

***Shikdar Bosraloy***

## ***BRIEF BIO OF THE ENTREPRENEUR***

Name	:	Shamsul Hoque
Marital status	:	Married
Age	:	29 years
Address	:	Vill: Nijpara, Union: 5 # Balapara, Post: Kaunia, Upazila : Kaunia, District: Rangpur
Mother <i>(Grameen Bank Borrower)</i>	:	Mrs. Sokina Begum Balapara, Centre # 17/Mo, Loan no.: 2338, Member since 2002 Existing Loan –30,000 and Outstanding- 10,111
Education	:	HSC
Experience	:	13 years experience in the business of Clothing. He started business with his father (retired) and now he has become owner of the business. The start up capital BDT <b>30,000</b> and now it's value is about BDT 500,000.

# BUSINESS Briefing

<b>Business Name</b>	<i>Shikdar Bosraloy</i>
<b>Shop location</b>	Thana Kaunia Road, Kaunia, Rangpur
<b>Total Investment:</b>	<input type="checkbox"/> Self BDT 500,000 (from existing business) <input type="checkbox"/> Required Investment BDT 300,000 (as equity)
<b>Implementation:</b>	
<p>The business is planned to be scaled up by retailing clothing products targeting break even point within the <b>first year</b> &amp; pay back period is estimated to be <b>four years</b>.</p>	

# Objectives

- Become a prominent Nobin Udyokta;
- Well establishing as an entrepreneur;
- Create employment opportunities especially for family members of Grameen Bank Borrowers ;
- Provide quality goods to meet demand in the community;
- Contribute in improving socio-economic condition.

# ***Additional Information:***

- Salary will be used for his family expenses;
- One person will be employed in this business;
- He has trade license & ownership in his own name;
- Credit sales are realized in a timely manner;
- Maintains regular records of business transactions
- Business have seasonal effects (Festival)

# *Investment Breakdown*

<b>Particulars</b>	<b>Existing Business (BDT)</b>	<b>Proposed (BDT)</b>	<b>Total (BDT)</b>
Investment in Goods	450,000	300,000	750,000
Furniture, Fixtures & Decoration	50,000	-	50,000
<b>Total Capital</b>	<b>500,000</b>	<b>300,000</b>	<b>800,000</b>

# Means of Finance

Particulars	Amount (Tk.)	%
Entrepreneur's Contribution	500,000	63%
Investor's Investment	300,000	38%
<b>Total</b>	<b>800,000</b>	<b>100%</b>

# Existing Business

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated sales revenue	6,538	170,000	2,040,000
<b>Total Sales (A)</b>	<b>6,538</b>	<b>170,000</b>	<b>2,040,000</b>
<b>Calculation of Variable Cost:</b>			
<i>Less: Variable Cost:</i>			
Estimated cost of sale	5,558	144,500	1,734,000
<b>Total Variable Cost (B)</b>	<b>5,558</b>	<b>144,500</b>	<b>1,734,000</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>981</b>	<b>25,500</b>	<b>306,000</b>
<i>Less: Fixed Cost:</i>			
Electricity bill		600	7,200
Salary- own		15,000	180,000
Salary- employee (1)		3,000	36,000
Generator Bill		150	1,800
Transport		1,000	12,000
Entertainment		500	6,000
Others		300	3,600
Depreciation Expenses		833	10,000
Ownership Transfer Fees		-	-
<b>(D) Total Fixed Cost</b>	<b>713</b>	<b>21,383</b>	<b>256,600</b>
<b>(C-D) Net Profit:</b>		<b>4,117</b>	<b>49,400</b>



# Key assumptions for forecasting

- Sales growth will be 50% in 1st year and 10% in every year after introducing additional investment.
- Gross Profit on products is estimated to be 15% on an average.
- Depreciation has been charged on fixed assets at the rate of 20%.

# Financial Projection

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)			Year 4 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
Estimated sales revenue	9,808	255,000	3,060,000	10,788	280,500	3,366,000	11,867	308,550	3,702,600	13,054	339,405	4,072,860
<b>Total Sales (A)</b>	<b>9,808</b>	<b>255,000</b>	<b>3,060,000</b>	<b>10,788</b>	<b>280,500</b>	<b>3,366,000</b>	<b>11,867</b>	<b>308,550</b>	<b>3,702,600</b>	<b>13,054</b>	<b>339,405</b>	<b>4,072,860</b>
Calculation of Variable Cost:												
<i>Less: Variable Cost:</i>												
Estimated cost of sale	8,337	216,750	2,601,000	9,170	238,425	2,861,100	10,087	262,268	3,147,210	11,096	288,494	3,461,931
<b>Total Variable Cost (B)</b>	<b>8,337</b>	<b>216,750</b>	<b>2,601,000</b>	<b>9,170</b>	<b>238,425</b>	<b>2,861,100</b>	<b>10,087</b>	<b>262,268</b>	<b>3,147,210</b>	<b>11,096</b>	<b>288,494</b>	<b>3,461,931</b>
<b>Contribution Margin (CM) [</b>	<b>1,471</b>	<b>38,250</b>	<b>459,000</b>	<b>1,618</b>	<b>42,075</b>	<b>504,900</b>	<b>1,780</b>	<b>46,283</b>	<b>555,390</b>	<b>1,958</b>	<b>50,911</b>	<b>610,929</b>
<i>Less: Fixed Cost:</i>												
Electricity bill		600	7,200		700	8,400		800	9,600		850	10,200
Salary- own		15,000	180,000		16,000	192,000		17,000	204,000		18,000	216,000
Salary- employee (2)		3,000	36,000		3,000	36,000		3,000	36,000		3,000	36,000
Generator Bill		150	1,800		150	1,800		200	2,400		200	2,400
Transport		1,000	12,000		1,100	13,200		1,150	13,800		1,200	14,400
Entertainment		500	6,000		600	7,200		650	7,800		700	8,400
Others		300	3,600		300	3,600		300	3,600		300	3,600
Depreciation Expenses		833	10,000		833	10,000		833	10,000		833	10,000
Ownership Transfer Fees		-	-		1,333	16,000		1,833	22,000		1,833	22,000
<b>(D) Total Fixed Cost</b>		<b>21,383</b>	<b>256,600</b>		<b>24,017</b>	<b>288,200</b>		<b>25,767</b>	<b>309,200</b>		<b>26,917</b>	<b>323,000</b>
<b>(C-D)Net Profit:</b>		<b>16,867</b>	<b>202,400</b>		<b>18,058</b>	<b>216,700</b>		<b>20,516</b>	<b>246,190</b>		<b>23,994</b>	<b>287,929</b>
<b>Cumulative Net Profit:</b>			<b>202,400</b>			<b>419,100</b>			<b>665,290</b>			<b>953,219</b>

# Break Even Point analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	15%	15%
Break Even Point (BEP):	21,383	256,600
	15%	15%
<b>Break Even Point (in Tk.)</b>	<b>142,556</b>	<b>1,710,667</b>

# Cash flow (Rec. & Pay.)

<i>Particulars</i>	<i>Year 1 (BDT)</i>	<i>Year 2 (BDT)</i>	<i>Year 3 (BDT)</i>	<i>Year 4 (BDT)</i>
<b>Cash Inflow</b>				
Investment Infusion by Investor's	300,000	-	-	-
Net Profit (Added back Ownership Tr. Fee)	202,400	232,700	268,190	309,929
Depreciation	10,000	10,000	10,000	10,000
Opening Balance of Cash Surplus	-	202,400	349,100	495,290
<b>Total Cash Inflow</b>	<b>512,400</b>	<b>445,100</b>	<b>627,290</b>	<b>815,219</b>
<b>Cash Outflow</b>				
Purchase of Product	300,000	-	-	-
Payment of Grameen Bank Loan	10,111			
Investment Pay Back (Including Ownership Tr. Fee)	-	96,000	132,000	132,000
<b>Total Cash Outflow</b>	<b>310,000</b>	<b>96,000</b>	<b>132,000</b>	<b>132,000</b>
<b>Total Cash Surplus</b>	<b>202,400</b>	<b>349,100</b>	<b>495,290</b>	<b>683,219</b>

# Outcomes

- The business will start with BDT **800,000** and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT **14,53,000**.
- The business will serve the community by selling quality and in demand products and strive to improve every year.

# Risk Factors

- Theft
- Local competition
- Fire
- Political unrest

# Risk Management

- Adequate precautions to be taken
- Arranging fire extinguisher (if possible), sand and water.
- Close market watch to compete

Pictures













**Thank You**