

2016

Business plan on mining and processing marble, granite and gypsum



Table of Contents

1. Summary	3
1.1. Short overview	3
2. Products and services	4
2.1. Introduction	4
2.2. Products and services	5
2.3. Related products and services	5
3. Market and industry analysis	5
3.1. The use of product and services	5
3.2. Demographic analysis	8
3.3. Competition	9
3.4. SWOT - analysis	10
4. Target markets	11
4.1. Target consumers	11
4.2. Geographic target market	11
4.3. Pricing	11
5. Advertising and promotion strategies	12
5.1. Promotion strategy	12
5.2. Means of advertising	12
5.3. Sales forecast	12
6. Management	12
6.1. The company and its key staff	12
6.2. Constant consumption of assets	12
6.3. Preproduction costs	12
7. Financial analysis	13
7.1. Cost of goods sold	13
7.2. Break-even analysis	13
7.3. Quantitative analysis	13
7.4. Gains and losses	14
7.5. Cash flow	14
7.6. Enterprise balances	14
7.7. Risks	14
8. Annex. The effectiveness of the project	16

На нашем сайте размещены другие [примеры разработанных нами бизнес-планов](#). Вы также можете ознакомиться с [отзывами наших заказчиков](#), описанием [процедуры заказа бизнес-планов и ТЭО](#). Узнайте как оптимизировать расходы на эту работу посмотрев видеопост "[Стоимость разработки бизнес-плана](#)" на нашем канале Youtube.

➡ Если вы [заполните этот вопросник для подготовки коммерческого предложения](#), мы пришлём вам КП, учитывающее возможности такой оптимизации.

1. Summary

1.1. Short overview

Within the framework of this project it is planned to create a large enterprise for producing marble, granite and gypsum, as well as their processing into building products and materials with further their implementation including all installation services in construction and reconstruction objects in the various countries of the world. This enterprise is planned to locate in the Republic of XXX and based on local mining companies and deposits of non-metallic raw materials.

Summary analysis of market factors showed that the market situation is favorable for implementation of the project in question. In this context, the implementation of the project in question seems to be a rational and timely decision.

1.2. Offered products and services

It is planned to achieve the following indicators on output:

- On the basis of ** pits it is planned to produce up to *** *** cubic meters of marble blocks, *** *** cubic meters of granite, up to *** *** tons of gypsum per year.
- On the basis of two refineries the following yearly production rates are planned: ** *** *** square meters of marble tiles, ** *** *** square meters of granite tiles, * *** *** square meters of marble slabs, * *** *** square meters of granite slabs, ** *** square meters of breccia marble slabs, *** *** square meters of granite slabs breccia, and * *** *** **kg bags of dry marble and granite flooring.
- On the basis of processing gypsum production plant it is planned to manufacture ** *** *** square meters of drywall slabs, and package * *** *** **kg bags of gypsum.

1.3. Mission, goals and objectives

The project mission is to meet the growing global building sector demand for construction materials.

The goal of this investment project is to create modern production facilities for extraction and processing of non-metallic minerals on the basis of marble, granite and gypsum deposits in regions of the Republic of XXX.

The objective of the project is to achieve performance targets. The project is expected to achieve the following parameters of economic efficiency.

Indicators	Measurement	Value
For project		
Planning period	months	***
PV	\$	** *** **
IRR per year	%	***, %
NPV	\$	* *** **
NPV with TV	\$	* *** **
Payback period	months	**

Indicators	Measurement	Value
Payback period with discount	months	**
For investor		
Planning period	months	**
PV	\$	* ** * ** *
IRR per year	%	** %
NPV	\$	* ** * ** *
NPV with TV	\$	* ** * ** *
Payback period	months	**
Payback period with discount	months	**

Table 1. Project performance indicators

Analysis of forecast indicators of the project economic efficiency shows investment attractiveness of this project, as it is evidenced by the following factors:

- A positive net present value (NPV), constituting *,* milliard US dollars excluding terminal value, and *,* milliard US dollars including terminal value.
- A high internal rate of return (IRR) composing ***%.
- The project pays off during the forecast period.

Based on the data presented above, it is concluded that the project in question can be recommended for implementation.

2. Products and services

2.1. Introduction

Within the framework of this project it is planned to create a large enterprise for producing marble, granite and gypsum, as well as their processing into building products and materials with further their implementation including all installation services in construction and reconstruction objects in the various countries of the world. This enterprise is planned to locate in the Republic of XXX and based on local mining companies and deposits of non-metallic raw materials.

Marble and granite are unique natural materials. Rich natural colour scheme and play of light are their main and unique values, which allow you to create decorative effects, magnificent and original compositions.

Living surface of a natural colour stone, its resistance to moisture, heat and heavy loads allows using it for cladding facades and interiors of buildings, to make facing and flooring slabs, stairs, countertops and window sills from it.

Thanks to the durability of natural stone and its proper use, people ensure reduced costs for buildings and surrounding areas *- * times as compared with the use of artificial stone imitations.

The use of natural materials in construction of housing and public buildings becomes increasingly popular and their consumption is growing every year-of.

2.2. Products and services

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- On the basis of processing gypsum production plant it is planned to manufacture ** *** *** square meters of drywall slabs, and package * *** *** **kg bags of gypsum.

2.3. Related products and services

Besides production and processing of non-metallic raw materials it is also planned:

- To form production teams for installation of marble, granite tiles, slabs, breccias, as well as dry marble and granite floors at construction sites around the world.
- To open Trading Houses for commercialization of products in marble, granite, gypsum in the United States, Japan, Syria, the Republic of South Africa, England, Australia, UAE and Russia.
- To organize separate departments within Trading Houses on installation of marble, granite tiles, slabs, flooring and breccias at construction and re-construction facilities.

3. Market and industry analysis

3.1. The use of product and services

Natural stone, despite the emergence of a huge number of artificial materials for various purposes, used in ever increasing quantities.

Annual stone consumption growth is *-*%. Over the past ** years, stone consumption in the world has doubled, reaching * million tons of stone products per year.¹**

1

Global consumption growth was due to the intensive development of the construction industry. More than **% of the total consumption of stone falls on the construction industry.

The following diagram shows the data for countrywide production of stone blocks.²

.....

Chart 1. Production of stone blocks on a country-by-country basis

As can be seen from the above chart,

.....

Chart 2. Consumption of stone blocks on a country-by-country basis

As can be seen from the above chart,

Russia should also be noted among these countries. Its consumption, despite the presence of large reserves of stone, is higher than domestic production, i.e., domestic production doesn't cover fully the demand on the stone products.

The following chart shows the dynamics of the production of stone products in Russia.³

As seen in the chart below, during the period observed there is a rapid increase in production of stone.

The highest jump in production occurred in ****, when volumes grew just *,** times.

During the period from ****, the Russian production of stone products increased *,* times.

Record growth of stone products production in Russia is explained by the intensive construction, which was conducted in the country in recent years.

.....

Chart 3. Production of stone products in Russia

The analysis of projects in Russia at present and in the future gives grounds to make an assumption about continuation of growth in demand for stone products in the country.

.....

²

³

It should be noted that in Russia there is a demand on imported marble, despite its high price. The reason for this is low density of the Russian marble, which limits its use for decorating.

According to the program of restoration and renovation of St. Petersburg's historical center, which is listed as a UNESCO World Heritage Site, * trillion Roubles will be required for restoration and repair works.⁴

Moreover, there is a decision taken to build in St. Petersburg a Gazprom campus at the cost of ** milliard Roubles.⁵

At the same time there are works on creation of a new administrative center in Moscow. Economists forecast its cost as *** milliard Roubles .⁶

The program of the Moscow Metro development is approved. By ****, *** km of underground roads at the cost of **, * milliard Roubles will be built.⁷

Creation of the park "Zaryadje" with a concert hall right in the center of Moscow will require investment of **, * milliard Roubles.⁸

*** milliard Roubles will be invested in construction of facilities for the FIFA World Cup in ****, and *, * milliard Roubles - in preparation of the XXIX Worldwide Winter Universiade in Krasnoyarsk in ****.⁹

Russian President Vladimir Putin, speaking at the plenary session of the International Economic Forum ****, said that the funds from the National Security Fund will be used for:

- construction of the Central Ring Road (CRR),
- modernization of Transsib.

New highways will require construction of stations and other large infrastructure projects.

To ensure sustainable growth of rail traffic on the BAM (Baikal-Amur Mainline) and Transsib (Trans-Siberian Railway) they intend to be spend *** milliard Roubles.¹⁰

In connection with creation and reconstruction of new touristic and balneotherapeutic centers in Dagestan, Sochi and Crimea, new hotels and balneotherapeutic complexes are going to be built.

In all of the above construction sites, marble and granite will be used. For example, only the restoration of the Main (Mykolaiv) stairs of the State Hermitage Museum in St. Petersburg needs *** square meters of marble.

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7 ...://...../.....-.../.....-.....

8 ...://...../...../2013/04/19/....._....._.....

9 ...://...../.../2997097

10 ...://.....03.../23202-260-.....-.....-.....-.....

Enterprises attracting direct private foreign investments are exempt from operating activities income (profit) tax, property tax, tax for social infrastructure and landscaping, ecological tax, single tax for micro and small enterprises, as well as mandatory contributions to the Republican Road Fund.

These tax benefits are granted for * years in case when the amount of direct foreign investment is over ** million USD.

The following items are exempt from customs duties:

-

In the field of production of building materials:

-

Human resources.

Other factors.

The above analysis of the competitive factors allows coming

3.4. SWOT - analysis

Market threats

The main market threats are related to the effects of negative macroeconomic factors caused by the global economic crisis, and the fall in resource requirements.

According to World Bank estimates, global economic growth in **** stood at *,% , the forecast for growth in **** is *,% . In January ****, the head of the European Central Bank Mario Draghi characterized a forecast for the oncoming year as yet non-specified.¹⁷

In May ****, the Director of the International Monetary Fund Christine Lagarde said that the world economy has still currently been suffering from the effects of the **** crisis.¹⁸

There is no reliable information about how long this period of economic uncertainty will last at the time of drawing up this document. Most experts agree that it will take *-** years to restore the former economic growth.

Market opportunities

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Strengths

We may name the following strong points of the project under consideration:

-

Weaknesses

Weaknesses include the fact that the¹⁹

¹⁷: “ ‘ ”,

¹⁸: “ 2008 ”.

The following is a comparison analysis of the strengths and weaknesses with opportunities and business threats (SWOT-analysis). In terms of this analysis, opportunities are considered as factors with positive impact on business, threats – as factors with negative influence.

In each list the factors are compared with each other. The order of comparison is shown in the table below.

	Opportunities	Threats
Strong points	<p>Strengths & Opportunities field</p> <p><i>Whether these strengths allow taking any advantage thanks to this opportunity?</i></p>	<p>Strengths & Threats field</p> <p><i>Whether these strengths help to avoid this threat?</i></p>
Weak points	<p>Weaknesses & Opportunities field</p> <p><i>Whether these weak points make difficult using this opportunity?</i></p>	<p>Weaknesses & Threats field</p> <p><i>Whether these weak points make difficult to avoid this threat?</i></p>

Table 3. The order of comparison for SWOT-analysis

Positive answers to the questions listed in the above table are marked with the symbol “√”.

The following table shows

Table 4. SWOT-analysis

On the basis of the SWOT-analysis performed, a list of strategic initiatives was developed to make use of strengths and opportunities, to compensate for weaknesses and minimize threats.

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Table 5. Strategic initiatives

4. Target markets

4.1. Target consumers

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4.2. Geographic target market

...

4.3. Pricing

...

5. Advertising and promotion strategies

5.1. Promotion strategy

.....

5.2. Means of advertising

-

5.3. Sales forecast

Sales forecast is presented in the table below.

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Table 6. Sales forecast

As can be seen from the table above,

6. Management

6.1. The company and its key staff

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Chart 5. Structural scheme of the JV under creation

7. Management

7.1. The company and its key staff

.....

Chart 6. Structural scheme of the JV under creation

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Table 7. Distribution of shares in the authorized capital of the joint venture

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Chart 7. Project schedule, by months

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7.2. Constant consumption of assets

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7.3. Preproduction costs

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Table 8. Preproduction costs

8. Financial analysis

8.1. Cost of goods sold

The following table presents the operating costs of the planned enterprise.

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Table 9. Operating expenses

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8.2. Break-even analysis

Calculation of break-even level is presented in the following table.

.....

Table 10. Calculation of break-even level

As can be seen from the above table, the project makes it possible to preserve profitability at a fall in revenue of up to *% of the planned one.

8.3. Quantitative analysis

Schedule of revenues for the project is shown in the following diagram.

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Chart 8. Schedule of revenues

As can be seen from the chart above,

The following chart shows the structure of revenue.

.....

Chart 9. Structure of revenues according to their sources

As seen in the chart below, the bulk of the revenue of the company is drawn on the sale of tiles and slabs.

Schedule of costs is shown in the following chart.

.....

Chart 10. Schedule of costs

As can be seen from the chart above,

Structure of costs is shown in the next chart.

.....

Chart 11. Structure of costs

8.4. Gains and losses

Gains and loss statement is presented in **Ошибка! Источник ссылки не найден.**

As can be seen from the table,

8.5. Cash flow

Budgeted cash flow statement is presented in

Table 11. Budgeted cash flow statement,

As can be seen from the table,

8.6. Enterprise balances

Balance is presented in

Table 12.

As can be seen from the table,

.....

Table 11. Budgeted cash flow statement, \$

.....

Table 12. Balance, \$

8.7. Risks

Organizational and managerial risks

The risk of errors in selection of personnel

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Measures to reduce (eliminate) these risks:

Probability of this risk - average.

Degree of influence – high.

Possibility of risk management – complete.

Risk of loss or damage

.....

Measures to reduce (eliminate) this risk:

Probability of this risk - average.

Degree of influence - high.

Possibility of risk management - partial.

Risk of low demand for the goods produced

.....

Measures to reduce (eliminate) this risk:

Probability of this risk - sub average.

Degree of influence – high.

Possibility of this risk management - partial.

Risk of high prices for traded goods and services

.....

Measures to reduce (eliminate) this risk:

Probability of this risk - sub average.

Degree of influence – high.

Possibility of this risk management - partial.

Financial risks

Risk of non-payment

.....

Measures to reduce (eliminate) this risk:

Probability of this risk - low.

Risk of a lack of funding for the project

.....

Measures to reduce (eliminate) this risk:

Probability of this risk - sub average.

Possibility of risk management - partial.

Economic risks

Risk of a significant change in the tax system

.....

Measures to reduce (eliminate) this risk:

Probability of this risk - sub average.

Degree of influence – high.

Possibility of risk management – not available.

9. Annex. The effectiveness of the project

Main criteria for calculation of the project cost-effectiveness rates are presented in the table below.

Criteria	Values
For Project	
Forecast period, years	**
Post-forecast period, years	*
Settlement terms	Constant prices
Discount rate, %	**, %
For Investor	
Forecast period, years	*
Post-forecast period, years	*
Settlement terms	Constant prices
Discount rate, %	**, %

Table 13. Criteria for calculation of economic efficiency

Project performance indicators for the investor are calculated based on the following assumptions:

- The investor performs project contribution in amount of *** million US dollars, obtained as a loan for * years at % per annum.
- During the project implementation, the company reimburse the investor with the amount of interest payments on loans and for the return of the principal amount of the loan to the investor.²⁰
- After seven years of the project the investor sells its share constituting **, **%, and receiving the appropriate amount of the net assets of the enterprise.

Indicators	Measurement	Value
For project		
Planning period	months	***
PV	\$	** *** ** *
IRR per year	%	**, %
NPV	\$	* *** ** *
NPV with TV	\$	* *** ** *
Payback period	months	**
Payback period with discount	months	**
For investor		
Planning period	months	**
PV	\$	* *** ** *
IRR per year	%	**, %
NPV	\$	* *** ** *
NPV with TV	\$	* *** ** *
Payback period	months	**
Payback period with discount	months	**

Table 14. Indicators of project economic efficiency

The analysis of forecast indicators of the project economic efficiency indicates investment attractiveness, as evidenced by the following factors:

²⁰ See «Payments to the shareholder for the interest and repayment of the loan»

Table 11. Budgeted cash flow statement, \$ cash flow statement

- Positive net present value (NPV) constituting *,* milliard US dollars, excluding terminal cost, and *,* milliard US dollars, including terminal cost.
- High internal rate of return (IRR), which is ***%.
- The project pays off during the forecast period.

Based on the data presented above, it is concluded that the project in question can be recommended for implementation.