

Recycling Waste Materials Business Plan

Clevax Recycling Inc.

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Executive Summary

Clevax Recycling Inc. area of business will be to collect, recycle/compost, and market waste from municipality waste processing plants for use as a consumer good. This recycled product will meet two critical needs:

- It will give municipalities a feasible and cost effective alternative to landfilling the waste, and
- It will help meet the growing demand for organic soil enhancers and fertilizers.
- The material that will be recycled is human waste sludge.

Clevax Recycling is entering a niche market in that human waste sludge has not been recycled on any sizeable scale in Ukraine. This is a unique and viable concept that addresses the needs of various customers and reaches an untapped market with tremendous growth potential.



Mission Statement and Objectives

Mission

Clevax Recycling's mission is threefold. Our first responsibility is to ensure the financial well being of the business. Second, is to provide municipalities with an economical, alternative for the disposal of human waste sludge. Third, is to provide a top quality, recycled material to the consumer so that they may benefit from compost's many good properties and organic elements. In addition, we hope to build in the consumer a positive feeling about the feasibility of using recycled human sludge as a fertilizer.

Objectives

- Flush sales for the first twelve months of operations and growing each year thereafter.
- Establish the recycling facility to include six composting units in Year 1.
- Open additional facilities in Year 2 and Year 3 to serve other areas of Ukrainian region.



Keys to Success

The keys to success in our business are:

- Overcome perception issues that may exist with using compost made from human waste sludge.
- Establish and build relationships and trust with customers to help shield from future competition.
- Expand rapidly to control the market.
- Offer reasonable prices.
- Get investment.



Company Description

Company Ownership

The legal name of the company will be Clevax Recycling, LLC. Clevax Recycling will be formed as a Limited Liability Company in Ukraine. Due to its tax benefits, a LLC will be advantageous.

Clevax Recycling is owned by its founder and president, American scientist Oliver Pyne. Mr. Pyne will be an active participant in management decisions.

Company Locations and Facilities

Additionally, Clevax Recycling's business location is located in a federally designated "historically underutilized business zone" or HUBZone. As discussed under the Competitive Comparison section below, this designation gives us certain advantages in selling to the government. As the business expands to additional counties in subsequent years, we will need to lease property on which to site our facilities.



Products and Services

Our products and services offer needed solutions to municipalities and the market for organic soil enhancement products. Clevax Recycling will be the market leader as the first company in the region to collect, compost, and recycle human waste sludge for use as a fertilizer and a soil enhancer. Clevax Recycling realizes that consumers today are more conscious of recycling and of their environment. Because of this trend, there is a growing trend among consumers to move away from traditional chemical based fertilizers more natural organic materials.

We will offer one major service and major product. Our major service will be to offer municipalities an alternative means for disposing of human waste sludges generated in waste treatment plants. Our major product will be recycled (composted) human waste sludge for use as a fertilizer.



Market Information

There are customers at both ends of our supply chain that will benefit from our services and products. Municipalities will benefit from our service by having an alternative means of waste disposal. Other potential customers who will benefit from our compost product include turf farms, fertilizer manufacturers, nurseries, landscapers, golf courses, homeowners, and even the federal government for use in highway construction reseeded. Therefore, we have two basic market segments; those waste treatment facilities which will benefit from our services and consumers who will benefit from our product.

Five major market segments for compost have been identified:

- Agriculture (for food and nonfood crops and sod farms).
- Landscapers (for industrial and commercial properties; golf courses, cemeteries, and athletic fields; landfill covers; and damaged soils).
- Nurseries (for plant and forest seedling crops and reforestation projects).
- Public agencies (for highway median strips, parks, recreational areas, and other public property).
- Residents (for home landscaping and gardening).



Marketing Plan

To target our customers, we examined the market trends. Mid-Atlantic Recycling's products target buyers of organic fertilizers and soil enhancers. This market has grown significantly in recent years and we expect to capture a quarter of this multi billion-dollar market.

Clevax's products will help fill the growing need for organic fertilizers, and soil amendments, while helping to solve the problem of dwindling landfill space.

The marketing strategy is the core of the main strategy:

- Emphasize high value, high quality products and services.
- Build a relationship oriented business.
- Focus on municipalities, fertilizer manufacturers, landscapers, nurseries, and the federal government as key initial markets.



Operations

Composting is biological decomposition of organic materials. Bacteria, fungi, protozoans, insects, worms and other organisms typically play a part in the decomposition process. Clevax Recycling's process will greatly speed up the natural composting process.

Advantages of this recycling/composting method are as follows:

- Recycling is completed rapidly in three days. Other methods take 90 plus days.
- Waste materials in the unit are isolated from the environment.
- The manager has precise control of moisture, temperature, and aeration during the process to ensure the most efficient composting possible.
- In-vessel composting can maintain a rapid decomposition process year-round regardless of external ambient conditions. The material can be used for improvement of organic matter content and fertility of soil.



Management

The management team of Mid-Atlantic Recycling will be comprised of the following executive positions:

- **President:** Mashak Alina has extensively researched and tested this composting process to ensure that it works with human waste sludge, and is thoroughly familiar with the process from start to finish. Mr. Pyne is a founder of the company and has worked for the company since its inception. He has been an investor and developer for the past 5 years.
- **Operations Manager:** Elena Hodchenkova. Ms Hodchenkova has operated a landscaping firm for 7 years and is intimately familiar with the uses of compost materials as well as the markets.
- **Controller:** Tatyana Bobukh. Ms Bobukh has a background in business and management and will handle administrative details such as taxes, check writing and bookkeeping.



Financial Plan

Our financial plan is based on receiving several loans to purchase/fabricate the production equipment, provide initial operating capital, and establish the customer base.

We will achieve profitability early in the first year and due to the expected high growth rate, we will realize strong profits on sales by year three.

General Assumptions			
	Year 1	Year 2	Year 3
Plan Month	1	2	3
Current Interest Rate	7.00%	7.00%	7.00%
Long-term Interest Rate	7.00%	7.00%	7.00%
Tax Rate	25.00%	25.00%	25.00%
Other	0	0	0

