

Cullet Processing and Trading

A Feasibility Study

Presented to

the faculty of the College of Business Administration

De La Salle University - Dasmariñas

Dasmariñas, Cavite

In partial fulfillment

of the requirements for the degree

Bachelor of Science in Business Administration

Maryben B. Contridas

March 1998

Abstract

Name of Institution : Dela Salle University Dasmariñas

Address : Dasmariñas, Cavite

Title : Cullet Processing and Trading

Author /Proponent : Maryben B. Contridas

Funding Source : Parents

Cost : P 5,000.00

Date Started : June 1997

Date Completed : March 1998

OBJECTIVES OF THE STUDY**A. GENERAL**

To determine the viability and feasibility of Cullet Processing and Trading in Palasan, Valenzuela as part of the glass recycling industry.

B. SPECIFIC

To determine the different aspects that will be of vital importance in managing and establishing a business: Management, Marketing, Technical, Financial and Socio-Economic.

SCOPE AND COVERAGE

This study is confined and limited only to a market comprising glass manufacturers and junk dealers. It is focused only on processing waste glass or cullet (includes removal of contaminants by machine, manual sorting, crushing and washing) that will be distributed to various glass plants for recycle or reuse.

METHODOLOGY

Necessary informations were taken from government agencies such as Department of Trade and Industry (DTI) and National Statistics Office (NSO). Personal interviews and plant visits were also conducted to gather data. These plants are Manila Glass Plant (Farola), San Miguel Yamamura Asia Corporation (SMYAC) and Prime Packaging Corporation (Primepak). Books, encyclopedia, clippings, handouts and other research materials were also used.

MAJOR FINDINGS

The content of this project feasibility study showed sufficient information and presented accurate data that will be beneficial to all whom would take interest on the cullet processing business.

CONCLUSION

It is, therefore, concluded that cullet processing business warrants profitability. The project has been proven to be economically and financially feasible, and is open for future technological development.

RECOMMENDATION

Cullet processing and trading, besides being an environment-friendly and profitable business, would also be a future necessity for glass manufacturers. Basic ingredients in producing glass products like silica sand, feldspar and limestone are slowly depleting and the use of 100% cullet to the batch is possible. The researcher, therefore, recommend that there should be more investors to establish and put up a cullet processing plant to meet the demand.

Table of Contents

PRELIMINARIES	PAGE
TITLE PAGE _____	i
FEASIBILITY ABSTRACT _____	ii
APPROVAL SHEET _____	v
ACKNOWLEDGMENTS _____	vi
TABLE OF CONTENTS _____	vii
APPENDICES _____	xi
LIST OF TABLES _____	xii
LIST OF EXHIBITS _____	xiii
LIST OF FIGURES _____	xiv
LIST OF SCHEDULES _____	xv
LIST OF PRESENTATIONS _____	xvi
CHAPTER	
1 INTRODUCTION _____	1
Overview of the study _____	2
The need _____	3
Objectives of the study _____	4
Significance of the study _____	6
Scope and delimitation of the study _____	7

Page

Review of related literature _____ 7

Definition of Terms _____ 8

Methodology _____ 9

Treatment of data _____ 10

2 EXECUTIVE SUMMARY _____ 11

Organization and management _____ 11

Marketing aspect _____ 11

Technical aspect _____ 12

Financial aspect _____ 12

Socio-economic aspect _____ 13

3 ORGANIZATION AND MANAGEMENT _____ 14

Form of business organization _____ 14

Government requirements _____ 14

Personnel specifications

a. Duties and responsibilities _____ 17

b. Qualification requirements _____ 18

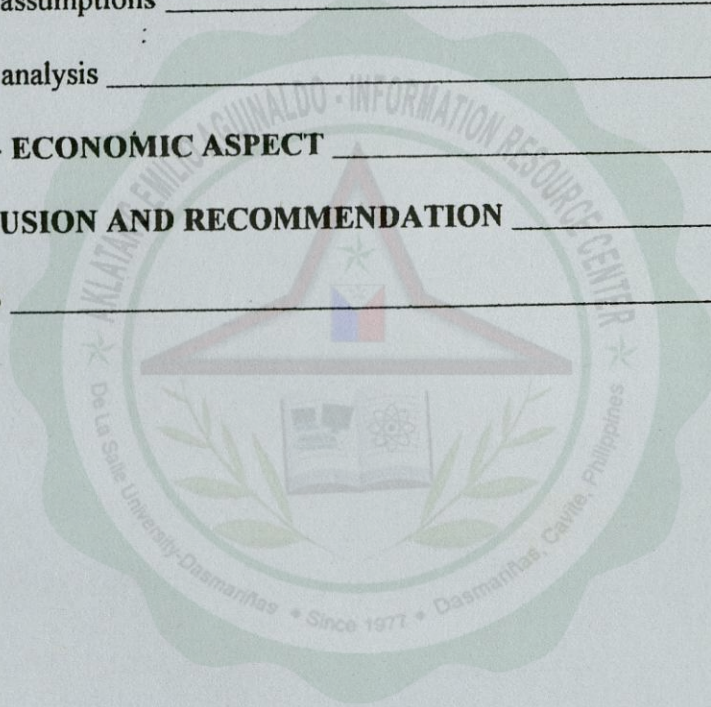
Salary and wage administration _____ 20

Hiring of personnel _____ 23

Project timetable _____ 25

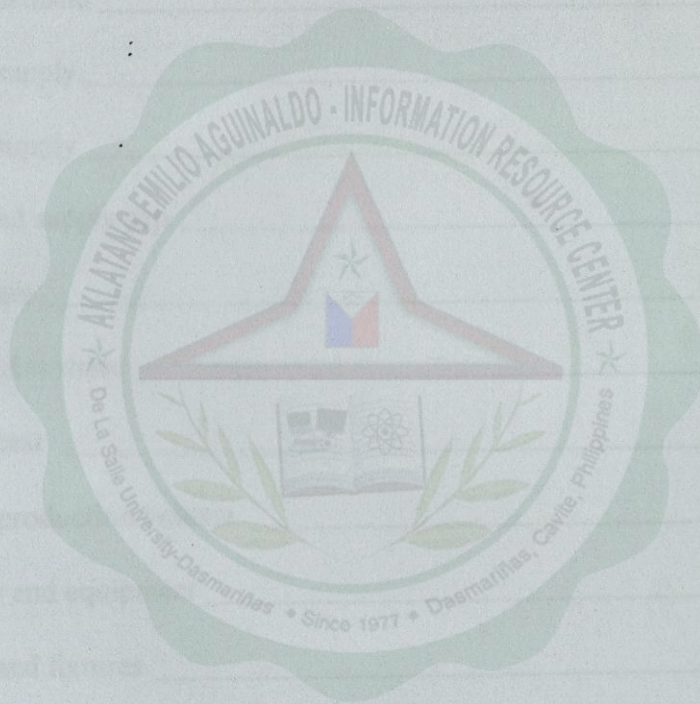
	Page
4	
MARKETING ASPECT _____	26
Market description _____	26
Components of demand _____	26
Historical demand _____	27
Components of supply _____	30
Historical supply _____	30
Supply - Demand analysis _____	33
Target market _____	38
Target market share _____	38
Trade practices _____	38
Pricing scheme _____	38
Advertising and promotion _____	39
5	
TECHNICAL ASPECT _____	41
Product description _____	41
Processing procedure _____	41
Plant size and production schedule _____	46
Machinery and equipment _____	48
Plant location _____	50
Building and facilities _____	54
Utilities _____	54

	Page
Furniture and fixtures _____	54
Waste disposal _____	56
Labor requirements _____	56
6 FINANCIAL ASPECT _____	59
Financial assumptions _____	59
Financial analysis _____	61
7 SOCIO - ECONOMIC ASPECT _____	77
8 CONCLUSION AND RECOMMENDATION _____	78
REFERENCES _____	79



APPENDICES**PAGE**

A. Certification of editor _____	80
B. Computation of projected demand _____	81
C. Computation of projected supply _____	82
1. Historical demand _____	28
4. Projected demand _____	29
4. Historical supply _____	31
6. Projected supply _____	32
7. Demand and supply _____	34
8. Market price _____	35
9. Target price _____	36
10. Sales forecast _____	37
11. Proposed production _____	47
12. Machinery and equipment _____	47
13. Furniture and fixtures _____	55
14. Schedule of direct labor _____	59
15. Direct raw material purchases _____	61



LIST OF TABLES**PAGE**

TABLE

1	Salaries and wages _____	21
2	Employees compensation schedule _____	22
3	Historical demand _____	28
4	Projected demand _____	29
5	Historical supply _____	31
6	Projected supply _____	32
7	Demand and supply gap _____	34
8	Market share _____	35
9	Target market share _____	36
10	Sales forecast _____	37
11	Proposed production volume _____	47
12	Machinery and equipment _____	49
13	Furniture and fixtures _____	55
14	Schedule of direct labor _____	57
15	Direct raw material purchases _____	58

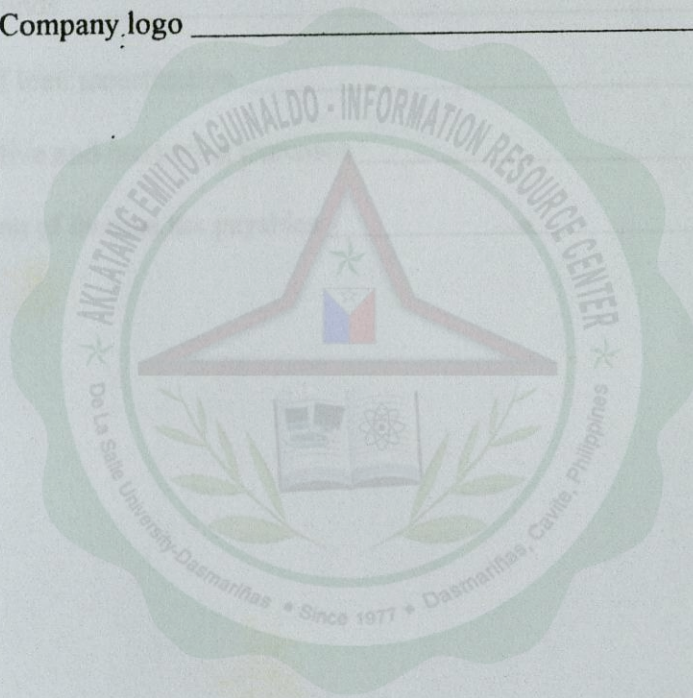
LIST OF EXHIBITS**PAGE****EXHIBIT**

1	Gantt chart _____	24
2	Processing procedure _____	43
3	Layout plan _____	51
4	Vicinity map _____	52 - 53



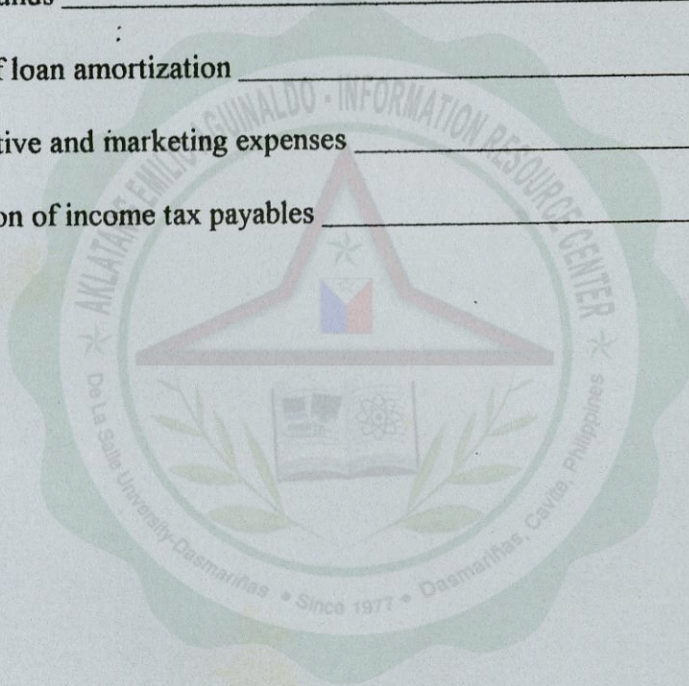
LIST OF FIGURES**PAGE****FIGURE**

1	Organizational chart _____	16
2	Channel of distribution _____	40
3	Process flowchart _____	44
4	Proposed Company logo _____	45



LIST OF SCHEDULES**PAGE****SCHEDULE**

1	Sales forecast _____	64
2	Direct raw material purchases _____	65
3	Total project cost _____	66
4	Source of funds _____	67
5	Schedule of loan amortization _____	68
6	Administrative and marketing expenses _____	69
7	Computation of income tax payables _____	76



LIST OF PRESENTATIONS**PAGE****PRESENTATION**

1	Projected income statement _____	70
2	Projected cash flow statement _____	71
3	Balance sheet _____	72
4	Financial analysis _____	73
5	Table of financial ratios _____	75

