

Junk or Destroyed Reconditioned Television

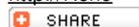
Philippines

Noel Christian Cruz

Budget:

\$250,000 - \$500,000

Website:

<http://None>

- [Green business](#)
- [Education](#)
- [Pollution](#)
- [Labor](#)
- [Waste](#)

Project Summary

Elevator Pitch

Concise Summary: Help us pitch this solution! Provide an explanation within 3-4 short sentences.

TV RECYCLING AND RECONDITIONING - Giving discarded TV sets a new lease on life. Television sets have lately become expensive yet disposable appliances. There are thousands upon thousands of dead TV sets lying in junk shops. What if these can be refurbished and brought back to service? This is the idea behind this business venture.

About Project

Problem: What problem is this project trying to address?

This venture's target market are the newly married couples, one or both of whom are minimum wage earners; having yet one or two children; renting a house in Metro Cebu, and have no relatives living with them and dependent financially on them. Sharp Philippines revealed in its 2008-2009 fiscal year report that its firm has sold 17,000 TV sets nationwide or an increase of 34% from the previous year's sale. We have no data from other firms selling TV sets in the Philippines. However available data from Potential Water Supply Projects of Metro Cebu Water District and data from the National Statistics Office for the year 2000 show that Metro Cebu has a population of 1,094,100 and those belonging to low income families numbered 183,350+, with an annual growth rate of 4.5%. The foregoing data clearly shows that there is a growing market in Metro Cebu (composing of Cebu, Mandaue, Lapu-Lapu, Talisay and Naga cities). If this product will also be made available throughout the 40 municipalities and 4 other component cities (Danao, Toledo, Carcar and Bogo) of the Province of Cebu, one would certainly be very conservative in projecting a sale of no less than 7,400 reconditioned TV sets on the first year of operation. The identified competitors in Metro Cebu and some other parts of the component cities and municipalities of the Province of Cebu are the long established manufacturers of brand new TV sets and those selling second-hand or used TV sets (locally known as "surplus" TV units). The producers of brand new televisions are Sony, Sharp, Samsung, LG, Goldstar and many more Japanese and Korean brands, and more recently Chinese brands. These products are usually catered by the high and middle income families. Low income families normally purchase the so called "surplus" TV sets, which are priced between at PhP3,000(US\$69.76) to PhP5,000(US\$116.28). The external appearance alone of surplus TV sets is already a turn-off to many prospective buyers. Most of the plastic casings have scratches and cracks, and they appear to have come from 1980s or earlier models. When the rear portions of surplus TV sets will be opened for inspection, one finds many components to be covered with rusts and layers of dusts. We regard the sellers of used/surplus TV sets as our direct competitors since the only market of their wares are those belonging to the low-income segment of the market. Considering that in the production of reconditioned TV sets, all components will be thoroughly cleaned, rusted parts will be replaced, and new plastic casings will be installed, the yet envisioned reconditioned TV sets will surely be more attractive to buy than the surplus TV sets.

Solution: What is the proposed solution? Please be specific!

The Innovation- By engaging in deals to purchase scrap TV sets from major buyers of scrapped appliances, the proposed enterprise gets to have an assured supply line at a fair price of just from 200(US\$4.65) to 300(US\$6.88) pesos each. The project proponents then estimate reconditioning costs to be from 700(US\$16.28) to 1050(US\$24.41) pesos, depending on the size of the TV unit. Along with other costs, the proposed venture could sell the reconditioned products at prices ranging from 2,100(about US\$48.83) to 2,500 (US\$58.13) pesos, with profit margins of over 50 percent. And yet, despite the decent profit margins, the suggested retail prices on these refurbished units would still be significantly lower than that of other refurbished, reconditioned and the so-called surplus(second hand) TV sets in the market.

Impact: How does it Work

Example: Walk us through a specific example(s) of how this solution makes a difference; include its primary activities.

Since the Philippines is yet a developing country, watching television shows is still the prevailing cheapest form of entertainment. However in the Philippines, perhaps more than half of the Filipino households still don't own television sets. Thus, in economically depressed urban areas and virtually all in the remote rural areas, seeing a sizable group of adults and children huddled together and watching popular evening TV programs in

small communal stores or from outside the windows of their relatively well-off neighbours is a common sight. This is because a Japanese 12" brand new TV set would cost the equivalent of between 2 to 3 months salary of a Class A minimum wage earner in Metro Cebu (about US\$168.40 a month), the acquisition then of a brand new TV set even by instalment would involve a family's abstention from certain basic needs especially when only one of a married couple is employed. In view of the foregoing prevailing condition, when a 12" reconditioned TV set---produced from scrapped TV components---can be sold for PhP2,100 (about US\$48.83) the ownership of such an appliance will then be within the easy reach of most low income households. It is therefore the intention of our group to produce such an affordable appliance to a large segment of consumers whose income would have made it virtually impossible for them to own a supposedly common appliance. A low income family's acquisition of an affordable reconditioned TV set will not only avail their family a cheap form of entertainment. It would also give them easy access to information, the opportunity of broadening their views on certain local, national, and international concerns, and expose them to foreign cultures. Besides, the production of reconditioned TV sets would put to use certain "garbage" materials, steady income to TV repairmen, and such form of industry may result in increasing the income of garbage scavengers. With this idea, this venture intends to replace defective circuit board, power resistors, diodes, capacitors, and such other non-working parts. We will use substitute electrical components, a method being done by nearly all TV repair shops since it would result on lesser costs on the part of the end consumer. Since the breakdown of virtually all TV sets were caused by the components mentioned above, most owners would prefer to buy a new TV set instead of having the old set be repaired. Thus, in replacing the defective components of used and/or junked TV sets would result in enabling low income families to acquire the most common source of information and affordable form of entertainment. Karsten Keane Kyrie Industries is one of the major buyers of scraped appliances here and abroad. Said firm can supply us between 1,000 to 10,000 units of scrapped TV sets every month. They regularly purchase scrap electrical products from Micro Engineering Solution's Co., Ltd., King Rill International Co., Ltd, and nearly all junk shops here in the Philippines. With this, this venture can easy meet the demands of our target market. Scrapped TV sets may also be purchased from smaller recycling centers and garbage scavengers in Metro Cebu, though these sources could only supply not more than 1,000 units a month.

About You

Organization:

E-Appliance

About You

First Name

Noel Christian

Last Name

Cruz

Twitter

Facebook Profile

About Your Organization

Organization Name

E-Appliance

Organization Country

Country where this project is creating social impact

How long has your organization been operating?

Please select

Is the project that you are entering related to this organization?

Yes

The information you provide here will be used to fill in any parts of your profile that have been left blank, such as interests, organization information, and website. No contact information will be made public. Please uncheck here if you do not want this to happen..

Innovation

What stage is your project in?

Idea phase

Share the story of the founder and what inspired the founder to start this project

The actual founder of our organization is Mr. Mikhail Sean Bellones, who initiated this idea hoping to create a product that would greatly change the standard of living in the Philippines through indirect education, knowingly that Philippines has a 46% under the poverty line with limited access to information, it is in his greatest dream to contribute something that would one day change the mindset of every Filipino with this product. In short he is a social entrepreneur, due to the financial constraint that Mr. Bellones faces, he invited me, Mr. Noel Christian Cruz to help fund this soon to be enterprise. Though this venture is still in paper, yet we still hope to source out more interested party to help us realize this social enterprise of ours to uplift our fellow citizen.

Social Impact

Please describe how your project has been successful and how that success is measured

Our project have been successful in certain areas, one was that our organization was able to receive an award from Shell Philippines. We were able to hold a title as "Shell Green Enterprise Award 2010". Though, in terms of tangible achievements we have not yet reach our prime objective as of the moment for we are still in negotiation with different angel investors for funding. Once we are able to reach the necessary finance, from that point we can clearly say that we have successfully achieve our ultimate goal. In a different perspective, we are able to aware our community the value of recycling in which, in itself is a success. Because no matter what the innovation is, if the people within the community do not wish to

embrace the idea of saving the environment from toxic waste then, such goal is useless.

How many people have been impacted by your project?

How many people could be impacted by your project in the next three years?

101- 1,000

How will your project evolve over the next three years?

After achieving our firm's market presence in Metro Cebu, we will expand our sales outlets to other component cities and some municipalities of the Province of Cebu, and the neighbouring provinces, but continue to use our original manufacturing site in Metro Cebu. After 5 years, if no other firm would put up a similar venture, it might then be practical to put up other factories in Mindanao, particularly in Davao, Cagayan De Oro, and Zamboanga cities.

Sustainability

What barriers might hinder the success of your project and how do you plan to overcome them?

The utmost barrier we are currently facing is the financial perspective of this venture. Though in the past, we were able to produce a number of recondition TV but it cannot supplement the growing demands of the current market. To be honest, we lack the funds to jump start our business idea, however, with the current award we received with the Shell Philippines, we are able to draw interested party for potential investment with us. We believe that there is no financial institution out there or banks would be crazy enough to lend us any money to materialize this venture of ours. The most feasible and realistic approach that we can think of as an organization is to enter in a competition to further attract potential investors in our undertaking. With the popularity it generates, more investors would greatly give us attention to make our product into reality.

Tell us about your partnerships

With the current award we receive from Shell Philippines, right now, we are in the process of meeting different investors like Philippine Venture Capital & Investment Group Inc., and with the help of Philippine Business for Social Progress, a non-profit organization, they have given us a platform where we can meet potential investors for future fundings.

Explain your selections

Mikhail Sean Bellones, the founder of this organization invited us along some of his friends and family members to help him achieve certain goals of this project. His father, was one of the few people who have invested a small amount capital during the experimnt satge of our product. While I, Noel Christian Cruz, as a partner help him sold his product during our first operation. As of today, our business idea is still on paper. We have decided to put on hold our idea while we still look and negotiate potential investors with the help of Shell Philippines and Philippines Business for Social Progress.

How do you plan to strengthen your project in the next three years?

As a start-up company our most and immediate goal is to reach our projected production and sales during the first year of the venture's operation. The achievement of said goal will in turn determine the capability of this venture to attain its all others goals. It is our ambition to introduce this innovation and develop new electronic product that would encourage the use of recycled materials within ten years of this venture's operation without compromising the quality and cost of the intended product.

Challenges

**Which barriers to employment does your innovation address?
Please select up to three in order of relevancy to your project.**

PRIMARY

Underemployment

SECONDARY

Need for regulatory/policy support

TERTIARY

Lack of visibility and investment

Please describe how your innovation specifically tackles the barriers listed above.

It is a common knowledge among us Filipinos that majority of the small and medium enterprises here in the Philippines do not practice paying the minimum wage to their employees. This is why our venture intends to offer our 44 staff with above average entry salaries even on its first year of operation. But only those however who underwent a thorough process of determining their competency of designated tasks will be engaged. For a firm would only court disaster when it hires a college graduate to do the tasks of a janitor. In terms of investment, we are currently engaged in entertaining potential investors with the help of Philippine Business for Social progress.

Are you trying to scale your organization or initiative?

If yes, please check up to three potential pathways in order of relevancy to you.

PRIMARY

SECONDARY

TERTIARY

Please describe which of your growth activities are current or planned for the immediate future.

Do you collaborate with any of the following: (Check all that apply)

NGOs/Nonprofits.

If yes, how have these collaborations helped your innovation to succeed?

They have help us by providing a platform to meet potential investors for our business idea to materialize. At present, with the initiative conducted by Philippine Business for Social Progress, we are able to showcase our business idea to interested party who wish to invest in our business idea.

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