Lamia Cosmetic & Stationary Store

BRIEF BIO OF THE ENTREPRENEUR

Name		Lebu Mondol
Age	=	31 years
Address	•	Vill: Horinathpur, Post: Shotibari, Upazila Mithapukur, District: Rangpur
Father (Grameen Bank Borrower)	•	Mr. Taslim Uddin Branch name: Horinathpur, Centre # 50/Po, Loan no.: 1264, Member since 1984 Existing Loan – BDT 6,000 Outstanding- 3,000
Education		HSC
Experience	:	5 years experience in general retail business (sale of stationary). He started business with BDT 70,000 as capital and now it's value is about BDT 200,000.

BUSINESS Briefing

- > Business Name: Lamia Cosmetic & Stationary Store
- > Shop location: Horinathpur, Shotibari, Mithapukur, Rangpur
- > Total Investment: BDT 500,000

Financing:

- Self BDT 200,000 (from existing business)
- Required Investment BDT 300,000 (as equity)

> Implementation:

The business is going to be scaled up with sale of stationary products as well as cosmetic products targeting break even point within the **first year** & pay back period is estimated to be **four years**.

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 (5 person) expenses;
- He has a coaching center;
- > He has trade license & ownership in his own name;
- Maintains regular records of business transactions

Investment Breakdown

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)	
Investment in Goods	50,000	280,000	330,000	
Furniture, Fixtures & Decoration	50,000	20,000	70,000	
Advance for Shop	100,000	-	100,000	
Total Capital	200,000	300,000	500,000	

Means of Finance



Existing Business

Doublevlous	Existing Business (BDT)					
Particulars Particulars	Daily	Monthly	Yearly			
Estimated Sales revenue	1,769	46,000	552,000			
Total Sales (A)	1,769	46,000	552,000			
Calculation of Variable Cost:						
Less: Variable Cost:						
Estimated Cost of sale	1,327	34,500	414,000			
Total Variable Cost (B)	1,327	34,500	414,000			
Contribution Margin (CM) [C=(A-B)]	442	11,500	138,000			
Less: Fixed Cost:						
Electricity bill		500	6,000			
Salary- own		6,000	72,000			
Transport		500	6,000			
Others		200	2,400			
Depreciation Expenses		833	10,000			
Ownership Transfer Fees		-	-			
(D) Total Fixed Cost	268	8,033	96,400			
(C-D)Net Profit:		3,467	41,600			

Key assumptions for forecasting

- ➤ Sales growth will be 80% in 1st year and 20% in every year after introducing additional investment.
- Gross Profit on products is estimated to be 25% 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	3,185	82,800	993,600	3,822	99,360	1,192,320	4,586	119,232	1,430,784	5,503	143,078	1,716,941
Total Sales (A)	3,185	82,800	993,600	3,822	99,360	1,192,320	4,586	119,232	1,430,784	5,503	143,078	1,716,941
Calculation of Variable Cost:												
Less: Variable Cost:												
Estimated cost of sale	2,388	62,100	745,200	2,866	74,520	894,240	3,439	89,424	1,073,088	4,127	107,309	1,287,706
Total Variable Cost (B)	2,388	62,100	745,200	2,866	74,520	894,240	3,439	89,424	1,073,088	4,127	107,309	1,287,706
Contribution Margin (CM) [C=(A-B)]	796	20,700	248,400	955	24,840	298,080	1,146	29,808	357,696	1,376	35,770	429,235
Less: Fixed Cost:												
Electricity bill		500	6,000		600	7,200		650	7,800		700	8,400
Salary- own		6,000	72,000		7,000	84,000		8,000	96,000		9,000	108,000
Transport		500	6,000		600	7,200		650	7,800		700	8,400
Others		200	2,400		200	2,400		200	2,400		200	2,400
Depreciation Expenses		1,167	14,000		1,167	14,000		1,167	14,000		1,167	14,000
Ownership Transfer Fees		-	-		1,333	16,000		1,667	20,000		2,000	24,000
(D) Total Fixed Cost		8,367	100,400		10,900	130,800		12,333	148,000		13,767	165,200
(C-D)Net Profit:		12,333	148,000		13,940	167,280		17,475	209,696		22,003	264,035
Cumulative Net Profit:			148,000			315,280			524,976			789,011

Break Even Point analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	25%	25%
Break Even Point (BEP):	8,367	100,400
	25%	25%
Break Even Point (in Tk.)	33,467	401,600

Cash flow (Rec. & Pay.)

Particulars	Existing Business(BDT)	Year 1 (BDT)	Year 2 (BDT)	Year 3 (BDT)	Year 4 (BDT)
Cash Inflow					
New Investment Infusion by Investor's	-	300,000	1	ı	-
Net Profit (ownership transfer fee added back)	41,600	148,000	183,280	229,696	288,035
Depreciation	10,000	14,000	14,000	14,000	14,000
Opening Balance of Cash Surplus	-	51,600	213,600	314,880	438,576
Total Cash Inflow	51,600	513,600	410,880	558,576	740,611
Cash Outflow					
Purchase of Product	-	280,000	1	1	-
Furniture, Fixtures & Decoration	-	20,000	ı	1	-
Investment Pay Back (ownership transfer fee included)	-	-	96,000	120,000	144,000
Total Cash Outflow	-	300,000	96,000	120,000	144,000
Total Cash Surplus	51,600	213,600	314,880	438,576	596,611

Outcomes

The business will start with BDT 500,000 and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT 989,000.

 The business will serve the community by selling quality and in demand products and strive to improve every year.

Risk Factors

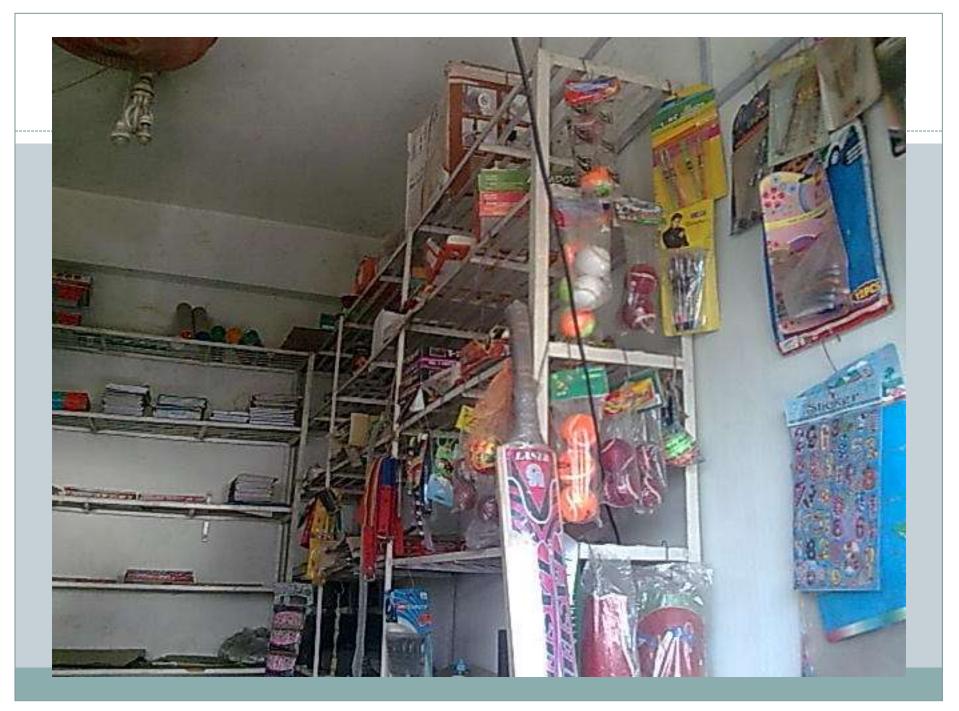
- > Theft
- Local competition
- Fire
- Political unrest

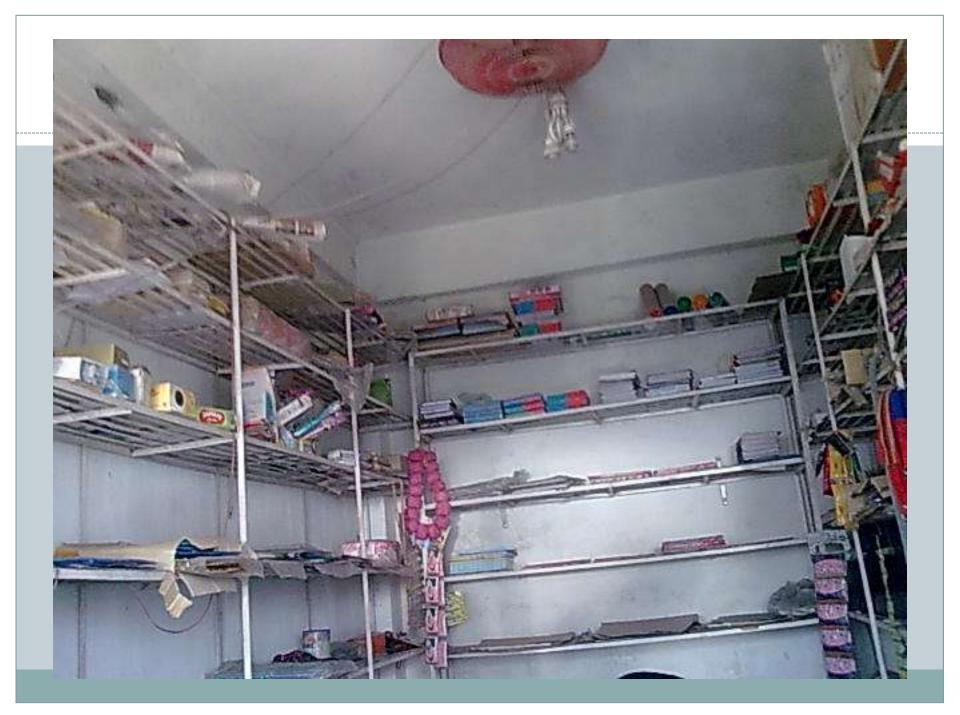
Risk Management

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

Close market watch to compete

Pictures









Thank You