban Recycling is planning to be based on sustainability we still requiring a partnership from island’s water and electricity supply firm, which is W.E.B. The consumption does not have to be excessive due to the operation activities.

**Key Activities**

The Key Activities of Authentic Aruban Recycling regard sustainability and recycling awareness in high esteem. The key activities of the company consist of firstly, establishing contact that allow for the pickup of cardboard and other paper waste from the hotels. After which the truck will take it to Authentic Aruban Recycling where it is recycled via a paper waste recycling machine and crafting. The recycled paper will then be modified to produce notebooks, calendars and other paper based products which are also environmentally friendly as they are organically decomposable. The product will then go through the hands of local artist, they will create unique handmade island related illustrations. Afterwards the finished product will be distributed to local retail shops and stalls. The key activities that our value propositions require will also determine the success of the company.

**Key Resources**

The keys resources that the company will require are based on four different aspects which are: facility, intellectual, human and financial.

Facility, involves the facilitation that the company requires in order to produce the desired products. For progress and product of the company, the company primarily needs a location where the production will be done. The products will be produced using a paper recycling machine at the Authentic Aruban Recycling plant. In order to get the paper recycling machine to work we need paper waste materials such as cardboards which is supplied by local hotels through means of weekly pickups by truck. The facility or building will also facilitate regular employee requirements such as the manufacturing floor, office, and restroom. Water usage shall be limited by the means of water reservoirs that can hold rainwater, as well as to reuse the water used by the machine.

The intellectual aspect of the key resources consists of the local artistry which is implemented in the products, as well as the creation of a brand name that can be directly linked to Aruban souvenirs.

The Human aspect demands the humans resources the company needs in order to be a functioning company, with staff. First and foremost, we need a technician that understands, and is able to fix the paper recycling machine when there are technical problems. The technician shall be a local person due to our business model. Hiring local technicians is theoretically feasible as there are several people that have worked in these types of plants or are just general engineers. The company from which the machine is buying purchased gives training on location and or virtual assistance as well. The second staff member will be the driver that will pick up the paper waste, because this is only done once to twice a week this staff member also becomes a manufacturer, and to maintain the role of driver the employee shall also do deliveries of the final products to local shops. The thirds employee is the general manager who has several responsibilities due to size of the company. The general manager will be in charge of the office, sales and human resources. The fourth, yet very important employee is the artist, that will be making the unique illustrations on the products. The fifth employee will be a dual employable person as he or she will be helping to assemble the products, and be in charge of purchasing required materials for assembly of the paper based products such as adhesives

The financial aspect of the key resources involves initially receiving a small business, startup, bank-loan which will be granted on the sustainability characteristics and the revenue stream that the company provides. The company gains profits from the sales of the recycled products through the use of retail. With the income the employees will be paid.

**Value Proposition**

The value of our products is based on the unique quality of being the first recycling of cardboard on Aruba. There are competitors that collect cardboard but they don’t recycle it on the island, they shipping it abroad. Our products will be proudly make on Aruba by using sustainable techniques.

The collection and recycling the cardboard will benefit the nature and people who live on the island by not accumulating on the landfill. The sustainability of company will be supported by collecting rainwater and using it in the recycling process as well as reusing the same water again and again. The setup of solar panels is possible for the future productions.

Products such as notepads and calendars are products that we use almost every day and there will be always a demand for them. Making these products out of recycled materials, promotes sustainable development on a smaller scale, meaning that we can make everyday products out of materials that have been recycled and that way we can further increase the sustainability of our island and manage our waste even better.

Another valuable part of our business is an authentic Aruban design of the products that will be done by local artist. The products will illustrate and contain Aruban art, consisting of the flora and fauna of the island as well as other authentic Aruban features. This entails that there will be illustrations such as the famous fofoti trees, prikichis, flamingos, rock formations and much more. Further customization of our products will be also possible.

**Customer Relationships**

As a company that supports sustainable development, we do not want to provide value to our customers without thinking about the environment and the long-term effects of our products on the environment. We want to build relationships with our customers in which they get access to everyday products and souvenirs, such as notepads and calendars, but in which we also promote sustainability and protection of our environment, by making these products out of recycled materials. Products such as calendars, with pictures of popular tourist destinations on Aruba, are seen as souvenirs for tourists that visit the island. A souvenir is primarily bought because of the memories that the owner carries with it. By making these products out of recycled materials, we are not only promoting our island as a tourist destination, but we’re also promoting sustainability of the environment around us.

We want to build relationships with our customers by providing them these products with a high value and differentiation compared to similar products that stores such as De Witt offer, and raising awareness on sustainable development. We will be using the support of the local community to create awareness about recycling on the island. Our products will provide a touch of authenticity to our customers, because of the local art the products promote with them. This way we can also promote our local artists and their work with the products to our customers. We don’t just want to sell our products, we also want to raise awareness on waste management and recycling in Aruba, and we want to motivate and incent other companies to manage their waste differently in ways that it can have a positive effect on our environment. Later we can start selling different products that also promote sustainability and authenticity to our customers.

**Customer Segments**

Our main customers will be tourist however we can have a relatively profitable and beneficial relationship with the locals. When we refer to tourist, it can be tourist that visit Aruba by cruise ship or inbound travelers. There tourist that come with cruise ship can buy their products at the small souvenir shops that are located infant of the port. When we compare Locals and tourist, it is noticeable that their needs and requirements are different. We want to create value products four tourist and locals that are two years and up. If we are creating a product for the tourist, the tourist wants a product that will lead them to remember of the experience they had when they visited Aruba. The product that our business sells to them has to represent Aruba, that can be either with pictures or slogans. We also can remark on the product that it is a recycled product, this way we can say that they are helping us protect Aruba’s nature and environment. With this remark we can also can justify the expensiveness of the product. At the other hand, when we offer our product to the locals, they would not have the same buying motivation than the tourist. They do not want something to remind them of Aruba because they live here. To persuade the locals of buying our product we can use methods such as informing them about the advantages of recycling and the benefits Aruba will gain form it. By buying the product made of recycled cardboard they will be helping keeping Aruba clean and protecting Aruba’s environment. So, they will be investing their money on high quality product and at the same time helping Aruba. With our product we can also help local business. We can customize product for them, we can help them create product differentiation between their products and other businesses, and this will help them sell more and make more profit.

**Channels**

Our customer segments can be reached through the vertical marketing system.

Awareness. The product can be launched on television news to let the main retailers know about the product and its unique qualities. We can also raise awareness by teaching the public about how good it can be to separate their waste so we can get the raw materials we need for our products.

Evaluation. Our company can set up an online presence where we show how dedicated we are to recycling and also placing information on the site about what materials we specifically need to create our products. We can place on our Facebook page photos of how the products are made. Via e-mail or social media the public can message or ask us questions.

Purchase. On our website we can have the pictures of our products and placing prices where consumers can order and buy our products. We can also place our e-mail and phone number where consumers can also place orders for our products.

After sales. One way is by having our contact information on our website easily accessible, for example e-mail, phone or online chat, where our consumers can tell us about their experience and how they enjoy our products, be it local or tourists. Another way is giving customers surveys where they rate and comment our products and services.

**Cost Structure**

The cost structure contains the prices to get the facility up and going. Listed below are

the costs for the assets, supply, variable and fixed costs.

Assets:

We would need a Pickup truck to get the recycling material to the facility which would cost 10,000 Awg.

A Paper recycling machine will cost an average of 13,125 Awg.

A computer is needed which will cost 577.50 Awg.

Furniture which includes: office desk, chairs, round table and four chairs, cabinet and fridge will cost 1,692.20 Awg.

And an air conditioner which costs 1,200 Awg.

The Variable costs includes:

Gasoline, 150-200 Awg/month

Electricity, 1,000 Awg/month (with machine running one hour per day)

Water, 1,000-2,000 Awg/month

Fixed Costs includes:

Renting of the facility, 3,000 Awg/month

Employee salary 1,670 Awg/each

Total Costs:

Assets: 25,285.75

Total cost average: 14,025 Awg. per month.

**Revenue stream**

The revenue streams will contain sales of the products to local shops, establishing a local, sustainable brand name. The revenue stream will not be affected by the supply of paper waste as there is plentiful. In this way Authentic Aruban Recycling will not be charged for the pickup of this material but most importantly it will support Aruban nature by recycling. Through the employment of local artists and manufacturers the company attempts to reinvest in the local economy to avoid leakage.

The break even point at first month of production will be reached when the specific quantity of products will be produced. See Table 1. for details. Then the total revenue 14,100 Awg. will be enough to cover total average cost 14,025 Awg. We are not taking in consideration the assets, because we might have the capitals saved or taken the bank loan that will be undefined until we have bank decision. When the production process exceed quantities mentioned the company will make profit.

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| --- | --- | --- | --- |
| **Products** | **Price Awg.** | **Quantity** | **Total Awg.** |
| Notebooks | 15 | 200 | 3000 |
| Notepads | 15 | 200 | 3000 |
| Calendars | 30 | 150 | 4500 |
| Office organizers | 15 | 60 | 900 |
| Piggy banks | 10 | 60 | 600 |
| Picture frames | 20 | 60 | 1200 |
| Jewelry boxes | 15 | 60 | 900 |
| **Total** |  |  | **14100** |

**Table 1.**

**Conclusion**

Our company is trying to make Aruba a more eco-friendly island. Helping out Eco-Gas and the Parkietenbos is a huge step. Reducing, reusing, recycling are main pillars of sustainability where our company supports all three of them. Therefore, instead of just throwing away the boxes or just ship them out. As an island we should recycle and reuse items that can be made into something else that is useful or helpful for the island. When it comes to recycling or waste management, we as the people of the island are the ones who have to start doing it in our homes. Local government should therefore support initiatives taken by companies or start-up business that support or are involved in recycling. Although it is undefined when the company will become profitable we strongly believe that it is possible.

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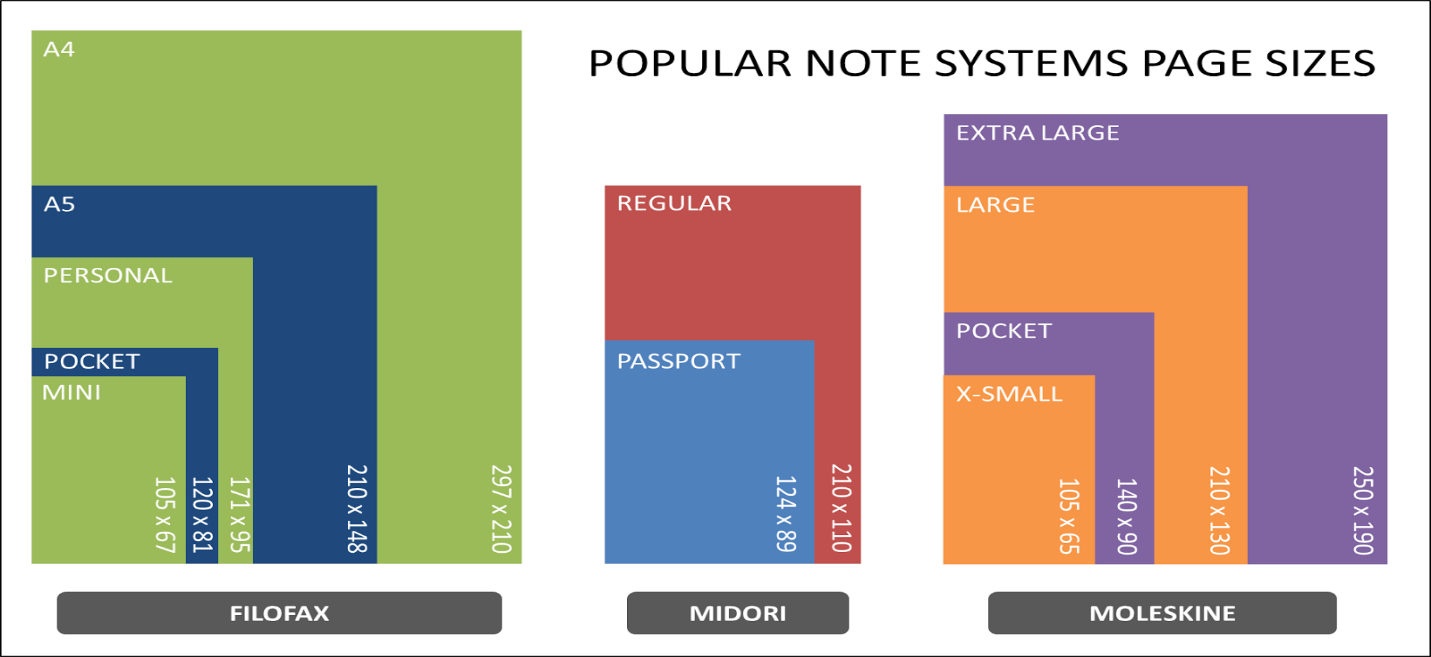
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**Illustrations**

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