

TRASH-URE LOGISTICS EXECUTIVE SUMMARY

I. Business Overview

Developing countries' trash problem is one of the major environmental challenges of our time. Turkey, as a developing country, generates 25 million tons of waste and only 15% of this number is recovered. To have a good recycle structure, reforming the inefficient trash collection system for the countries' businesses and large apartment complexes is essential. We aim to construct a logistic organization which enhances the collection of waste from households and businesses by offering them several incentives to give their waste as separated garbage according to garbage types such as paper, plastic and metal wastes. Our organization, Trash-ure Logistics, after collecting the waste, will be about transporting and selling these to several manufacturing companies to be recycled. Conducting this system is a key to reaching not only the country's recycling goals but also its goal of creating new jobs in the recycling sector.

II. The Market Opportunity

The current system lacks basic standards for recycling. Many business and houses have no recycling service or don't have effective programs for educating tenants. People need to be informed about the recycling services available in order to utilize effectively. Once the waste is collected from businesses and houses; the country almost has no control over where the waste goes. In general, the government plays a big role in collecting the garbage. Municipalities collect garbage from households and businesses twice a week. Not like what we offer, they do not ask citizens for separating the forms of garbage according to their types. Also, government's garbage collection system does not offer any incentives to people for garbage collection. According to statistical data in Turkey, there are around 300,000 people who work as paper collectors under hard conditions for very low salaries and these people approximately collect 250-300 kg waste per day for recycling. By raising the standards for the waste industry, countries can also create good job opportunities to put people back to work. In today's world, with increasing population and several other factors, consumption continues to rise day by day. In the near future, the world could not support all these demands with its natural resources. To meet the demands, recycling will be more important than it was ever before and this fact will provide us a great market opportunity. Some new firms can enter the market because of the nature of competition. They may also offer incentives to collect trash of people but by being the first runner we will be in a more advantageous position than the new entrants.

III. Market Solution

In today's Turkey, wastes are collected by municipalities and stocked in rural areas as piles of dump without any process or separation. Therefore, there is a catastrophic environmental hazard resulting from this situation. Trash-ure logistics provides people living in the cities with collection of three types of garbage and recycling of these wastes. Trash-ure logistics offers an exclusive membership to environmentally sensitive people and companies. Members of Trash-ure will be provided financial benefits in return of their paper, plastic and metal wastes. Prospective members are supposed to sign up on website of the company in order to become a member. There are two types of membership; individual and corporate. Upon their sign up, individual members will be provided with Trash-ure's special garbage bags so that they can cumulate paper, plastic and metal garbage separately. Corporate members will be provided with Trash-ure's special garbage containers to make accumulation and logistics of garbage more efficiently. These garbage bags and containers will have three colors which are red, blue and yellow. Red bags will be used for papers and cartons, blue bags will be used for metals and yellow bags for plastic garbage. Households and companies will categorize their wastes by using these special garbage bags.

There are two types of collection processes offered for both corporate and individual members. Wastes can be collected twice a week or three times a week at specific hours between 8 am and 6 pm according to demand. As a second choice, collection of wastes will be done based on notice. Members are supposed to order the collection of their garbage on the website with a note of information about their availability. Their order will be processed and time of collection will be arranged according to both schedule of the logistics and availability of the customer.

As a reward for their environmental sensitivity and contribution, individual and corporate members will be provided with some benefits. Individual member will be offered free shopping coupons of big supermarket chains so that their grocery expenses would be lowered. Corporate members will be advertised without any charge for their contribution and support on the website of the company.

IV. The Team

We are students of CEMS Master of International Management. We all have different engineering backgrounds which are chemical-biological engineering, electrical-electronics engineering and industrial engineering. We believe that, with having masters in international management and engineering knowledge, our backgrounds will help us to organize a social entrepreneurship structure. Throughout our lives we have always been

interested in different countries and in learning their cultures. We did not only travel, but also had a chance to study in various countries, so we can say that we have socially interacted a lot with foreign cultures, social structures, etc. Our international mindset and vision will help us to expand our organization to other developing parts of the planet.

V. Financial and Social Impact

The impact of our project will affect the society both financially and socially. There are three bottom lines of the project. First of all, lack of recycling process of garbage in cities of Turkey causes significant hazards to the environment and jeopardizes sustainable development. Therefore, since our service includes the collection and sales of recyclable materials, hazard of garbage in cities will be reduced significantly. Also, economic benefits will be obtained due to recycling of these materials. Furthermore, there are many low income citizens in Turkey, who are earning money by collecting garbage in unhealthy conditions without any social security. Our plan is to employ these people in order to provide them with a solid financial income, social security and safer life, and give jobs to additional underprivileged citizens. In addition, we are planning to train the most able to learn among these people to start their own collection enterprises in smaller cities, under license and operational supervision by Trash-ure Logistics. Hence, our purpose is to create real social value by transforming low income garbage collectors into small business owners. Finally, we are planning to offer financial benefits to individual members as a reward for their contribution. Individual members will be provided with free shopping coupons from supermarket chains. Consequently, we are aiming to help low income families to reduce their grocery expenses. Under these circumstances, the social impact of the project is important to Turkish society for environmental and social reasons.

VI. Financial Evaluation of Business

If we achieve to operate with 5 years in all cities of Turkey with population in excess of 20 million inhabitants, our company is expected to collect 50,000 tons of paper, 10,000 tons of plastic and 15,000 tons of metal monthly. Market price of a ton of plastic is 850 TL. Market price of a ton of paper is 250 TL and price of metal is 150 TL. As a result, our firm is expected to generate 23,250,000 TL monthly. When we compare our expected monthly revenue with the expenditure to operate our company, it can be concluded that our business has a huge potential. Company's profit margins are expected to increase as it continues to expand into new cities in Turkey, where labor costs are much lower than in the initially targeted cities such as İstanbul, İzmir, Ankara. As a result, of this we anticipate to recover the initial investment in 1.5 years.