



RUBBERWOOD PROJECT

PROPOSAL

Proposal for Feasibility Study

This proposal includes our plan to complete the feasibility study on the rubberwood business which involves processing, trading rubberwood through B2B channels, and sales of various rubberwood products across targeted countries.

Feasibility Study Outline:

This project consists of two major segments- **Market Research** and **Financial Model**. In this outline, we have provided details regarding what we plan to cover in each of these segments.

- **Market Research:** market research helps us finetune assumptions for the financial model. We have access to premium data providers such as Statista and Global Data which helps us gather information through secondary research.

Following are some key sections of the market research:

- ☐ **Competitive Landscape:** we conduct research on market players across the targeted countries. We find out key information such as monthly site visitor data which indicates the popularity of the market player, which product pages are mostly visited, etc. In addition, we collect information on promotional activities such as the frequency of posts on social media, customer reviews, key products along with pricing, etc.
- ☐ **Potential Market Size:** there are three components- TAM, SAM, and SOM. TAM means Total Available Market which can be the global market size for rubberwood products. The market size for targeted countries can be considered as SAM (Serviceable Available Market). The market size which we can obtain using our limited resources can be considered SOM (Serviceable Obtainable Market). Please note that based on further research we might consider TAM and SAM differently.

- ☐ **Problems & Opportunities:** we will analyze gaps in the current market offerings to find out untapped areas of the market.
- ☐ **Customer Acquisition Roadmap:** finding out the easiest market to enter, most effective promotional channels, possible marketing budget, and likely outcome in terms of sales over the next 2 to 3 years.
- ☐ **Industry Forces:** this involves Porter's 5 forces and PEST analysis.
- **Financial Model:**
 - ☐ **Assumptions & Drivers:** we start the financial model with assumptions & drivers, this includes tentative investment amounts, assumptions on prices of various revenue items, capacity utilization or volume of sales, promotional budget, and relation of marketing budget with customer acquisition, etc.
 - ☐ **Investment:** we will include a Capex schedule, e.g.- with \$1 million of investment we may allocate a certain amount for construction, a certain amount for the promotional budget, a certain amount for working capital, etc.
 - ☐ **Revenue Model:** the model will identify revenue sources and projected revenue over the next 2-3 years. This projected revenue depends on the marketing budget and average customer acquisition cost. It will help us identify scopes for maximizing revenue by changing different variables such as prices, acquisition cost, etc.
 - ☐ **Cost Structure:** this can be divided into the cost of goods sold and operating costs. The cost of goods sold involves costs that are directly responsible for generating revenue such as utility cost for the wood itself to create various products. On the other hand, operating cost involves costs that indirectly support revenue-generation activities. For e.g. salaries for accountants.

- ☐ **Consolidated Income Statement:** in short, this is the profit or loss statement, and it can be considered as cost-revenue summary.
- ☐ **Cash Flow Statement:** this includes 3 major components- cash flow from operating activities, cash flow from investing activities, and cash flow from financing activities. Cash flow from operation includes receivables, payables, inventory, depreciation, and net profit. Cash flow from investment includes activities related to investment in assets and other relevant areas. In addition, cash flow from financing involves capital investment-related line items.
- ☐ **Balance Sheet:** there are 4 basic components- current assets, fixed assets, equities, and liabilities.

In addition to the above sections, we might add more based on needs.

- **Milestones:**

- ☐ **Industry Analysis:** \$1400

- ☐ **Financial Model:** \$600

- **Lead time:** 4 to 5 weeks

The End