

Lima Tailors



BRIEF BIO DATA OF THE ENTREPRENEUR

- Name : Mst. Lima Akter
Age: 18 years
- Address : South Zugi Para, Post: Munshir Hat, Shaghata, Gaibandha,
- Mother : Mrs. Fuhara Begum, Centre # 52/Mo, Zugi Para Vhu/Mo, Shaghata, Gaibandha.
- **(Grameen Bank Borrower)** : Member since 14 December, 2005
Existing loan - BDT 12,000 Outstanding- BDT 11,208 (Business Liability)
- Educational Qualification : S.S.C Pass
- Experience : 7 (five) years of experience in running and working in own Clothing & Tailor shop. Entrepreneur's father started this business with BDT 5,000 (five thousand). Now it's value is BDT 50,000 (fifty thousand).

BUSINESS BRIEFING

➤ Proposed Business : *Lima Tailors*

➤ Shop location: Residence

➤ Total Investment: BDT **170,000**

❖ Financing

❖ Self BDT **50,000** (from existing business)

❖ Required Investment BDT **120,000** (as equity)

➤ Implementation:

The shop will start with different items of clothing & tailored products and services targeting break even within first year & pay back period is estimated to be five years.

OBJECTIVES

- Self employment for the entrepreneur;
- Become a Prominent Nobin Udyokta;
- Create employment opportunities for others (especially for family members of Grameen Bank Borrowers) ;
- Cater to demand for clothing products and tailoring services in the community;
- Selling quality clothing products to community;
- Contribute in improving socio-economic condition.

INVESTMENT BREAKDOWN

| Particulars | Existing (BDT) | Proposed (BDT) | Total |
|------------------------------------|----------------|----------------|----------------|
| Cloth Products | 35,000 | 100,000 | 135,000 |
| Machine | 10,000 | 5,000 | 15,000 |
| Decoration (Fixtures and Fittings) | 5,000 | 15,000 | 20,000 |
| Total Capital | 50,000 | 120,000 | 170,000 |

MEANS OF FINANCE

| Particulars | Amount (Tk.) | % |
|-----------------------------|----------------|-------------|
| Entrepreneur's Contribution | 50,000 | 29% |
| Investor's Investment | 120,000 | 71% |
| Total | 170,000 | 100% |

EXISTING BUSINESS

| Particulars | Existing Business (BDT) | | |
|-----------------------------------|-------------------------|---------------|----------------|
| | Daily | Monthly | Yearly |
| Income from Making Charge | 200 | 5,200 | 62,400 |
| Income from Product Sales | 500 | 13,000 | 156,000 |
| Total | 700 | 18,200 | 218,400 |
| Less: Variable Cost: | | | |
| Labor Charges | 100 | 2,600 | 31,200 |
| Variable Cost of Product | 425 | 11,050 | 132,600 |
| Total | 525 | 13,650 | 163,800 |
| Contribution Margin (CM) | 175 | 4,550 | 54,600 |
| Calculation of Fixed Cost: | | | |
| Shop Rent | | - | - |
| Electricity | | 300 | 3,600 |
| Salary (Self) | | 3,000 | 36,000 |
| Ownership Transfer Fees | | - | - |
| Depreciation Expenses | | - | 1,500 |
| Total Fixed Cost | | 3,300 | 41,100 |
| Net Profit | | 1,250 | 13,500 |

KEY ASSUMPTIONS (I/S)

- Sales growth on cloth items and tailoring service will be 100% in 1st year of injecting additional investment and 10% thereafter.
- Gross profit margin on products is 25% on average.
- Depreciation rate charged on Sewing Machine & Decoration items is 10%.
- Labor cost is charged @50% on gross receipts.

FINANCIAL PROJECTION

| Particulars | Year 1 (BDT) | | | Year 2 (BDT) | | | Year 3 (BDT) | | | Year 4 (BDT) | | | Year 5 (BDT) | | |
|-----------------------------------|--------------|---------------|----------------|----------------|---------------|----------------|--------------|----------------|----------------|----------------|---------------|----------------|--------------|---------------|----------------|
| | Daily | Monthly | Yearly | Daily | Monthly | Yearly | Daily | Monthly | Yearly | Daily | Monthly | Yearly | Daily | Monthly | Yearly |
| Income from Making Charge | 400 | 10,400 | 124,800 | 440 | 11,440 | 137,280 | 484 | 12,584 | 151,008 | 532 | 13,842 | 166,109 | 586 | 15,227 | 182,720 |
| Income from Product Sales | 1,000 | 26,000 | 312,000 | 1,100 | 28,600 | 343,200 | 1,210 | 31,460 | 377,520 | 1,331 | 34,606 | 415,272 | 1,464 | 38,067 | 456,799 |
| Total | 1,400 | 36,400 | 436,800 | 1,540 | 40,040 | 480,480 | 1,694 | 44,044 | 528,528 | 1,863 | 48,448 | 581,381 | 2,050 | 53,293 | 639,519 |
| Less: Variable Cost: | | | | | | | | | | | | | | | |
| Labor Charges | 200 | 5,200 | 62,400 | 220 | 5,720 | 68,640 | 242 | 6,292 | 75,504 | 266.2 | 6,921 | 83,054 | 292.82 | 7,613 | 91,360 |
| Variable Cost of Product | 850 | 22,100 | 265,200 | 935 | 24,310 | 291,720 | 1029 | 26,741 | 320,892 | 1131.4 | 29,415 | 352,981 | 1244.5 | 32,357 | 388,279 |
| Total | 1050 | 27,300 | 327,600 | 1155 | 30,030 | 360,360 | 1271 | 33,033 | 396,396 | 1398 | 36,336 | 436,036 | 1537 | 39,970 | 479,639 |
| Contribution Margin (CM) | 350 | 9,100 | 109,200 | 385 | 10,010 | 120,120 | 424 | 11,011 | 132,132 | 466 | 12,112 | 145,345 | 512 | 13,323 | 159,880 |
| Calculation of Fixed Cost: | | | | | | | | | | | | | | | |
| Shop Rent | | - | - | | - | - | | - | - | | - | - | | - | - |
| Electricity | | 300 | 3,600 | | 350 | 4,200 | | 400 | 4,800 | | 400 | 4,800 | | 400 | 4,800 |
| Salary (Self) | | 3,500 | 42,000 | | 4,000 | 48,000 | | 4,500 | 54,000 | | 5,000 | 60,000 | | 5,500 | 66,000 |
| Ownership Transfer Fees | | - | - | | 333 | 4,000 | | 500 | 6,000 | | 500 | 6,000 | | 667 | 8,000 |
| Depreciation Expenses | | 250 | 3,000 | | 250 | 3,000 | | 250 | 3,000 | | 250 | 3,000 | | 250 | 3,000 |
| Total Fixed Cost | | 4,050 | 48,600 | | 4,933 | 59,200 | | 5,650 | 67,800 | | 6,150 | 73,800 | | 6,817 | 81,800 |
| Net Profit | | 5,050 | 60,600 | | 5,077 | 60,920 | | 5,361 | 64,332 | | 5,962 | 71,545 | | 6,507 | 78,080 |
| Cumulative Net Profit: | | 60,600 | | 121,520 | | 185,852 | | 257,397 | | 335,477 | | | | | |

BREAK EVEN ANALYSIS

| Particulars | Monthly | Yearly |
|--|------------|---------|
| Contribution Margin Ratio: (CM/Rev) | 25% | |
| Break Even Point (BEP): (Fixed Cost/CM Ratio) | 4,050 | 48,600 |
| | 25% | 25% |
| Break Even Point Sales (BDT) | 16,200 | 194,400 |

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> |
|---|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Cash Inflow | | | | | | |
| New Investment | - | 120,000 | - | - | - | - |
| Net Profit | 13,500 | 60,600 | 64,920 | 70,332 | 77,545 | 86,080 |
| Depreciation | - | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Opening Balance of Cash Surplus | - | 13,500 | 89,100 | 145,020 | 194,352 | 250,897 |
| Total Cash Inflow | 13,500 | 209,100 | 169,020 | 230,352 | 286,897 | 351,977 |
| Cash Outflow | | | | | | |
| Cloth Purchases | - | 100,000 | - | - | - | - |
| New Machine Purchase | | 5,000 | - | - | - | - |
| Proposed Fixtures and Fittings (Decoration) | - | 15,000 | - | - | - | - |
| Investment Pay Back | - | - | 24,000 | 36,000 | 36,000 | 48,000 |
| Total Cash Outflow | - | 120,000 | 24,000 | 36,000 | 36,000 | 48,000 |
| Total Cash Surplus | 13,500 | 89,100 | 145,020 | 194,352 | 250,897 | 303,977 |

OUTCOMES

- ***Lima Tailors*** business will start with BDT **170,000** and it is expected that by the end of five years after payment of investor's money the entrepreneur's capital will be BDT **385,477**.
- Sales of in demand and quality clothing products for the community will be increased gradually.

RISK FACTORS

- Theft
- Local competition
- Political Unrest

RISK MANAGEMENT

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

**PHOTO
EXHIBITION**

























Thank You

