

Bella Enterprise: Charcoal Briquettes Business Proposal



NAME OF FOUNDER: BLESSINGS UPILE CHIRWA

NAME OF BUSINESS: BELLA ENTERPRISE

SLOGAN: INNOVATIVE AND CREATIVE SOLUTIONS

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Executive Summary

Bella Enterprise, founded by Blessings Upile Chirwa, is poised to transform the energy landscape in Lilongwe, Malawi. Our mission is clear: combat deforestation, reduce carbon emissions, and promote a greener future. Through innovative charcoal briquettes, we aim to address pressing environmental challenges while meeting energy needs sustainably.

The Problem

Malawi faces a critical issue: rampant deforestation due to traditional charcoal production. As trees are felled for fuel, ecosystems suffer, biodiversity declines, and carbon dioxide levels rise. Bella Enterprise recognizes this urgent problem and seeks to provide an alternative that benefits both people and the planet.

The Solution

Our sustainable charcoal briquettes offer a solution that bridges the gap between energy demand and environmental conservation. Here's why Bella Enterprise stands out:

- Eco-Friendly Production:** Unlike traditional charcoal, which relies on tree cutting, our briquettes are made from agricultural waste (such as coconut shells, maize cobs, and sawdust). By repurposing these materials, we reduce waste and minimize deforestation.
- Cleaner Burning:** Bella briquettes emit significantly fewer pollutants than regular charcoal. They produce less smoke, reducing indoor air pollution and associated health risks.
- Energy Efficiency:** Our briquettes have a higher energy content, burning longer and hotter. This efficiency translates to cost savings for consumers.
- Local Impact:** Bella Enterprise supports local communities by creating jobs in briquette production, distribution, and sales. We empower women and youth, fostering economic growth.

Market Potential

The demand for sustainable energy sources is on the rise globally. Bella Enterprise aims to capture a significant share of this market in Lilongwe and beyond. Our competitive pricing, environmental focus, and commitment to quality position us for success.

Conclusion

Bella Enterprise is more than a business; it's a movement. Join us in shaping a greener, healthier future for Malawi. Together, we can ignite change—one briquette at a time.

1. Introduction

Overview: Bella Enterprise is a forward-thinking startup based in Lilongwe, Malawi. Our mission is to revolutionize the energy sector by providing sustainable alternatives to traditional charcoal. We

believe that environmental conservation and economic growth can go hand in hand.

Mission Statement: At Bella Enterprise, we are committed to combating deforestation and its adverse effects on our climate. Our mission is to produce high-quality charcoal briquettes that reduce reliance on traditional wood-based charcoal while promoting a greener, healthier future.

Vision Statement: Our vision is to be the leading supplier of eco-friendly charcoal briquettes in Malawi. We envision a country where households, restaurants, and industries choose Bella's briquettes as their preferred energy source, contributing to a cleaner environment and improved livelihoods.

Objectives:

1.Environmental Impact: Reduce deforestation by offering an alternative to wood-based charcoal, thereby mitigating climate change and preserving Malawi's natural resources.

2.Market Penetration: Establish a strong presence in Lilongwe and expand our reach across Malawi through strategic partnerships and effective marketing.

3.Quality Assurance: Deliver consistent, high-quality briquettes that meet customer expectations and adhere to environmental standards.

4.Community Empowerment: Create employment opportunities for local communities involved in briquette production and distribution.

Value proposition

1.High Combustion Value: Charcoal briquettes burn efficiently, providing consistent heat for cooking and other purposes. Their high energy content ensures effective use.

2.Longer Burning Time: Compared to traditional lumpy charcoal, briquettes have a longer burning duration. This means fewer refills and more convenience for users.

3.Cost-Effectiveness: Briquettes are cost-effective due to their longer burning time. Customers get more value for their money, making it an appealing option.

4.Easy Transportation: Charcoal briquettes are compact and uniform in shape, making them easy to package and transport. This convenience benefits both producers and consumers

2. The Product/Service:



Product Description:

Our charcoal briquettes are a sustainable and eco-friendly alternative to traditional wood-based charcoal. Here's what sets our product apart:

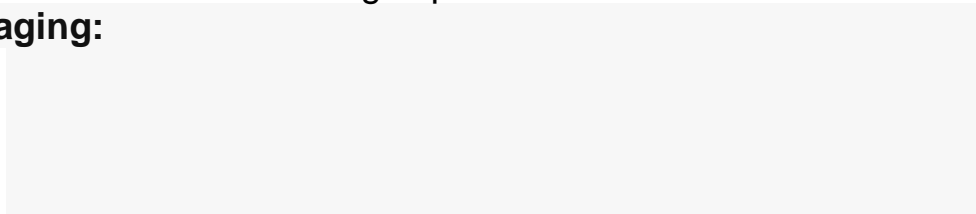
1. Composition:

- Our briquettes are made from a blend of locally sourced biomass waste (such as agricultural residues), and a natural binder (usually cassava starch).
- The precise blend ensures consistent quality and efficient burning.

2. Benefits:

- **Environmental Impact:** By using Bella's briquettes, customers directly contribute to reducing deforestation. Each briquette saves trees and minimizes carbon emissions.
- **Smoke-Free:** Unlike regular charcoal, our briquettes produce minimal smoke, making them ideal for indoor cooking and reducing health risks.
- **Long Burn Time:** Bella briquettes burn longer and hotter than traditional charcoal, providing excellent value for money.
- **Uniform Shape and Size:** Our briquettes are uniform in shape and size, ensuring even heat distribution during cooking.
- **No Sparks or Odor:** Say goodbye to sparks and unpleasant odors—our briquettes offer a clean and hassle-free cooking experience.

3. Packaging:



- We package our briquettes in eco-friendly bags made from recycled materials.
- Available in various sizes (e.g., 2 kg, 5 kg, and bulk quantities) to cater to different customer needs.

Environmental Commitment:

At Bella Enterprise, we are passionate about environmental conservation. Our production process minimizes waste, and we actively engage with local communities to promote sustainable practices.

3. Industry and Market Analysis:

Industry/Sector:

The charcoal briquettes industry operates within the broader **renewable energy and environmental conservation sector**. Here are key features that make this industry viable:

1. Environmental Concerns:

- The industry addresses critical environmental challenges, such as deforestation caused by traditional charcoal production. Charcoal briquettes offer a sustainable alternative, reducing carbon emissions and preserving forests.

2. Local Sourcing:

- Raw materials (charcoal dust, biomass waste) are locally available, minimizing supply chain complexities. This supports community engagement and economic empowerment.

3. Growing Demand:

- Increasing awareness of climate change and environmental impact drives demand for eco-friendly energy sources.
- Bella Enterprise can tap into this trend.

Market Size and Trends:

- The current market for charcoal briquettes in Lilongwe is relatively small, with only two existing suppliers. However, this presents an opportunity for Bella Enterprise to make a significant impact.
- As campaigns for environmental conservation gain momentum, the demand for sustainable energy alternatives is expected to rise steadily.

Potential Customer Segments:

1. Households:

- Families seeking cleaner and more efficient cooking options.
- Urban and rural households alike can benefit from Bella's briquettes.

2. Local Restaurants and Eateries:

- Restaurants, cafes, and food vendors rely on charcoal for cooking.
- Bella's smoke-free briquettes can enhance their cooking experience.

1. Other Businesses:

- Industries, bakeries, and small-scale enterprises often use charcoal.
- Bella Enterprise can target these businesses as potential clients.

Growth Prospects:

- Lilongwe, being the capital city, offers a strategic location for market penetration.

- Collaborations with NGOs, government agencies, and eco-conscious organizations can further boost awareness and adoption.
- Bella's commitment to quality and environmental impact positions it well for growth.

Potential Growth

1. Market Expansion:

- Bella Enterprise can expand beyond Lilongwe to other cities and regions in Malawi.
- Targeting rural areas with limited access to electricity could be a growth opportunity.

2. Partnerships:

- Collaborate with NGOs, environmental organizations, and government agencies.
- Joint initiatives can raise awareness and drive demand.

3. Product Diversification:

- Explore variations of briquettes (e.g., flavored, compressed logs) to cater to diverse customer preferences.
- Consider offering related products like firelighters or stoves.

4. Education and Outreach:

- Conduct workshops, demonstrations, and awareness campaigns.
- Educate consumers about the benefits of briquettes over traditional charcoal.

5. Export Potential:

- If quality standards are met, explore exporting to neighboring countries.
- Position Bella as a regional supplier.

4. Competition

Our competition comprises of two major producers of charcoal briquettes in Lilongwe namely Youth Progressive Environmental Solutions and Tingathe Eco Briquettes.

1. Youth Progressive Environmental Solutions (YPES):

□ Product and Services:

- YPES offers high-quality charcoal briquettes made from locally sourced materials.
- They provide various packaging sizes (e.g., 2 kg, 5 kg) for convenience.

□ Customer Segments:

- YPES primarily targets households, local restaurants, and small businesses.

- **Probability of New Entrants:** ◦ Moderate: As environmental awareness grows, new players may enter the market.

Tingathe Eco Briquettes:

- **Product and Services:** ◻ ◦ Tingathe provides eco-friendly briquettes with similar features to YPES.
 - Their marketing emphasizes smoke-free cooking and longer burn time.
- **Customer Segments:** ◻
 - Similar to YPES, Tingathe targets households, eateries, and small businesses.
- **Probability of New Entrants:** ◻ ◦ Moderate: The market is growing, attracting potential competitors.
- **Barriers to Entry:** ◻ ◦ **Raw Material Sourcing:** Access to quality raw materials (charcoal dust, biomass waste) is essential.
 - **Quality Control:** Maintaining consistent briquette quality requires expertise.
 - **Distribution Network:** Establishing efficient distribution channels.
 - **Awareness and Branding:** Establishing a recognizable brand.
 - **Quality Assurance:** Ensuring consistent product quality.
- **Overcoming Barriers:** ◻ ◦ Collaborate with local suppliers for raw materials. ◦ Invest in quality control processes. ◦ Invest in marketing and brand building. ◦ Collaborate with logistics partners for wider distribution. ◦ Regularly monitor and improve product quality.
 - Build partnerships with distributors and retailers.
- **Customer Switching Cost:** ◻
 - Low: Customers can switch to other suppliers easily due to similar products.
- **Customer Loyalty:** ◻
 - Engage customers through workshops, education, and personalized service.
 - Offer loyalty programs (discounts, rewards) to retain existing customers.
 - Invest in marketing and brand building.
 - Collaborate with logistics partners for wider distribution.
 - Regularly monitor and improve product quality.

Bella Enterprise's Strategy:

Bella can differentiate by:

- Offering wider delivery coverage.
- Collaborating with NGOs for awareness.
- Focusing on personalized customer engagement.
- Ensuring consistent quality.

5. SWOT Analysis

1. **Strengths:**

- **Eco-Friendly Product:** Bella’s charcoal briquettes contribute to environmental conservation.

- **Founder’s Passion:** Blessings Upile Chirwa’s commitment to sustainability drives the business.

- **Local Sourcing:** Access to raw materials (charcoal dust, biomass waste) within Malawi.

2. **Weaknesses:**

- **Limited Market Presence:** Bella is a new entrant with minimal brand recognition.

- **Delivery Constraints:** Currently limited to Lilongwe; expansion is needed.

- **Quality Assurance:** Ensuring consistent briquette quality may be challenging.

3. **Opportunities:**

- **Growing Demand:** Increasing awareness of environmental issues favors Bella.

- **Collaborations:** Partnering with NGOs and government agencies can boost visibility.

- **Market Expansion:** Targeting other cities and regions in Malawi

4. **Threats:**

- **Competition:** Existing suppliers (YPES, Tingathe) pose a challenge.

- **Regulatory Changes:** Compliance with environmental regulations is crucial.

- **Economic Factors:** Fluctuations in raw material costs or energy prices.

Strength	Weaknesses
<ul style="list-style-type: none"> • Eco friendly products • Founder’s passion • Local sourcing 	<ul style="list-style-type: none"> • Limited market presence • Delivery constraints • Quality assurance

Opportunities	Threats
<ul style="list-style-type: none">• Growing demand• Collaborations• Market expansion	<ul style="list-style-type: none">• Competition• Regulatory changes• Economic factors

Strategy:

- Leverage strengths (eco-friendly focus, local sourcing).
- Address weaknesses (expand delivery, maintain quality).
- Seize opportunities (awareness campaigns, market growth). □
Mitigate threats (competitive differentiation, regulatory compliance).

5. Operations Plan

Patents and Permits/Licenses

- **Patents:** None required for the production of charcoal briquettes.
- **Permits/Licenses:**
 - Environmental Impact Assessment (EIA) Certificate
 - Business Operating License
 - Health and Safety Compliance Certificate
 - Fire Safety Certificate

Material Resources

▣ Raw Materials:

- Agricultural waste (e.g., sawdust, rice husks, coconut shells)
- Binders (e.g., starch, clay)
- Water

• Physical Assets:

- Briquetting machines
- Drying racks or kilns
- Packaging equipment
- Storage facilities
- ▣ **Human Resources:**
 - Production workers
 - Quality control personnel
 - Logistics and distribution staff

▣ Procurement Methods:

- Direct purchase from local farmers and sawmills for agricultural waste
- Suppliers for binders and packaging materials
- Outsourcing for specialized equipment maintenance

Other Key Resources

• Intangibles:

- Certification for sustainable production practices
- Training programs for staff on efficient production techniques
- Knowledge of market trends and customer preferences

Delivery of Product/Service

• Production to Consumption:

- **Production:** Agricultural waste is collected, processed, and converted into briquettes using briquetting machines.
- **Drying:** Briquettes are dried using drying racks or kilns to reduce moisture content.
- **Packaging:** Dried briquettes are packaged in eco- friendly materials.
- **Distribution:** Packaged briquettes are transported to distribution centers or directly to customers using company-

owned vehicles or third-party logistics providers. **Suppliers and Relationships** □ **Suppliers:**

- Local farmers and sawmills for raw materials
- Chemical suppliers for binders ○ Packaging material suppliers □ **Supplier Relationships:** ○ Establish long-term contracts with key suppliers to ensure a steady supply of raw materials.
- Maintain open communication channels for timely updates and feedback. □ **Key Distributors/Agents:** ○ Retailers and wholesalers in urban and rural areas ○ Partnerships with eco-friendly stores and online platforms

7. Marketing Plan

Customer Awareness

- **Digital Marketing:**
 - **Social Media:** Leverage platforms like Facebook, Instagram, and Twitter to create engaging content, run targeted ads, and interact with potential customers.
 - **Website:** Develop a user-friendly website with detailed information about the product, benefits, and purchasing options.
 - **Email Marketing:** Send newsletters and promotional emails to a subscriber list.
- **Traditional Media:**
 - **TV and Radio:** Advertise on local TV and radio stations.
 - **Print Media:** Place ads in newspapers and magazines.
- **Community Engagement:** Conduct awareness campaigns in local communities, schools, and markets to educate people about the benefits of charcoal briquettes.

Promotion Strategies

- **Trade Fairs:** Participate in local and regional trade fairs to showcase the product and network with potential buyers.
- **TV and Radio Talk Shows:** Appear on talk shows to discuss the benefits of charcoal briquettes and sustainable energy solutions.
- **Focus Meetings:** Organize focus group meetings with key stakeholders to gather feedback and promote the product.
- **Strategic Presentations:** Present at environmental and energy conferences to highlight the product's benefits and sustainability.

Pricing Strategy

- **Competitive Pricing:** Set prices slightly lower than traditional charcoal to attract cost-conscious customers.
- **Value-Based Pricing:** Emphasize the long-term cost savings and environmental benefits to justify the price.
- **Assumptions:** Assume steady demand growth and cost savings from bulk raw material purchases.

Incentives

- **Discounts:** Offer introductory discounts to first-time buyers and bulk purchase discounts.
- **Credit Facilities:** Provide credit options for loyal customers and bulk buyers.
- **Effect on Cash Flow and Profitability:** While discounts and credit facilities may initially reduce cash flow, they are expected to increase customer loyalty and long-term profitability.

Ensuring Credit Payments

- **Credit Checks:** Conduct thorough credit checks before extending credit.
- **Payment Terms:** Clearly define payment terms and conditions.
- **Follow-Up:** Implement a robust follow-up system to ensure timely payments.
- **Incentives for Early Payment:** Offer small discounts for early payments to encourage prompt settlement.

Distribution Channels

- **E-Marketplace:** Sell products through an online store and popular e-commerce platforms.
- **Department Stores/Supermarkets:** Partner with major retail chains to stock the product.
- **Distributors and Wholesalers:** Establish relationships with distributors and wholesalers to reach a wider market.
- **Sales Agents:** Employ sales agents to promote and sell the product in various regions.

8. Management Plan

Functions

1. Production/Inventory Management

- **Description:** Oversee the production process, manage inventory levels, ensure quality control, and maintain equipment.
- **Key Activities:** Scheduling production runs, monitoring raw material usage, maintaining machinery, and ensuring product quality.

2. Admin/Facility Management

- **Description:** Manage the day-to-day administrative tasks and ensure the facility is well-maintained.
- **Key Activities:** Office management, facility maintenance, procurement of office supplies, and ensuring compliance with health and safety regulations.

3. Human Resources

- **Description:** Handle recruitment, training, employee relations, and performance management.
- **Key Activities:** Hiring staff, conducting training programs, managing employee records, and addressing employee concerns.

4. Finance/Accounts

- **Description:** Manage the financial health of the business, including budgeting, accounting, and financial reporting.
- **Key**

Activities: Preparing financial statements, managing cash flow, budgeting, and ensuring compliance with financial regulations.

5. Marketing/Sales

- **Description:** Develop and implement marketing strategies to promote the product and manage sales activities.
- **Key Activities:** Market research, advertising, sales promotions, customer relationship management, and sales reporting.

6. Other Functions

- **Description:** Any additional functions that support the business operations, such as research and development or IT support.
- **Key Activities:** Developing new product lines, maintaining IT infrastructure, and ensuring data security.

Qualifications/Expertise

□ **Production Manager:**

- **Qualifications:** Degree in Engineering or Industrial Management, experience in manufacturing.
- **Expertise:** Knowledge of production processes, quality control, and inventory management.

- **Admin/Facility Manager:** ◦ **Qualifications:** Degree in Business Administration or Facility Management. ◦ **Expertise:** Strong organizational skills, knowledge of facility maintenance, and administrative procedures.

- **Human Resources Manager:** ◦ **Qualifications:** Degree in Human Resource Management or related field.

- **Expertise:** Experience in recruitment, employee relations, and performance management.

□ **Accountant/Finance Manager:**

- **Qualifications:** Degree in Accounting or Finance, professional certification (e.g., ACCA).
- **Expertise:** Financial reporting, budgeting, and compliance with financial regulations.

- **Marketing Manager:** ◦ **Qualifications:** Degree in Marketing or Business Administration.

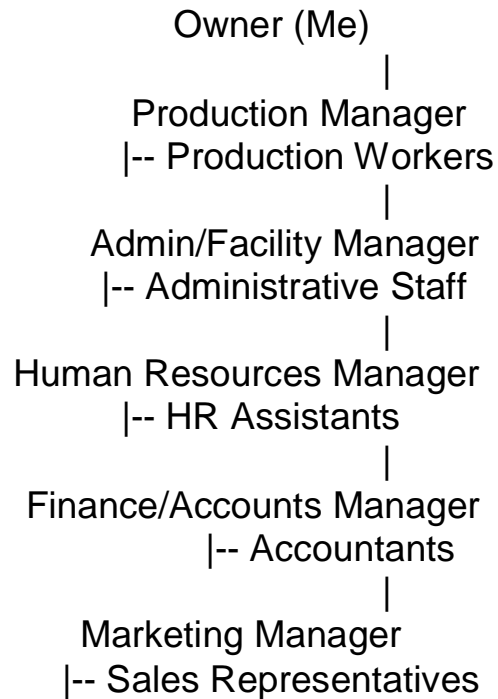
- **Expertise:** Experience in market research, advertising, and sales strategies.

Roles and Responsibilities

▣ **My Role:** As the owner, I will oversee all aspects of the business, make strategic decisions, and ensure the overall success of the enterprise.

○ **Responsibilities:** Strategic planning, business development, financial oversight, and leadership.

Organizational Structure



9. Financial Plan Key

Assumptions

- **Currency:** All costs and revenues are in Malawian Kwacha □
- **Revenue Underestimation:** Conservative estimates for revenue.
- **Cost Overestimation:** Anticipate higher costs.

Cost Estimations & Projections

Cost of Facilities and Operations (For the First Year)

Startup Costs

- Land – MK1,000,000 (\$576.54)
- Building/Civil Works – MK3,000,000 (\$1,729.62)
- Furnitures and Fittings – MK500,000 (\$288.27)¹³
- Equipment and Machinery – MK2,000,000 (\$1,153.08)
- Vehicles – MK2,000,000 (\$1,153.08)
- Installations – MK100,000 (\$57.65)

Total Startup Costs – MK8,600,000 (\$4,958.24)

- **Operational Costs**
 - Raw Materials – MK2,200,000 (\$1,268.39)
 - Direct Labor - MK3,300,000 (\$1,902.58)
 - Factory Overheads – MK600,000 (\$345.92)
 - Inbound Transport – MK1,200,000 (\$691.85)
 - Salaries – MK23,958,000 (\$13,813.82)
 - Marketing – MK600,000 (\$345.92)
 - Administrative – MK1,200,000 (\$1,268.39)
 - Maintenance – MK600,000 (\$345.92)
 - Insurance – MK1,000,000 (\$576.54)
 - Transport – MK2,000,000 (\$1,153.08)
 - Subscriptions/Licenses - MK350,000 (\$201.76)
- Total Operational Costs – MK37,008,000 (\$21,338.25)**

Total Costs for the first year: MK42,658,000 (\$26,296.49)

Startup Financing

□ Sources:

- Personal funds (equity): MK860,000 (\$495.86)
- Grants: MK7,740,000 (\$4,462.38)

Revenue Projections □

Revenue Streams: °

Charcoal briquettes

- ° By-products (e.g., ash for fertilizers) °
Environmental Consultancy

- **Pricing:** ° Charcoal briquettes - MK1000(\$0.58)/kg ° By-products - MK500(\$0.29)/kg
- ° Consultancy - MK300,000(\$172.95)/service

• Sales Volumes:

° Year 1

Charcoal Briquettes – 540,000KGs

By-products – 240,000KGs

Consultancy – 600 Services °

Year 2

Charcoal Briquettes – 972,000KGs

By-products – 480,000KGs

Consultancy – 1200 Services

° Year 3

Charcoal Briquettes – 1,798,000KGs

By-products – 960,000KGs

Consultancy – 2400 Services

Financial Projections

□ Profit and Loss:

- ° Year 1: MK1,239,014 (\$714) ° Year 2: MK2,822,437 (\$1,627.37)
- ° Year 3: MK6,871,976 (\$3962.28)

□ Balance Sheet:

- ° Assets: Facilities, machinery, inventory ° Liabilities: Supplier credit, borrowing ° Equity: Personal funds, business proceeds
- ### Milestones and Attachments

Milestones Year

1

- **Quarter 1:** ° Setup production facility ° Hire initial staff (5 full-time) ° Begin production

Amount required: MK11,684,000 (\$6,736.82)

- **Quarter 2:**
 - First batch of production
 - Initial marketing campaign
 - Secure first clients **Amount required: MK8,000,000 (\$4,612.32)**
- **Quarter 3:**
 - Increase production capacity
 - Expand client base
 - Hire additional staff (3 part-time) **Amount Required: MK6,000,000 (\$3459.24)**
- **Quarter 4:**
 - Evaluate first year performance
 - Plan for expansion
 - Secure additional funding if needed **Amount Required: MK7,000,000 (\$4,035.78)**

Expansion Milestones

Year 2

□ **Quarter 1:**

- Expand production facility
 - Increase production volume by 50%
 - Enter new markets
- Amount Required: MK12,000,000 (\$6,918.48)**

□ **Quarter 2:**

- Launch new product lines
 - Further increase production capacity
 - Achieve profitability
- Amount Required: MK4,000,000 (\$2,306.16)**

□ **Quarter 3:**

- Expand client base
 - Further increase production capacity
 - Hire additional staff (3 full-time)
- Amount Required: MK6,000,000 (\$3,459.24)**

□ **Quarter 4:**

- Evaluate Second Year Performance
 - Plan for expansion
 - Secure additional funding if needed
- Amount Required: MK12,000,000 (\$6,918.48)**

10. Appendices



Figure 3: Charcoal Briquette Making Machine



Figure 4: Charcoal Briquettes



ISIC Code: S-96-960-9609



**BUSINESS REGISTRATION ACT
(No. 12 of 2012)
CERTIFICATE OF REGISTRATION**

I hereby certify that **Blessings Upile Chirwa** carrying on business as **BELLA ENTERPRISE** have/has this **Friday, July 26, 2024** been duly registered in accordance with the provision of the Business Registration Act (No. 12 of 2012) and have/has been entered under the number **BRN-77SABB4** in the Malawi Business Registration Database. The business will be carried out at **LILONGWE_URBAN**.

This Certificate will **expire** on the **Monday, 26 July, 2027**

Given under my hand at Blantyre, Malawi, this **Friday, 26 July, 2024**



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Registrar of Business