

Shamol Auto

BRIEF BIO OF THE ENTREPRENEUR


Name	:	Shamol Kumar
Age	:	31 years
Address	:	Vill: Chitly Dhakkin Para, Post: Mithapukur Upazila: Mithapukur, District: Rangpur
Mother (<i>Grameen Bank Borrower</i>)	:	Mrs. Laxmi Rani Mithapukur, Centre # 9 mo, Loan no.: 1203/1, Member since 2005 Existing Loan – BDT 5,000, Outstanding- 820
Education	:	Five Pass
Experience	:	7 years experience in repairing automobiles such as three wheelers and motor cycle. Entrepreneur started his business with BDT 200 and now it's value is BDT 55,000.

Business Briefing


- Business Name: Shamol Auto
- Shop location: Chitly Dhakkin Para, Mithapukur, Rangpur
- Total Investment: **BDT 155,000**
 - ❖ Financing
 - ❖ Self BDT 55,000 (from existing business)
 - ❖ Required Investment BDT 100,000 (as equity)
- **Implementation:**

The business is going to be scaled up with different automobile parts and servicing of automobiles targeting break even point within the **first year** & pay back period is estimated to be **three years**.

Objectives

- Become a Prominent Nobin Udyokta;
 - Self employment for the entrepreneur;
 - Create employment opportunities for especially for family members of Grameen Bank Borrowers ;
 - Provide quality goods to meet demand in the community;
 - Contribute in improving socio-economic condition.
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Additional Information

- ▶ Salary will be used to meet his own & family expenses;
 - ▶ GB loan taken for his business;
 - ▶ He has to provide GB loan installment from his business;
 - ▶ Maintains regular records of business transactions;
 - ▶ He has trade license & ownership in his own name
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Investment Breakdown

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Product	20,000	38,000	58,000
Advance for Shop	20,000	-	20,000
Furniture, Fixtures & Decoration	15,000	15,000	30,000
Air Pressure Machine	-	40,000	40,000
Wash Machine	-	7,000	7,000
Total Capital	55,000	100,000	155,000

Means of Finance

Particulars	Amount (Tk.)	%
Entrepreneur's Contribution	55,000	35%
Investor's Investment	100,000	65%
Total	155,000	100%

Existing Business

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated product sales	100	2,600	31,200
Est. Income from Servicing	400	10,400	124,800
Total Sales (A)	500	13,000	156,000
Calculation of Variable Cost:			
Less: Variable Cost:			
Estimated cost of sale	80	2,080	24,960
Est. cost of Servicing	40	1,040	12,480
Total Variable Cost (B)	120	3,120	37,440
Contribution Margin (CM) [C=(A-B)]	380	9,880	118,560
Less: Fixed Cost:			
Shop Rent		500	6,000
Electricity bill		200	2,400
Salary- own		6,000	72,000
Transport		400	4,800
Depreciation Expenses		250	3,000
Ownership Transfer Fees		-	-
(D) Total Fixed Cost	245	7,350	88,200
(C-D) Net Profit:		2,530	30,360

Key assumptions for forecasting

- Sales growth will be 100% in product and 50% in repairing on the 1st year and 20% in every year after introducing additional investment.
- Gross Profit on products and servicing on an average is estimated to be 73%.
- Depreciation has been charged on fixed assets at the rate of 20%.

Financial Projection

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
Estimated product sales	200	5,200	62,400	240	6,240	74,880	288	7,488	89,856
Est. Income from Servicing	600	15,600	187,200	720	18,720	224,640	864	22,464	269,568
Total Sales (A)	800	20,800	249,600	960	24,960	299,520	1,152	29,952	359,424
Calculation of Variable Cost:									
Less: Variable Cost:									
Estimated cost of sale	160	4,160	49,920	192	4,992	59,904	230	5,990	71,885
Est. cost of Servicing	60	1,560	18,720	72	1,872	22,464	86	2,246	26,957
Total Variable Cost (B)	220	5,720	68,640	264	6,864	82,368	317	8,237	98,842
Contribution Margin (CM) [C=(A-B)]	580	15,080	180,960	696	18,096	217,152	835	21,715	260,582
Less: Fixed Cost:									
Shop Rent		500	6,000		600	7,200		700	8,400
Electricity bill		200	2,400		300	3,600		350	4,200
Salary- own		6,000	72,000		7,000	84,000		8,000	96,000
Transport		600	7,200		650	7,800		700	8,400
Depreciation Expenses		1,283	15,400		1,283	15,400		1,283	15,400
Ownership Transfer Fees		-	-		667	8,000		1,000	12,000
(D) Total Fixed Cost		8,583	103,000		10,500	126,000		12,033	144,400
(C-D)Net Profit:		6,497	77,960		7,596	91,152		9,682	116,182
Cumulative Net Profit:			77,960			169,112			285,294

Break Even Point analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	73%	73%
Break Even Point (BEP):	8,583	103,000
	73%	73%
Break Even Point (in Tk.)	11,839	142,069

Cash flow (Rec. & Pay.)

<i>Particulars</i>	<i>Year 1 (BDT)</i>	<i>Year 2 (BDT)</i>	<i>Year 3 (BDT)</i>
Cash Inflow			
New Investment Infusion by Investor's	100,000	-	-
Net Profit (Ownership Tr. Fee added back)	77,960	99,152	128,182
Depreciation	15,400	15,400	15,400
Opening Balance of Cash Surplus	-	93,360	159,912
Total Cash Inflow	193,360	207,912	303,494
Cash Outflow			
Purchase of Product	38,000	-	-
Equipments	47,000	-	-
Decoration (Fixtures and Fittings)	15,000	-	-
Investment Pay Back (including ownership tr. Fee)	-	48,000	72,000
Total Cash Outflow	100,000	48,000	72,000
Total Cash Surplus	93,360	159,912	231,494


Outcomes

- The business will start with BDT **155,000** and it is expected that by the end of three years after payback of investor's money the entrepreneur's capital will be BDT **340,000**.
- 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

Risk Management

- Night guard deployment;
 - Keeping adequate sand and ensure source of water;
 - Close market watch to compete.
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Thank You