

Recycling For Sports



Recycling for the sports
Safe cover
" Playgrounds Safe ""

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Recycling For Sports

Type	Page
1 . Introduction	3
1.1. Goals	3
1.2. Mission	4
1.3. Success factors	4
2. Vision	4
3. Message	4
5. Geographical location:	4
5.1. Project ownership	4
5.2. Primary costs	5
6. Project Building	6
7. Products	6
7.1. Description of the products	6
Competition Comparison	6
7.3. Sources	6
7.4. Technological Impact	6
8. Summary of Market Analysis	7
8.1. Division of the market	7
8.2. strategy of targeted market division	8
8.2.1. Needs of the market	8
8.2.2. Direction of the market	8
8.2.3. Market growth	9
8.3. Industry analysis	9
8.3.1. Participants in the industry	9
8.3.2. Distribution channels	10
8.3.3. Purchasing patterns	10
8.3.4. Major competitors	10
9. Strategy and Implementation Summary	10
9.1. SWOT analysis	10
9.1.1. Strengths	10
9.1.2. Weaknesses	11
9.1.3. Opportunities	11
9.1.4. Challenges	11
9.2. Marketing strategy	11
9.2.1. Positioning	11
9.2.2. Pricing strategy	12
9.2.3. Promotion strategy	12
9.2.4. Distribution strategy	12
9.3. Sales strategy	12
9.3.1. Sales forecasting	12
10. Administration	13
10.1. Organizational Structure	13
10.2. Management team :	14
10.3. Planning staff	14
11. Financial plan	15
11.1. Primary Costs financing	15
11.2. Break-even Analysis	16
11.3. Pro Forma Profit and Loss	16
11.4. Pro Forma Cash Flow	17
11.5. Pro Forma Balance Sheet	18
12. Start of the project: recycling for the sport.	18

Recycling For Sports

1 . Introduction

Humanity has a growing recognition of the serious environmental challenges that faces us in the whole world. The problematic of handling with increasing amounts of accumulated solid waste highlight as one of the important environmental problems over time. Beside this awareness, a continuing genuine need in addition to numerous attempts rises to find innovative and creative solutions to mitigate the negative impact of solid waste on the environment locally and globally.

This project - Recycling For Sport – comes as an initiative contribution effort from our team in finding an effective ways toward cleaning environment from one of the major elements and components of solid waste that is used tires waste. Our idea stands on recycling of wasted used tires for the porposse of production useful primary materials to be used in different industries and in accordance with the principles of UN Clean Production Program. In this way, we believe that our project forms a linkage between many related industries, not to mention that the project's products can be recycled and utilized again.

As the name of the project (Recycling for Sport) points to, our main focus will be on taking most possible advantage of rubber granules (the main product resulting from the recycling of used tires) by production, processing and using these rubber granules to service the infrastructure of infancy growing modern sport facilities in the Palestinian territories.

The project basically has two main divisions: first division dedicated to the operations of recycling used tires, and the second one specified to the processing of rubber granules resulting from the recycling to create new products used in the infrastructure of the sports facilities at the local, regional and global level in light of growth and expansion expectations of project's future activities.

Economic literature contains many studies and business plans for similar projects, but what distinguishes this project from others is that it will be the first of its kind to be implemented in Palestine; we are planning to place this project in a middle position between cities of West Bank, particularly in Ramallah city.

The project will provide a variety of products, in addition to the production of multiple sizes of raw and processed form of rubber granules that used in the composition of many other products, the project provides as well as metal wire and fiber and nylon which intervention in other diverse and multiple industries.



1.1. Goals

The objective of establishing this project is to achieve a number of environmental, sporty and economical goals as follows:

- The provision of eco-friendly sport facilities, rubber flooring outdoor playgrounds that reduce the risk of sports injuries in accordance with related international standards.
- To provide sport facilities with ready materials (processed rubber granules) resulting from the recycling of wasted rubber tires, which could be used in the manufacturing of floors for stadiums and paving sport passageways , here we aim to meet the needs of these facilities by reprocess at least 60% of the raw rubber granules produced by the project.
- Environmentally, we aim to contribute to the reduction environmental risks resulting from presence of rubber tires remnants through recycling at least 90% of this waste.

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- In economic terms, as an industrial and marketing project this project is designed to meet the needs of imported products for the local market through production and manufacturing needed products locally, in this way our project will help in creating new jobs, support local economic development in addition to maximizing investors wealth through rising the business net profit by 7% of sales by the end of the third year from starting its operations .Thus the project will continue to exist and to operate.

1.2. Mission

1 - To contribute in the provision of raw materials and products for sports facilities in Palestine and other places of the world. This will be through the production of environmentally friendly materials by recycling of waste that could be benefiting from in a way leads to protect local and global environment.

2 – To promote environmental awareness about risk of solid waste, and to courage others to invest in waste recycling projects for the production of raw materials used in various industrial sectors, so as to achieve sustainable environmental development.

1.3. Success factors

1 - Growing sporty awareness, dramatically spread of sport facilities and sport development needs in Palestine.

2 - Presence of favorable investment environment through laws and regulations that encourage investment in waste recycling industries.

3 - This project is the first of its kind in the West Bank that specialized in recycling used rubber tires , also it has a diversity of products.

4 - Investment in this area has a good economic return.

5 – Existence of excellent local expertise to run and manage similar projects.

6 - Availability of necessary raw materials in low costs.

7 - There is a high demand for products provided by the project, and a variety of distribution channels (locally and externally).

2. Vision

To build distinct sport facilities by creating innovative and creative solutions for the problem of non-biodegradable solid wastes , and mitigate the negative impact of such wastes on the environment locally and globally.

3. Message

Focus on the idea that sport is health. And to Contribute in finding effective ways to clean environment from a key element of the components of solid waste (used tires) by recycling these tires to produce useful materials that could be used in different industries to achieve economic successes.

4. About the project

This project is Included within the transforming manufactures category and it has two basic activities which are: -

- recycling of used tires, and this produce a variety of usage products to , most important of these products are :
 - The main product : raw rubber granules which serves a variety of industries such as manufacturing playgrounds and sports activities floors .
 - Treatment of material resulting from the recycling process and production of new products (playgrounds and kindergartens floors, and mats for sport paths) used to meet the needs of sport facilities infrastructure, whether locally or globally in the long run.

5. Geographical location:

Ramallah city in the West Bank has been selected as a place to set up this project, because of the medial geographical location of Ramallah among the rest of provinces of the country, and because of its closeness to the places of raw materials requested for production.

5.1. Project ownership

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Legal form which the project will be implemented through is to establish a private shareholding company; owners are team members of this project sharing in Capital with an equal contribution rate.

5.2. Primary costs

The following table shows a summary of the anticipated primary costs during the pre-production period, and it includes the cost of licenses , fees , consulting, professional services , insurances of the project and costs of establishing the workplace and equipment necessary to start business .

Individuals involved to the project will cover 10% of these costs by themselves and they will borrow to cover the rest 90% of costs. We expect to start production within 6 to 12 months from the provision of required funds as its clear in the table of project's primary costs below:

Primary Operational costs	
Expenses	
Legal expenses	\$1,500
Stationery	\$500
Rent	\$1,800
Computer	\$2,000
Consulting Services	\$2,250
others	\$1,600
Insurance	\$6,380
Total primary expenses	16,030\$
Fixed assets	
Cash required	\$10,000
Initial assets	\$3,000
Other current assets	\$2,000
Long-term assets	\$285,000
Total Assets	\$300,000
Total requirements Bottom of Form	\$ 316,030

The following table shows the project's fixed assets costs distribution :

- Fixed Assets :

Land	\$150,000
Construction and site preparation	\$50,000
Equipment	\$50,000
Vehicles	\$30,000
Office equipment and furniture	\$5,000
Total Fixed Assets	\$285,000

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6. Project Building

project's building will be in the city of Ramallah in the West Bank on a land area of 800 - 1000 square meters, the site will be prepared to be appropriate for project work through the allocation of a store area for raw materials and finished products, as there will be a dedicated place for the two sections of production works both recycling and treatment , in addition to a space dedicated for administration offices.

7. Products

The main products that the project will provided are raw rubber granules, treated rubber granules (in the form of floors, mats and tiles for the floors and paths of the stadiums and sports facilities) in addition to metal wires , nylon and fiber.

7.1. Description of the products

The project will provide a variety of products ¹ with many uses, as follows:

- floors , tiles and mats that are ready for use in sport facilities.
- Blocks and slabs of anti-hits in children's playgrounds and kindergartens.
- Different sizes of raw rubber granules (form about 70% of materials resulting from recycling) that can be used in the industrial football stadiums.

Competition Comparison : the competitive strength for our project comes from being the first project of its kind to be implemented in the Palestinian territories, beside the diversity of its high demand products in the internal and external markets according to our expectations built on data from Central Bureau of Statistics.

As well as the varied of product's distribution channels in different markets, both locally and regionally.

Geographical location of the project contributes (even between local cities or at the regional and international trade level) significantly to easily access the raw materials to the site of the project and to conveniently distribution of products to potential customers.

7.3. Sources

sources diverse to provide the project with necessary raw materials for its work, including, but not limited to shops of tire change and landfills which are the most important sources, as we aspire to set an exclusive agreements with local councils and municipals for assembly and supply of raw materials.

7.4. Technological Impact

technological improvements of production equipments contribute to provide alternative production lines, so it will help in the selection of the most appropriate lines to the project needs and commensurate with the size of the desired or expected production volume and quality of products that will be obtained. Not to mention the alternatives of environmentally friendly production lines to choose from.

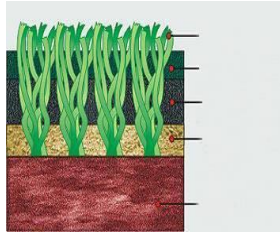
Photos of three manufacturing and transforming machines :

- **tires milling machine where it produce the raw granules that used in various stages of the products later:**



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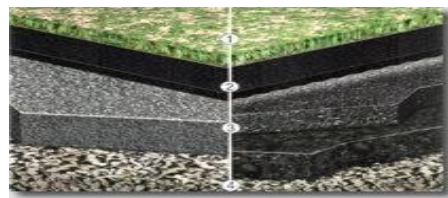
Rubber granules (the basic Output material of this machine):



Raw rubber granules inside the artificial turf



Raw rubber granules



Rubber granules used in the basis of pitches

The production capacity of this machine estimated with 2 tons per hour, where each 1000 kg of tires produce 700 kg raw rubber granules

- **Machine for the preparation of various flooring products:**



Where the output of this machine forms diversified pitches floors as clear in the accompanying illustrations:



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Note: no environment harmful chemical substances or prohibited to entry Palestine are included, where products are formed by heat and pressure and only pigments added.

❖ *Mixing machine to prepare granules with pigments :*



• The main function of this machine is mixing of rubber granules derived from the basic stage and pigment it with required color according to the nature of the pitch, it is also not harmful machine and have no environmental harm emissions when interact with heat and sun.

• Illustrations of Output:



8. Summary of Market Analysis

market analysis points to the existence of main users for products provided by the project, and that these users spread over a variety of segments of potential customers locally and externally.

Also it points to an increasing demand on basic materials that this project produces; this growing in demand comes as a result of accelerating development works of infrastructure in conjunction with the urgent need to find solutions for the environmental problems which this project contributes to eliminate by its main activity based on recycling used tires to provide market with needed products.

In addition to that one of the main objectives of the project is to provide local market with alternative solutions against importing similar products reaching to self-sufficiency, at least to cover these products.

8.1. Division of the market

According to the table of expected market analysis, the potential customers are divided into two main sections , and they are the local customers (in Palestine) and form about 80% of the potential market, which includes contractors, manufacturers and dealers of building materials and insulation in addition to the local bodies, government and farmers sector.

The external customers comprise about 20% of the potential market, which we hope to increase its volume after the fifth year of production.

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Here we must point out that the main problem in growth of size of future market is limited capacity to meet future demand as a result of limited amounts of basic productive resources, as it is, and despite of its relatively increase annually, but the rate of its increase locally offset by a greater increasing proportion of the domestic and external demand. (limited of raw materials quantities can be obtained per year).

This is all through several means whether bids for dealing with local suppliers or or through direct agreements with external suppliers .

8.2. strategy of targeted market division

Defining the market strategy:

The reason for defining the expected market into the categories within above market analysis is that these categories are the categories of main users of the products supplied by the project due to the privacy of materials produced by the project.

8.2.1. Needs of the market

the need for prospective customers to the materials produced by the project clearly appear particularly in the domestic sports sector market, where there is a growing demand for raw and ready-made products of the project as a result of acceleration in the development of sports infrastructure in Palestine, which is still in its infancy and need more development.

As for the external market, the need of products, according to studies, is also on rise because of the increasingly direction of investments towards recycling projects that produce similar materials to products of this project.

8.2.2. Direction of the market

Result of increased environmental awareness among communities globally an urgent need rises to find solutions to environmental problems facing humanity, and in order of that groups of business that deal with making use of solid waste through recycling established to extract and provide basic materials for production and construction processes, especially with our recognition of the fact of scarcity of economic resources globally, and therefore, this project meets the market needs of basic materials requested for the various and increasing production processes in present and in future to achieve environmental and economic desired goals locally and globally.

8.2.3. Market growth

According to Central Bureau of Statistics ² the number of licensed vehicles in the West Bank continues to grow, as well as the case for the number of imported tires to meet the local market needs, this increase offset by an annual increase in the numbers of indispensable used tires, which indicates that there is an urgent need to reduce negative environmental impact of annually accumulated waste of used tires through recycling and production of new materials that could be used economically and could meet the growing needs of domestic and external market of these products.

8.3. Industry analysis

This project falls within an important sector of industries which is transforming industry. It is mainly specialized in recycling solid waste (used tires), for the production of basic goods that used in the production of healthy and environmental eco-friendly outputs serving the sports sector.

This sectore is one of the arising sectores locally, and it has a wide range of encourage, interest and increasing support by local authorities and from many institutions and international bodies for its leading role in reducing the environmental problems faced by civil societies.

8.3.1. Participants in the industry

there is no spread to similar projects locally, since this project is the first of its kind to be established in Palestine. at the global level there is more interest and spread over to the idea, though, but the number of participants in such projects is not the big numbers in most countries of the world because of that this markets is relatively recent.

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8.3.2. Distribution channels

Current distribution channels depend on:

- The creation of a number of customers and authorized distributors to cover local market.
- Allocation of foreign markets requested amounts that serve the sport sector through the website of the project.

However, for some industries in need of materials produced by the project we will rely on the mechanism of direct sales to customers, especially owners of large industries for either domestic or foreign markets.

8.3.3. Purchasing patterns

Despite the presence of growing demand for products that this project is to provide to local and foreign markets, but the purchasing decisions of potential customers (consumers) in this sector of the industry depends on several factors, including:

- Quality.
- The price.
- The reputation of the product.
- Shipping costs.
- Delivery times and proximity to markets.
- Location.

8.3.4. Major competitors

currently, in the West Bank, there is no direct competitor in the field of recycling used tires, or in the production of materials needed for the infrastructure of the sports facilities.

But the domestic market needs of products used in the development of floors infrastructure and for roofs of sports facilities are made available through importing them from abroad with a relatively high costs of buying, shipping and installation compared to selling the prices of the products provided by the project, these prices varying with at least 15% in cost customer faces among these two resources.

Moreover, these imported materials are provided only upon request and are not available on an ongoing basis other than that provided by our projects that provide requested materials to buyers throughout the year.

Buyers needs to deal directly with outside producers when bying imported products where local distribution channels to handle with are absence.

9. Strategy and Implementation Summary

in this project, we will adopt to full invest and build human relationships that connect or will connect the project to other industries in order to obtain the best possible contracts for the sale of our products.

Some of present industry sectors have a directly distinctive tie with the project management, which will contribute to overcoming the obstacles to building bridges of trust with potential customers in these industries.

we also will depend on distribution of a number of products through a network of distribution channels and points of sale that we seek for its establishment, locally and regionally within the current stage.

9.1. SWOT analysis: The following analysis shows strengths and weaknesses within the project and describes the opportunities and challenges surrounding the project:

9.1.1. Strengths

The strengths of the project lies in several points:

- products of the project are the first of its kind which are manufactured locally.
- The project will be placed in a middle position gives it distinctive from other sites.
- management of the project will employ the services of local marketing consultants and experts throughout the life of the project.

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Project management team members are scientific qualified personnel and have the necessary skills for the success of the project, as well as member's geographical allocation on various areas, which helps management team to access all areas of market through their network of relations.

- as well as it should be noted that the cost of obtaining the basic materials for production will be only transfer wages of these materials, "semi-free materials."

9.1.2. Weaknesses

weaknesses Can be shown through:

- Lack of production capacity to meet the increasing demand due to the availability of quantities of raw materials in the future less than production needs.
- One of the current main weaknesses is lack of fund available, and that a portion of the project depends on borrowing to cover required capital.
- Part of profits in the first years has to cover loan payments.
- The project is located in areas still under occupation; there is an opportunity that it will be hard to cover or access to a number of local geographical areas because of potential barriers or closures conditions.
- Movement of the products may face the risk of the imposition of measures and / or new charges that impede its movement so it will affect the quantity of such exports in the future.

9.1.3. Opportunities

The most important opportunities that the project can obtained are:

- a positive and fast development in the size of the market.
- Future Opportunities for integration into powerful business groups.

9.1.4. Challenges

important challenges that faces the project are:

- Building external distribution channels .
- The possible emergence of local competitors in the same area of production that may weaken the project's competitive strength.
- The risk of a price war between local competitors.
- challenges of the imposition of new tax fees or increasing it particularly on the exported products issued by the outside, moreover the possibility of imposing new laws and regulations may contribute to impeding project's growth and expansion.

9.2. Marketing strategy

The marketing strategy based on several axes:

- The use of different types of media to define features of our products , including audio, visual and printed media.
- targeting of social sites across the web and use them for the purposes of project's products promoting.
- Focus on the implementation of the direct selling policy to outside importers as well as for a number of targeted local industries.
- Provide targeted customers with appropriate information about products through promotional campaigns for sports associations, official and informal bodies.

We look at our project as a distinct economically work that provides local and international market with high quality products, we here consider that the main objective of marketing efforts we undertake is to deliver this principle to our current and future potential customers.

9.2.1. Positioning : for local customers, contractors or suppliers who need to meet their purchasing requirements of finished products intended for use in the infrastructure developing works for local sports facilities, their dependence on our ready-made flooring, mats, and tiles designed for athletic facilities, it will serve their interests through access to these products with an appropriate timing, cost and quality. Non-like similar products which are imported from external suppliers, which may keep them facing risks of delay, carry high costs and get products without required quality from these sources, which give advantage to our products over other alternatives.

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9.2.2. Pricing strategy : As our main interests are to provide high quality products that meet the highest internationally known production standards, and where the prices of similar products are currently selected in accordance with prices of import market of these products, but we are, and although this project is the first of its kind locally, we will adopt in pricing policy for all our products - and not inconsistent with the policy of our positioning - to provide the needs of potential buyers for our products at a lower cost than other alternatives, imported by at least 15% of the cost of the imported alternatives.

For example: the price of outside ton of crude (granulated rubber) by the official sale websites ranges between \$ 1100 to \$ 1500 per ton , this price does not include any customs duties or taxes, where after addition the price rises by at least 30%, while the price per ton produced by our project cost customer \$ 800 at most. This applies to all products, where all of them rely on the basic raw material extracted (rubber granules).

9.2.3. Promotion strategy

in promotion we depend on:

- Building distinctive and continuous relationships is the basis for success in all businesses, and we believe that the presence of a special relationship with the owners of industries within and outside the scope of our project work, will effectively contribute to the promotion of our business and products in a non-direct way.
- , we will work in a direct way to enhance the knowledge of the targeted buyers about our products through various media means, audio, visual and print media.
- Active participation in local and regional exhibitions.
- the preparation of publications and special brochures explain the project's products.
- We will focus on the use of the Internet and social networking sites especially in the definition of our products and its features.
- We will also hold a number of open meetings with the public on a regular basis to introduce our products.

All of this requires us to develop an appropriate budget to promote the work of the project; currently we have adoption the rate of 9% of the value of total expected sales to meet the costs of promoting, with our intention to modify and developed this ratio according to the development and growth stages of the project's works.

9.2.4. Distribution strategy

The building of Foreign distribution channels is one of the most important challenges that faces the project, while the costs of sales distribution to the local market are accounted on the customer, but the costs of distribution of outside sales will be accounted on the project, we ,in distribution strategy, will work to raise the value of our exports during the early stages of the lifetime of the project , to take advantage of tax exemptions that official authorities allow on exports during that period, which will contribute to reducing the value of fees that we stand for toward creation of several foreign distribution channels along with the first stages of the project.

9.3. Sales strategy

The sales strategy grounds on the following points

- sales strategy focused in the first place to meet the demand of customers whom with we have built work links and excellent relations to continue provide them with large quantities of products particularly external customers.
- Second, we will focus on increasing the volume of sales to the remaining customers within the current distribution channels.
- After we reach to the maximum volume of sales for the entire current distribution channels, we will then move to focus on increasing sales to new distribution channels.

9.3.1. Sales forecasting

explain of sales expectations

As shown in sales expectations Table for the first five years of the project's life, the value of our expectations for sales remain under 140 000 dollars during the first year with quantity of 323 tons of products, and that this amount has developed on a conservative assum which is the project has only recycled 50% of availale quantities of used tires waste in the West Bank.

we have Assumed a growth of 8.5% - 9% annually in the amount of sales on the base of an increase in selling

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prices by 5% in the second and fourth years , so that to double the value of the expected sales at the end of the fifth year than it was at the end of the first year.

Sales forecasting					
	Year 1	Year 2	Year 3	Year 4	Year 5
Unit Sales					
Raw Rubber granules	208	117	114	111	106
Metal	64	67	73	79	86
Manufactured Rubber granules	20	117	140	166	196
Nylon and Fiber	32	33	36	40	43
Total Unit Sales	323	333	363	396	431
Unit Prices					
	Year 1	Year 2	Year 3	Year 4	Year 5
Raw Rubber granules	\$650.00	\$682.50	\$682.50	\$716.63	\$716.63
Metal	\$450.00	\$472.50	\$682.50	\$716.63	\$716.63
Manufactured Rubber granules	\$900.00	\$945.00	\$945.00	\$992.25	\$992.25
Nylon and Fiber	\$300.00	\$315.00	\$682.50	\$716.63	\$716.63
Sales					
Raw Rubber granules	\$135,200	\$79,599	\$78,058	\$79,382	\$75,683
Metal	\$28,578	\$31,490	\$49,561	\$56,701	\$61,782
Manufactured Rubber granules	\$18,000	\$110,214	\$132,098	\$164,870	\$194,613
Nylon and Fiber	\$9,528	\$10,497	\$24,780	\$28,351	\$30,891
Total Sales	\$191,306	\$231,800	\$284,498	\$329,305	\$362,969
Direct Unit Costs					
	Year 1	Year 2	Year 3	Year 4	Year 5
Raw Rubber granules	\$325.00	\$341.25	\$341.25	\$358.31	\$358.31
Metal	\$90.00	\$94.50	\$136.50	\$143.33	\$143.33
Manufactured Rubber granules	\$180.00	\$189.00	\$189.00	\$198.45	\$198.45
Nylon and Fiber	\$30.00	\$31.50	\$68.25	\$71.66	\$71.66
Direct Cost of Sales					
Raw Rubber granules	\$67,600	\$39,800	\$39,029	\$39,691	\$37,841
Metal	\$5,716	\$6,298	\$9,912	\$11,340	\$12,356
Manufactured Rubber granules	\$3,600	\$22,043	\$26,420	\$32,974	\$38,923
Nylon and Fiber	\$953	\$1,050	\$2,478	\$2,835	\$3,089
Subtotal Direct Cost of Sales	\$77,868	\$69,190	\$77,839	\$86,840	\$92,209

10. Administration

current Partners in the project will form a Board of Directors (BoD) to manage their project, this BoD will be responsible for monitoring the entire project work through periodically assignment of one of them to take over management of the project team directly.

In addition to the Board of Directors, there will be an executive team to implement project's works, this executive team consisting of 12 employees allocated in the departments of production, marketing, financial management and administrative.

10.1. Organizational Structure

Organizational Structure of the project Consists of three main levels to manage and implement policies of the project .

the top management level of the project is the Board of Directors, which shall take charges of making strategic decisions for the project, and are represented by one of them to be the Chairman and the General Director who

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will be responsible for managing the entire project.

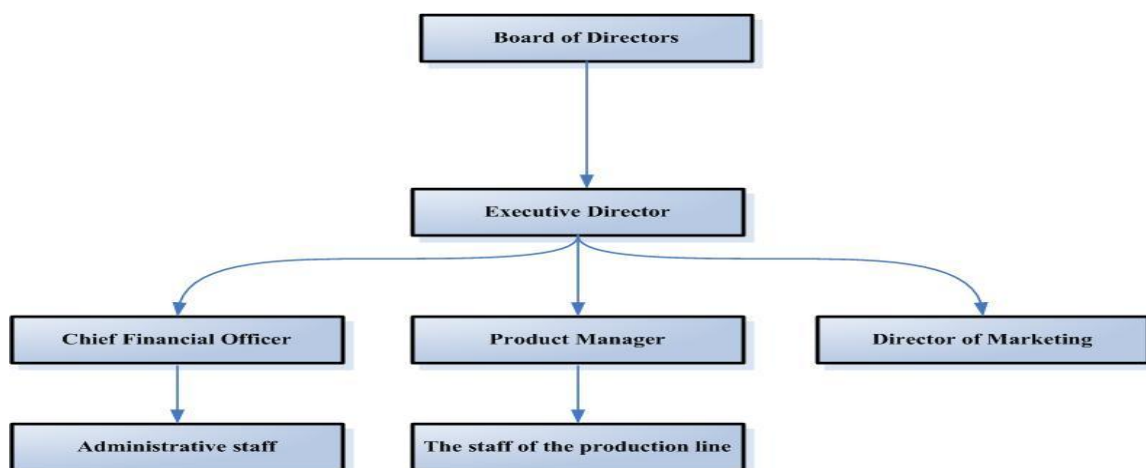
Then comes the level of the executive departments as production, marketing, financial management and human resources, these executive departments shall report to the General Director.

10.2. Management team :

what Distinguished about work Management team is the diversity of experiences that benefit all areas of project work, whether marketing, administrative, financial ,public relations or productivity.

10.3. Planning staff

requirements of human resources are distributed according to the following table below



Plan staff					
YEAR	1 YEAR	2 YEAR	3 YEAR	4 YEAR	5 YEAR
personnel Production					
Production Manager	\$6,000	\$12,600	\$13,230	\$13,892	\$14,586
5 production workers	\$12,000	\$25,200	\$26,460	\$27,783	\$29,172
Subtotal	\$18,000	\$37,800	\$39,690	\$41,675	\$43,758
Sales and marketing personnel					
Director of Marketing and Sales	\$8,000	\$12,600	\$13,230	\$13,892	\$14,586
Subtotal	\$8,000	\$12,600	\$13,230	\$13,892	\$14,586
Public Administration and Personnel					
Director of Finance	\$13,500	\$18,900	\$19,845	\$20,837	\$21,879
Secretary	\$3,600	\$5,040	\$5,292	\$5,557	\$5,834
Guard	\$3,150	\$4,410	\$4,631	\$4,862	\$5,105
Driver	\$3,600	\$7,560	\$7,938	\$8,335	\$8,752
Subtotal	\$23,850	\$35,910	\$37,706	\$39,591	\$41,570
Total salaries	\$49,850	\$86,310	\$90,626	\$95,158	\$99,914

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11. Financial plan

The project's financial plan is clear in the following tables

11.1. Primary Costs financing

Start-up Funding	
Start-up Expenses to Fund	\$9,650
Start-up Assets to Fund	\$300,000
Total Funding Required	\$309,650
Assets	
Non-cash Assets from Start-up	\$290,000
Cash Requirements from Start-up	\$10,000
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$10,000
Total Assets	\$300,000
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$250,000
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$250,000
Capital	
Planned Investment	
Owner	\$59,650
Investor	\$0
Additional Investment Requirement	\$0
Total Planned Investment	\$59,650
Loss at Start-up (Start-up Expenses)	(\$9,650)
Total Capital	\$50,000
Total Capital and Liabilities	\$300,000
Total Funding	\$309,650

Recycling For Sports

11.2. Break-even Analysis

<i>Break-even Analysis</i>	
Monthly Units Break-even	\$24
Monthly Revenue Break-even	\$14,129
Assumptions:	
Average Per-Unit Revenue	\$592.28
Average Per-Unit Variable Cost	\$241.08
Estimated Monthly Fixed Cost	\$8,378

11.3. Pro Forma Profit and Loss

Pro Forma Profit and Loss	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	\$191,306	\$231,800	\$284,498	\$329,305	\$362,969
Direct Costs of Goods	\$77,868	\$69,190	\$77,839	\$86,840	\$92,209
Production Payroll	\$18,000	\$37,800	\$39,690	\$41,675	\$43,758
Other Costs of Goods	\$0	\$0	\$0	\$0	\$0
Cost of Goods Sold	\$95,868	\$106,990	\$117,529	\$128,515	\$135,967
Gross Margin	\$95,437	\$124,810	\$166,969	\$200,789	\$227,001
Gross Margin %	49.89%	53.84%	58.69%	60.97%	62.54%
Operating Expenses					
Sales and Marketing Expenses					
Sales and Marketing Payroll	\$8,000	\$12,600	\$13,230	\$13,892	\$14,586
Advertising/Promotion	\$12,400	\$16,850	\$19,000	\$22,300	\$24,900
Other Sales and Marketing Expenses	\$0	\$0	\$0	\$0	\$0
Total Sales and Marketing Expenses	\$20,400	\$29,450	\$32,230	\$36,192	\$39,486
Sales and Marketing %	10.66%	12.70%	11.33%	10.99%	10.88%
General and Administrative Expenses					
General and Administrative Payroll	\$23,850	\$35,910	\$37,706	\$39,591	\$41,570
Marketing/Promotion	\$0	\$0	\$0	\$0	\$0
Depreciation	\$28,500	\$28,500	\$28,500	\$28,500	\$28,500
Rent	\$1,800	\$0	\$0	\$0	\$0
Utilities	\$6,000	\$7,000	\$7,500	\$8,000	\$8,500
Insurance	\$6,000	\$6,000	\$8,000	\$9,000	\$9,500
Payroll Taxes	\$3,988	\$6,905	\$7,250	\$7,613	\$7,993
Other General and Administrative Expenses	\$0	\$0	\$0	\$0	\$0
Total General and Administrative Expenses	\$70,138	\$84,315	\$88,956	\$92,704	\$96,063
General and Administrative %	36.66%	36.37%	31.27%	28.15%	26.47%
Other Expenses:					
Other Payroll	\$0	\$0	\$0	\$0	\$0
Consultants	\$3,000	\$0	\$0	\$0	\$0
Other Expenses	\$7,000	\$8,500	\$9,000	\$9,000	\$9,500
Total Other Expenses	\$10,000	\$8,500	\$9,000	\$9,000	\$9,500
Other %	5.23%	3.67%	3.16%	2.73%	2.62%
Total Operating Expenses	\$100,538	\$122,265	\$130,186	\$137,896	\$145,049
Profit Before Interest and Taxes	(\$5,101)	\$2,545	\$36,783	\$62,893	\$81,952
EBITDA	\$23,399	\$31,045	\$65,283	\$91,393	\$110,452
Interest Expense	\$16,949	\$13,720	\$9,940	\$6,160	\$2,380

Recycling For Sports

Taxes Incurred	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$22,049)	(\$11,175)	\$26,843	\$56,733	\$79,572
Net Profit/Sales	-11.53%	-4.82%	9.44%	17.23%	21.92%

11.4. Pro Forma Cash Flow

Pro Forma Cash Flow	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Received					
Cash from Operations					
Cash Sales	\$133,914	\$162,260	\$199,148	\$230,513	\$254,078
Cash from Receivables	\$51,926	\$68,383	\$83,844	\$97,511	\$107,929
Subtotal Cash from Operations	\$185,840	\$230,643	\$282,992	\$328,024	\$362,007
Additional Cash Received					
Sales Tax, VAT, HST/GST Received	\$27,739	\$33,611	\$41,252	\$47,749	\$52,630
New Current Borrowing	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$0	\$0	\$0	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$213,579	\$264,254	\$324,244	\$375,773	\$414,637
Expenditures	Year 1	Year 2	Year 3	Year 4	Year 5
Expenditures from Operations					
Cash Spending	\$49,850	\$86,310	\$90,626	\$95,158	\$99,914
Bill Payments	\$127,596	\$127,099	\$138,200	\$148,925	\$155,168
Subtotal Spent on Operations	\$177,446	\$213,409	\$228,826	\$244,083	\$255,082
Additional Cash Spent					
Sales Tax, VAT, HST/GST Paid Out	\$0	\$0	\$0	\$0	\$0
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$27,000	\$54,000	\$54,000	\$54,000	\$54,000
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$204,446	\$267,409	\$282,826	\$298,083	\$309,082
Net Cash Flow	\$9,133	(\$3,155)	\$41,418	\$77,690	\$105,555
Cash Balance	\$19,133	\$15,978	\$57,396	\$135,086	\$240,641

Recycling For Sports

11.5. Pro Forma Balance Sheet

Pro Forma Balance Sheet					
	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
Cash	\$19,133	\$15,978	\$57,396	\$135,086	\$240,641
Accounts Receivable	\$5,466	\$6,623	\$8,129	\$9,409	\$10,371
Inventory	\$5,636	\$5,008	\$5,634	\$6,521	\$7,188
Other Current Assets	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Total Current Assets	\$32,235	\$29,608	\$73,158	\$153,016	\$260,199
Long-term Assets					
Long-term Assets	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000
Accumulated Depreciation	\$28,500	\$57,000	\$85,500	\$114,000	\$142,500
Total Long-term Assets	\$256,500	\$228,000	\$199,500	\$171,000	\$142,500
Total Assets	\$288,735	\$257,608	\$272,658	\$324,016	\$402,699
Liabilities and Capital	Year 1	Year 2	Year 3	Year 4	Year 5
Current Liabilities					
Accounts Payable	\$10,045	\$10,482	\$11,437	\$12,312	\$12,793
Current Borrowing	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$27,739	\$61,350	\$102,602	\$150,352	\$202,982
Subtotal Current Liabilities	\$37,784	\$71,833	\$114,040	\$162,664	\$215,775
Long-term Liabilities	\$223,000	\$169,000	\$115,000	\$61,000	\$7,000
Total Liabilities	\$260,784	\$240,833	\$229,040	\$223,664	\$222,775
Paid-in Capital	\$59,650	\$59,650	\$59,650	\$59,650	\$59,650
Retained Earnings	(\$9,650)	(\$31,699)	(\$42,874)	(\$16,032)	\$40,702
Earnings	(\$22,049)	(\$11,175)	\$26,843	\$56,733	\$79,572
Total Capital	\$27,951	\$16,776	\$43,618	\$100,352	\$179,924
Total Liabilities and Capital	\$288,735	\$257,608	\$272,658	\$324,016	\$402,699
Net Worth	\$27,951	\$16,776	\$43,618	\$100,352	\$179,924

12. Start of the project: recycling for the sport.

• It will be at the opening ceremony, and will carry the name: sport stadiums in a Palestinian hands .
 Location: Albireh Park , because it is located in Ramallah area, where a wide space for guests and products, and it is easy to reach to and there are more than a gate for entry and exit and a place for parking.

Invitation cards: which will be primarily distributed to the guests of honor , official personalities and personalities from the private sector, they are:

- Minister of Youth and Sports.
- Representatives of sports unions.
- Minister of the environment.
- Minister of Transportation.
- Minister of Education and a number of school administrators.
- Suppliers of tires.

Recycling For Sports

- **Companies supplying cars.**
- **Heads of municipalities.**
- **And many of the honor persons.**
- **the way of advertising: through advertising media and audio-visual and print, And distribution of brochures.**
- **The ceremony is sponsored by the project co-funders and supporters.**