

EnPRO 350: Environmental Urban Wood Reclamation



The Future

SmarTree plans to be a premier tree removal service. We want to provide unique services, in the fact that we deal with a tree from its removal and processing, to its distribution as timber. We have researched and compiled competitive rates from separate companies that provide each of our services. Not only do we offer lower prices, but we are going to integrate the services into one company. Reduction in overhead will drive our lower pricing as will a focus on quantity of clients. We are also unique because we will produce reclaimed timber as one of our wood products. Our research sustains that this taps into a very viable green market, as environmentally sustainable materials continue to have high demand.

Management and Organization

Management Prowess

- 15 Team Members in structured partnership
- Each team member is responsible for decisions, management, and liability of the business

Future HR Needs

- Once operating, business will require more employees
- Employees require strong communication skills, networking skills, quickly adaptive thinking, and creative thinking.

Location

- Initially, our business will be located at IIT.
- Prime location in 3rd Ward, reduces transportation costs and convenient for clients.
- No cost for rent/lease of facilities.
- Upon need to expand, our business will rent a warehouse building.
- The building will need to be convenient for our clients, able to expand, and have a below market rent.
- Important factors to consider: space, truck access, and zoning bylaws concerning a lumber processing business.

Net Income

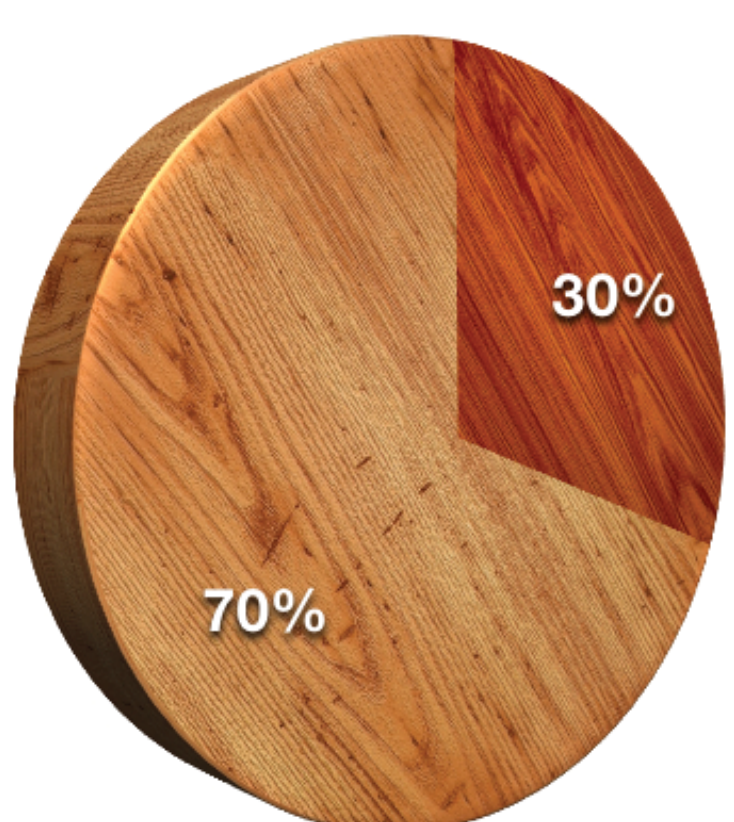
Cumulative Cash Balance

\$553,779

Total Startup Capital Required

Initial Startup Capital - \$109790
Safety Buffer - \$76316

Total Startup Capital



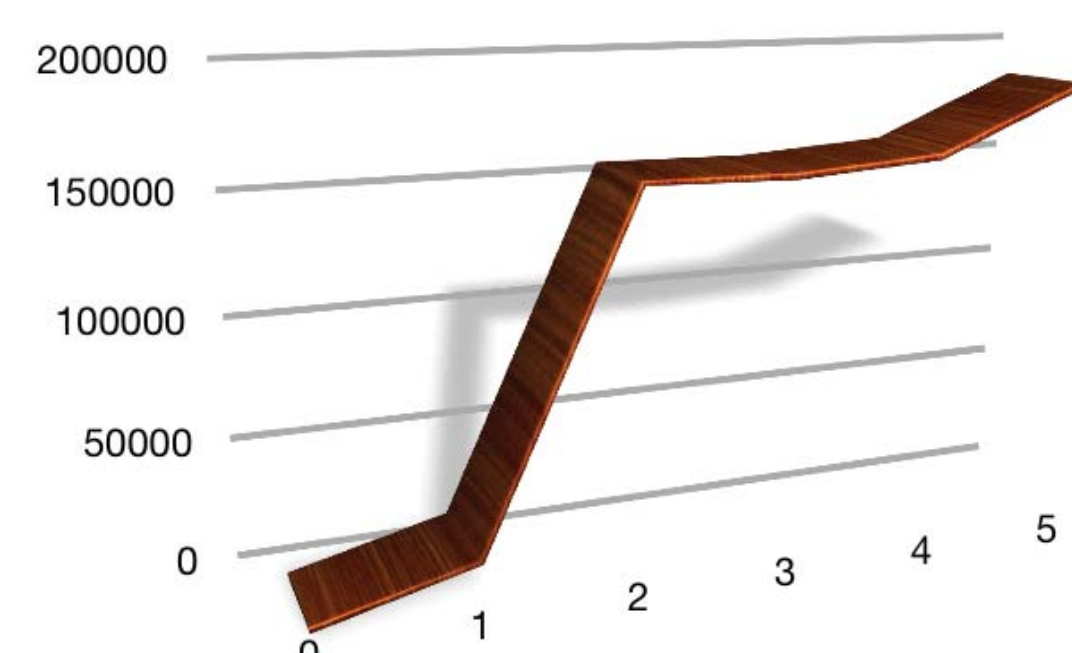
Net Income for Startup Year through Year 5

\$15,631.08 - Startup
\$155,524.08 - Year 2
\$154,416.38 - Year 3
\$158,615.08 - Year 4
\$184,066.48 - Year 5

Investment Return

Over span of 6 years (startup year and following 5 years) the estimated return on investment is 47.18%

Net Income



Revenue

Gross Sales

All inventory from the previous year is sold in the next year.

Inventory

All lumber in inventory is sold in the upcoming year.

Number of units

This is the numerical amount of board feet. After year 2, the amount of board feet processed increases by 25%

Expenses

Advertising

Drying Expense

Equipment

Insurance

Rent/Storage

Supplies

Trademark

Utilities

Vehicle Expenses

Wages

Other Income

Gain (Loss) of Sale of Assets
Equipment purchased in startup year will be sold for 1/5th the original purchase price in year 5.

Challenges

EAB infested wood may not be available due to new pesticide, Tree-age

At this time, Tree-age has not been approved by any local or national government regulatory association as safe or effective. However, the City of Chicago plans to forge ahead and use it. This will affect the amount of trees projected to be obtained from Chicago.

There is no urban wood market

Urban wood holds a stigma for those in the wood production industry, who believe it is filled with metal. While this is true in many cases, metals can be properly removed and don't compromise the quality of the wood itself.

Challenges

People may have objections to tree removal on or near their property

One facet of our company is to educate and consult with prospective customers about the value and safety of removing a dying tree. The free tree assessment will allow the customer to make an informed decision of aesthetics versus safety. Offered in our services is a tree replanting.

EAB awareness is a primary concern

As EAB is a prevalent issue, we may direct our initial marketing toward it. Within this marketing, we will get customers concerned and aware about this problem. This will reduce the spreading of the bug as well. Once revenue is generated, some funds will go to the EAB organizations.



Products with a story.
Mid and high end furniture, cabinetry, hard wood flooring, and sculpture.

This wood is an environmentally conscious product. It was harvested from your local urban forest. Each piece of wood has its own character, just like the tree it was taken from. This very piece was harvested from (location) in the (city name) on _____

SmarTree Products and Gifts

Lumber

- Melissa Lee
- Felix Chunuwe
- Hernan Canales
- Hernan Gilmore
- Christopher Heppel
- Victor Mitchell
- Amy Martin
- Julia Valadez
- Jessica Workman
- Catherine Budzinski
- Sana Ihmoud
- Gabriel Fontes de Faria
- Karen Rivas
- Avni Patel
- Tasha Farris

