

# SARDAR CLOTH STORE



# BRIEF BIO OF THE ENTREPRENEUR

- Name : S. M. Mojahidul Islam
- Address : Vill: Boropansia, Post & Thana: Pirgacha, Dist: Rangpur
- Mother : Mrs. Rajia Begum, Pirgas, Rangpur, Centre # 23/Mo, Loan no.: 49/17.
- **(Grameen Bank Borrower)** : Member since March 29, 1995  
Existing loan – BDT 38,000 Outstanding- BDT 13,000
- Educational Qualification : H.S.C pass
- Experience : 13 (thirteen) years of experience in clothing business. Entrepreneur started his business with BDT 10,000 (ten thousand). Now it's value is BDT 500,000 (five lac).

# BUSINESS BRIEFING

- ✘ Proposed Business : *SARDAR CLOTH STORE*
- ✘ Shop location: Pirgacha thana shahor market, Pirgacha, Rangpur.
- ✘ Total Investment: BDT *1,000,000*
  - + Financing
    - Self BDT *500,000* (from existing business)
    - Required Investment BDT *500,000* (as equity)
- ✘ **Implementation:**

The business will start with different types of clothing products targeting break even within the first year & pay back period is estimated to be six years.

# OBJECTIVES

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- ✘ Self employment for the entrepreneur;
- ✘ Create employment opportunities for others (especially for family members of Grameen Bank Borrowers) ;
- ✘ Provide in a reasonable price & quality clothing products for in the community;
- ✘ Contribute in improving socio-economic condition.

# INVESTMENT BREAKDOWN

Particulars	Existing (BDT)	Proposed (BDT)	Total (BDT)
Cloth Products	450,000	450,000	900,000
Fixtures and Fittings (Decoration)	50,000	50,000	100,000
<b>Total</b>	<b><u>500,000</u></b>	<b><u>500,000</u></b>	<b><u>1,000,000</u></b>

# MEANS OF FINANCE

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	500,000	50%
Investor's Investment	500,000	50%
<b>Total</b>	<b><u>1,000,000</u></b>	<b><u>100%</u></b>

# EXISTING BUSINESS

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
<b>Estimated Income from Product Sales</b>	2,500	75,000	900,000
<b>Less: Variable Cost:</b>			
Estimated Variable Cost of Product	2,000	60,000	720,000
<b>Total</b>	<b><u>2,000</u></b>	<b><u>60,000</u></b>	<b><u>720,000</u></b>
<b><i>Contribution Margin (CM)</i></b>	<b><u>500</u></b>	<b><u>15,000</u></b>	<b><u>180,000</u></b>
<b>Calculation of Fixed Cost:</b>			
Shop Rent (Own Shop)	-	-	-
Electricity	-	500	6,000
Generator Bill	-	300	3,600
Salary (Self)	-	8,000	96,000
Ownership Transfer Fees	-	-	-
Depreciation Expenses	-	833	10,000
<b>Total Fixed Cost</b>	<b>321</b>	<b>9,633</b>	<b>115,600</b>
<b><i>Net Profit</i></b>	<b>179</b>	<b>5,367</b>	<b><u>64,400</u></b>

# FINANCIAL PROJECTION

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)			Year 4 (BDT)			Year 5 (BDT)			Year 6 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
<b>Estimated Income from Product Sales</b>	4,375	131,250	1,575,000	4,900	147,000	1,764,000	5,488	164,640	1,975,680	6,037	181,104	2,173,248	6,640	199,214	2,390,573	7,305	219,136	2,629,630
<b>Less: Variable Cost:</b>																		
Estimated Variable Cost of Product	3,500	105,000	1,260,000	3,920	117,600	1,411,200	4,391	131,730	1,580,760	4,830	144,900	1,738,800	5,313	159,390	1,912,680	5,844	175,320	2,103,840
<b>Total</b>	<b>3,500</b>	<b>105,000</b>	<b>1,260,000</b>	<b>3,920</b>	<b>117,600</b>	<b>1,411,200</b>	<b>4,391</b>	<b>131,730</b>	<b>1,580,760</b>	<b>4,830</b>	<b>144,900</b>	<b>1,738,800</b>	<b>5,313</b>	<b>159,390</b>	<b>1,912,680</b>	<b>5,844</b>	<b>175,320</b>	<b>2,103,840</b>
<b>Contribution Margin (CM)</b>	<b>875</b>	<b>26,250</b>	<b>315,000</b>	<b>980</b>	<b>29,400</b>	<b>352,800</b>	<b>1,097</b>	<b>32,910</b>	<b>394,920</b>	<b>1,207</b>	<b>36,204</b>	<b>434,448</b>	<b>1,328</b>	<b>39,825</b>	<b>477,893</b>	<b>1,461</b>	<b>43,816</b>	<b>525,790</b>
<b>Calculation of Fixed Cost:</b>																		
Shop Rent (Own Shop)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	-	1,000	12,000	-	1,100	13,200	-	1,200	14,400	-	1,300	15,600	-	1,400	16,800	-	1,500	18,000
Generator Bill	-	600	7,200	-	800	9,600	-	1,000	12,000	-	1,200	14,400	-	1,400	16,800	-	1,600	19,200
Salary (Self)+Assistant	-	16,000	192,000	-	18,000	216,000	-	20,000	240,000	-	22,000	264,000	-	23,000	276,000	-	24,000	288,000
Ownership Transfer Fees	-	-	-	-	1,389	16,667	-	1,667	20,000	-	1,667	20,000	-	1,667	20,000	-	1,944	23,333
Depreciation Expenses	-	1,667	20,000	-	1,667	20,000	-	1,667	20,000	-	1,667	20,000	-	1,667	20,000	-	1,667	20,000
<b>Total Fixed Cost</b>	<b>642</b>	<b>19,267</b>	<b>231,200</b>	<b>765</b>	<b>22,956</b>	<b>275,467</b>	<b>851</b>	<b>25,533</b>	<b>306,400</b>	<b>928</b>	<b>27,833</b>	<b>334,000</b>	<b>971</b>	<b>29,133</b>	<b>349,600</b>	<b>1,024</b>	<b>30,711</b>	<b>368,533</b>
<b>Net Profit</b>	<b>233</b>	<b>6,983</b>	<b>83,800</b>	<b>215</b>	<b>6,444</b>	<b>77,333</b>	<b>246</b>	<b>7,377</b>	<b>88,520</b>	<b>279</b>	<b>8,371</b>	<b>100,448</b>	<b>357</b>	<b>10,692</b>	<b>128,293</b>	<b>437</b>	<b>13,105</b>	<b>157,257</b>
<b>Cumulative Net Profit:</b>			<b>83,800</b>			<b>161,133</b>			<b>249,653</b>			<b>350,101</b>			<b>478,394</b>			<b>635,651</b>



# BREAK EVEN ANALYSIS

Particulars	Monthly	Yearly
<b>Contribution Margin Ratio: (CM/Rev)</b>	<b>20%</b>	<b>20%</b>
<b>Break Even Point (BEP):</b>	Fixed Cost	231,200
	C/M Ratio	20%
<b>Break Even Point Sales (BDT)</b>	<b><u>96,333</u></b>	<b><u>1,156,000</u></b>

# CASH FLOW (REC. & PAY.)

<i>Particulars</i>	<i>Existing Year (BDT)</i>	<i>Year 1 (BDT)</i>	<i>Year 2 (BDT)</i>	<i>Year 3 (BDT)</i>	<i>Year 4 (BDT)</i>	<i>Year 5 (BDT)</i>	<i>Year 6 (BDT)</i>
<b>Cash Inflow</b>							
New Investment	-	500,000	-	-	-	-	-
Net Profit	64,400	83,800	94,000	108,520	120,448	148,293	180,590
Depreciation	10,000	20,000	20,000	20,000	20,000	20,000	20,000
Opening Balance of Cash Surplus	-	74,400	178,200	192,200	200,720	221,168	269,461
<b>Total Cash Inflow</b>	<b>74,400</b>	<b>678,200</b>	<b>292,200</b>	<b>320,720</b>	<b>341,168</b>	<b>389,461</b>	<b>470,051</b>
<b>Cash Outflow</b>							
Cloth Purchases	-	450,000	-	-	-	-	-
Proposed Fixtures and Fittings (Decoration)	-	50,000	-	-	-	-	100,000
Investment Pay Back	-	-	100,000	120,000	120,000	120,000	140,000
<b>Total Cash Outflow</b>	<b>-</b>	<b>500,000</b>	<b>100,000</b>	<b>120,000</b>	<b>120,000</b>	<b>120,000</b>	<b>240,000</b>
<b>Total Cash Surplus</b>	<b>74,400</b>	<b>178,200</b>	<b>192,200</b>	<b>200,720</b>	<b>221,168</b>	<b>269,461</b>	<b>230,051</b>

# OUTCOMES

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- The business will start with BDT **1,000,000** and it is expected that by the end of six years after payback of investor's money the entrepreneur's capital will be BDT **1,135,651**
- The business will serve the community by selling quality and in demand products and strive to improve every year.

# RISK FACTORS

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- Theft
- Local competition

# RISK MANAGEMENT

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- ✘ Adequate precautions to be taken
- ✘ Proper security measures will be taken
- ✘ Close market watch to compete

# PHOTO EXHIBITION









# Thank You

