

# **CARRIAGE SAWMILL BUSINESS CASE WORK**

## **SCOPE**

### **BACKGROUND**

Tropik Wood Industries Limited(TWIL) owns and operates the largest sawmill, woodchip milling facilities in Fiji and is also an independent green energy power producer utilizing biomass fuel from mill waste and logging debris and exporting power into the national grid.

TWIL's current sawmill setup is structurally designed for softwood processing mainly pine(PCH) and the maximum log diameter intake is only limited to 650mm diameter and anything above will have to be resold to other private saw millers meaning that our recovery is lower compared to if logs are sold as timber.

This triggered the concept for a large end diameter sawmill that can cater for excess large diameter logs from the current sawmill setup and also other species most preferably mahogany.

This is a new venture in terms of output product requirement and timber specification in which business engagement will be driven by the needs and the demands of the market therefore it is critical that a business plan to be developed to analyze the viability of this new venture and pros and cons of the mahogany business sector.

### **DELIVERABLES**

The report is expected to cover the current business environment of the Mahogany Business sector, analyze and forecast the viability of the Mahogany mill business setup.

### **WORK SCOPE**

The expected work to cover the following areas:

#### **Marketing Plan**

1. Product Description
2. Market Area
3. Total Demand Analysis
4. Main Customers
5. Competitive Advantages
6. Market Share
7. Selling Price Analysis
8. Sales Forecast in Units
9. Sales Forecast in Dollars
10. Promotional Measures
11. Marketing Expenses

#### **Production Plan**

1. Production Process & Analysis
2. Fixed Assets Needed and Details
3. Raw Material Needed & Analysis
4. Raw Material Cost
5. Overhead Cost Listing & Details
6. Labor Needed & Description
7. Labor Cost
8. Unit Cost Calculation Summary

## **Organization Plan**

1. Business Ownership
2. Organization Structure
3. Technical Staff Needed and Qualification
4. Business Formalization
5. Pre-operating Expenses 2
6. Administration Equipment and Assets
7. Administration Expenses
8. SWOT/PESTL Analysis
9. Risk Analysis

## **Financial Plan**

1. Total Project Cost
2. Income & Expenditure
3. Cash Flow Statement
4. Balance Sheet
5. Financial Analysis
6. Sales Analysis/ Trend
7. Liquidity
8. Profitability
9. Payback Period
10. Balance Sheet Analysis