

Creation Handmade Ltd.

A Social Business Initiative



Designed By:

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Guest Project of Yunus Centre

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**“ALL HUMANS ARE BORN
ENTREPRENEURS”**

— MUHAMMAD YUNUS
NOBEL PEACE PRIZE RECIPIENT



Business Idea

The business aims to manufacture & export handmade, non-traditional, pioneering diversified jute products to meet global market demand by increasing participation of female labor force in Bangladesh ensuring market wage.



Mission & Vision

Mission : To produce creative & hand made diversified jute products for modern global market by following trend through alleviating poverty, creating sustainable income opportunity for women in Bangladesh and reviving national heritage.

Vision: To create a global identity for diversified jute products of Bangladesh through branding world's best quality jute and reviving national glory, which will ultimately strengthen country's economy .



Business Objectives

- # Train & skill up gradation of female labor force**
- # Create a pool of skilled labor force**
- # Design & develop innovative & diversified jute products**



- # Formulate market strategy and develop buyers database through customer segmentation**
- # Attend major international fairs in Germany, USA & China and other countries**
- # Reintroduce world's best jute to global market**
- # Brand Bangladeshi jute product as a green product**

Social Problem

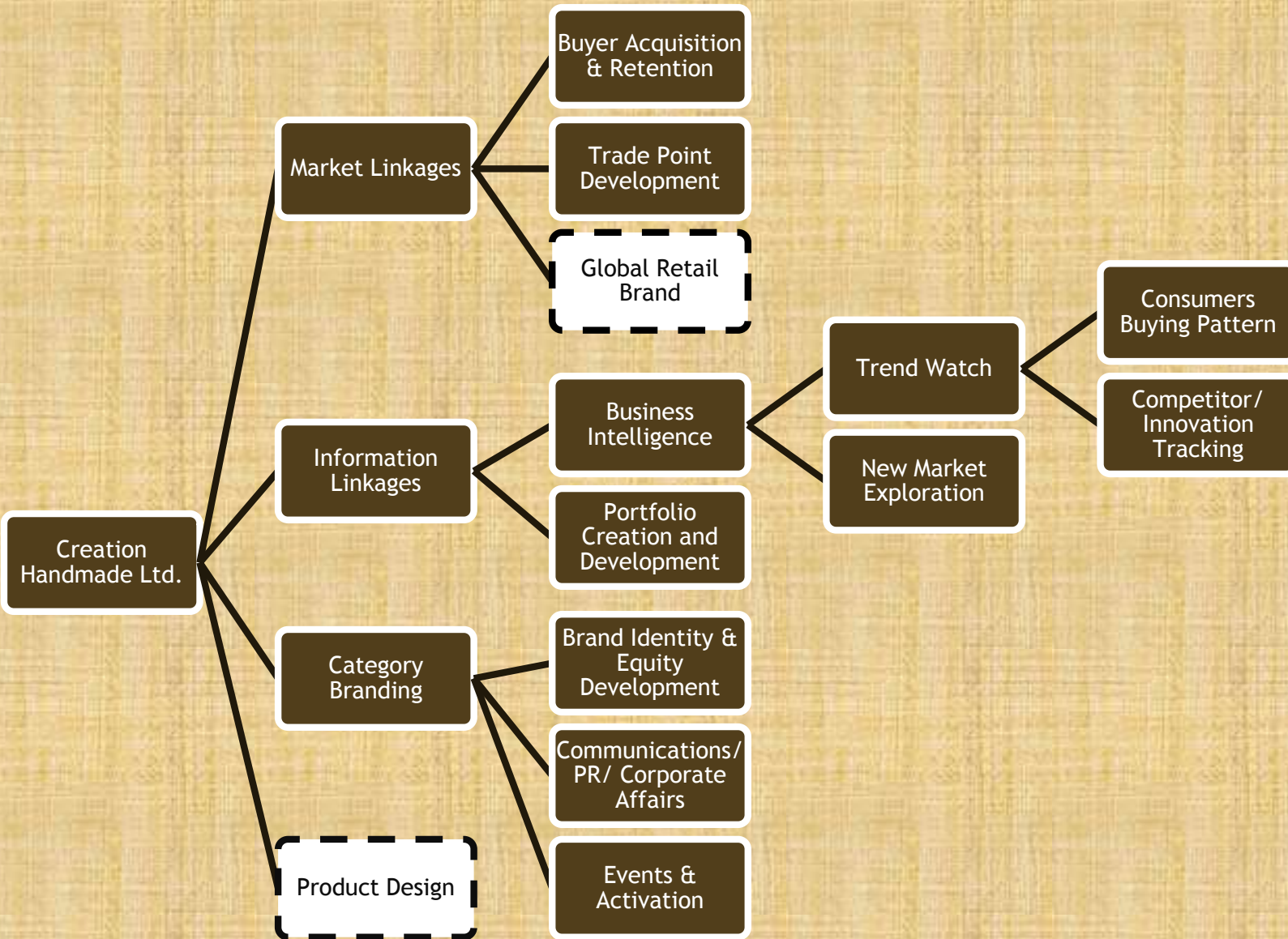
Apart from faded national legacy, poverty, unemployment, lower (approx. 27% less than male) female labor force participation are the mainstream problems. As a result, lack of access to basic needs such as education, health etc by the society.



How to Overcome Problem: Create employment, increase income & therefore better living standard, branding Bangladeshi jute product, produce inventive & stylish hand made products to suit and serve modern application of jute in global market place.



Conceptual Framework: (Business & Market Channels)



Marketing and Sales Strategy

Only in USA Christmas decoration & gift item market size has recently exceeded \$6 bn whereas seasonal decoration in retail crossed \$24 bn. This market segment is also projected to register annual growth around 6.3% for next 5 years till 2019 with restoration of global economy. *(according to Big Research & IBIS World)*



Entrepreneur's Background

a) Afsana Jahan

(BBA, North South University, April 2010)

4.5 years of full-time work experience

Industry: Bank, Non-Bank Financial Institution, International NGO and private company.

- Creation Private LTD (Business Development Manager)
- Traidcraft Exchange (Programme Officer)
- Mutual Trust Bank (Senior Research Officer)
- IDLC Finance Limited (Executive Officer Small & Medium Enterprise, Credit Risk Management)



b) Rashedul Karim Munna

(Master's in Management from Dhaka University)

Started Creation Private Limited in 1997 with hand made paper. Within few years, he evolved in jute industry and now he produces industrial, semi-industrial, semi-hand made jute products. He initially started with BDT 1 lakh but now his sales is in million dollars.

Awards: Standard Chartered Bank Agro Award 2014, HSBC Best Business Award 2009, two National awards in 2005 for innovation, exporting & producing diversified jute products.

He is active in FBCCI (ex-chairman, handicraft), SME Foundation, and other diversified jute product related exporters' & producers' associations.

<http://www.creationjute.com/>

<http://futurestartup.com/2014/02/23/rasedul-karim-munna/#>



Product Category: Christmas decoration, gift items, Bags, floor mat, place mat and other home décor are the broad category.

Wine bottle bag, leather & cane handle jute bag (Christmas gift), nursery pot are the selected products for year 1.



Product Price: Average Product Price is BDT 148. (Year 1)

Raw Materials: Local (100% Jute Yarn in Bobbin of large size, Tosha from Faridpur, Color & Natural)

Source of Raw Materials: Janata private Limited, Bangladesh

Unit Price: On an average 1 kg Yarn BDT 190

Budget of Raw Materials: Around 50% of order value



Project Investment Cost

Furniture & Office Equipment: 50,000 BDT

Working Capital: 9,50,000

Project Investment Cost: 1,000,000

Source of Fund: Self

Break-Even: 1st years

Pay Back : 3.5 years



Projected Income Statement for 5 years

| PROJECTED FINANCIAL STATEMENTS | | | | | |
|--------------------------------------|----------------|------------------|------------------|------------------|------------------|
| | <u>year 1</u> | <u>year 2</u> | <u>year 3</u> | <u>year 4</u> | <u>year 5</u> |
| Sales | 3,729,880 | 5,594,820 | 10,070,676 | 15,106,014 | 19,637,818 |
| (conservatively 20% of each product) | | | | | |
| COGS: (Production Budget) | 2,731,740 | 4,097,610 | 6,965,937 | 9,752,312 | 12,190,390 |
| Skill Development | 150,000 | 150,000 | 250,000 | 250,000 | 250,000 |
| Gross Profit | 848,140 | 1,347,210 | 2,854,739 | 5,103,702 | 7,197,428 |
| Advertisement & promotion | 50,000 | 50,000 | 100,000 | 100,000 | 200,000 |
| Salary, CEO | 480,000 | 600,000 | 720,000 | 864,000 | 1,036,800 |
| Utilitie | 12,000 | 12,000 | 12,000 | 18,000 | 18,000 |
| Rent | 60,000 | 60,000 | 60,000 | 120,000 | 120,000 |
| Product Development | 10,000 | 20,000 | 50,000 | 100,000 | 150,000 |
| Depreciation 10% | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Telephone & Postage | 24,000 | 28,800 | 30,000 | 40,000 | 30,000 |
| Miscellaneous expences | 5,000 | 15,000 | 20,000 | 20,000 | 20,000 |
| Total Operating Expense | 643,500 | 788,300 | 994,500 | 1,264,500 | 1,577,300 |
| Profit Before Taxes | 204,640 | 558,910 | 1,860,239 | 3,839,202 | 5,320,128 |
| Taxes 37.5% | 76,740 | 209,591 | 697,590 | 1,439,701 | 2,107,548 |
| Net Profit | 127,900 | 349,319 | 1,162,649 | 2,399,501 | 3,512,580 |

Project Location: Nagori, Kaligonj, Gazipur, Bangladesh.

Legal Information: It will be a Social Business Company under the Company Act 2014 and sister concern of Creation Private Limited.

Social Impact:

- Direct Employment of 30 women in the first year will contribute to improve female labor participation
- Indirect Support and improved living standard $(30 * 5) = 150$ people (family size 5) in year 1 through increase in income will better country's economy
- National Heritage Revive through branding the best jute
- Environmental friendly product



Thank you