

Bristi Metal & Workshop



Brief Bio of the Entrepreneur

• Name	: Sree Ripon Roy Age: 27 years Marital status: Unmarried
• Address	: Vill: Latifpur, Post: Jhaigirhat, Union: 07 no. Latifpur, Upazila: Mithapukur, Dist: Rangpur
• Father <i>(Grameen Bank Borrower)</i>	: Sree Brozen Roy Loan No: 2924 Center : 43/Pu Branch Name: Mithapukur Member since: 14/03/2006 Existing loan-BDT 17,000. Outstanding balance-BDT 14,923.
• Educational Qualification	: Nine pass
• Experience	: Entrepreneur has 12 (twelve) years experience in this business. Business started in 2009 with BDT 60,000 . Now its value BDT 140,000 .

BUSINESS BRIEFING

• Business Name	:	<i>Bristi Metal & Workshop</i>
• Location	:	Mirzapur Natun hat, Mithapukur, Rangpur.
• Total Investment	:	BDT 290,000/-
• Financing	:	<ul style="list-style-type: none">➤ Entrepreneur BDT- 140,000/-(Existing Business)➤ Investor BDT- 150,000/-(As Equity)
• Implementation	:	
<p>The business will scale up with different items such as shop sutter, steel almirah, window, collapsible gate, etc. It targets to break even point within first year and pay back period is estimated to be four (04) years.</p>		

Objectives

- Enhancement of entrepreneurial skills
- Employment opportunities for others
- Improving livelihood of the entrepreneur
- Become a prominent Nobin Udyokta

Additional Information:

- **Salary will be used for his family expenses;**
- **He has to provide GB loan from his business income;**
- **He has trade license & ownership in his own name;**
- **He has agricultural land of BDT 600,000 and no other liabilities except Grameen Bank loan;**
- **The business is referred by Grameen Krishi Foundation.**

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Rod, Ispat & Others Product	50,000	150,000	200,000
Advance Shop Rent	40,000	-	40,000
Machinery (welding, Drill and other Machine)	50,000	-	50,000
Total Capital	140,000	150,000	290,000

Means of Finance

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	140,000	48%
Investor's Investment	150,000	52%
Total	290,000	100%

Existing Business

Particulars	EB (BDT)		
	Daily	Monthly	Yearly
Estimated Sales of Product	3,500	91,000	1,092,000
Estimated Revenue from welding service	200	5,200	62,400
Total Sales (A)	3,700	96,200	1,154,400
Less: Variable Cost:			
Est. Cost of Material	2,450	63,700	764,400
Cost of Technician & Labor	525	13,650	163,800
Cost of welding service	50	1,300	15,600
Total Variable Cost (B)	3,025	78,650	943,800
Contribution Margin (CM) [C=(A-B)]	675	17,550	210,600
Less: Fixed Cost:			
Shop Rent (Self)		500	6,000
Salary (Self)		6,000	72,000
Electricity bill		2,500	30,000
Entertainment Expenses		1,200	14,400
Ownership Transfer Fees		-	-
Depreciation Expenses		417	5,000
Transportation Cost		1,500	18,000
Generator bill		200	2,400
Night Guard bill		50	600
Others Expenses		300	3,600
(D) Total Fixed Cost	-	12,667	152,000
(C-D)Net Profit:	-	4,883	58,600

Key Assumptions:

- Sales and Servicing revenue growth will be 40% in 1st year of injecting additional investment and 10% thereafter.
- Gross profit margin is calculated @ 18% on an average.
- Cost of material and welding service is charged @ 70% and 25% respectively.
- Cost of technician and labor charge @ 15% of selling price.
- Depreciation is charged @ 10% on welding & drill machine.

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 of Product	4,900	127,400	1,528,800	5,390	140,140	1,681,680	5,929	154,154	1,849,848	6,522	169,569	2,034,833
Estimated Revenue from welding service	260	6,760	81,120	286	7,436	89,232	315	8,180	98,155	346	8,998	107,971
Total Sales (A)	5,160	134,160	1,609,920	5,676	147,576	1,770,912	6,244	162,334	1,948,003	6,868	178,567	2,142,804
Less: Variable Cost:												
Est. Cost of Material	3,430	89,180	1,070,160	3,773	98,098	1,177,176	4,150	107,908	1,294,894	4,565	118,699	1,424,383
Cost of Technician & Labor	735	19,110	229,320	809	21,021	252,252	889	23,123	277,477	978	25,435	305,225
Cost of welding service	65	1,690	20,280	72	1,859	22,308	79	2,045	24,539	87	2,249	26,993
Total Variable Cost (B)	4,230	109,980	1,319,760	4,653	120,978	1,451,736	5,118	133,076	1,596,910	5,630	146,383	1,756,601
Contribution Margin (CM) [C=(A-B)]	930	24,180	290,160	1,023	26,598	319,176	1,125	29,258	351,094	1,238	32,184	386,203
Less: Fixed Cost:												
Shop Rent (Self)		500	6,000		500	6,000		500	6,000		500	6,000
Salary (Self)		6,000	72,000		7,000	84,000		8,000	96,000		9,000	108,000
Electricity bill		3,000	36,000		3,100	37,200		3,150	37,800		3,200	38,400
Entertainment Expenses		1,500	18,000		1,600	19,200		1,700	20,400		1,800	21,600
Ownership Transfer Fees		-	-		500	6,000		667	8,000		1,333	16,000
Depreciation Expenses		417	5,000		417	5,000		417	5,000		417	5,000
Transportation Cost		2,500	30,000		2,700	32,400		3,000	36,000		3,000	36,000
Generator bill		1,000	12,000		1,200	14,400		1,500	18,000		1,700	20,400
Night Guard bill		50	600		50	600		100	1,200		100	1,200
Others Expenses		300	3,600		300	3,600		300	3,600		300	3,600
(D) Total Fixed Cost	-	15,267	183,200	-	17,367	208,400	-	19,334	232,000	-	21,350	256,200
(C-D)Net Profit:		8,913	106,960		9,231	110,776		9,924	119,094		10,833	130,003
Cumulative Net Profit:			106,960			217,736			336,830			466,833

Break even analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	18%	18%
Break Even Point (BEP):	15,267	183,200
	18%	18%
Break Even Point (BDT)	84,707	1,016,465

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>
Cash Inflow				
Investment Infusion by Entrepreneur's	-	-	-	-
Investment Infusion by Investor's	150,000	-	-	-
Net Profit (ownership transfer fee added back)	106,960	116,776	127,094	146,003
Depreciation Expenses	5,000	5,000	5,000	5,000
Opening Balance of Cash Surplus	-	97,037	182,813	266,907
Total Cash Inflow	261,960	218,813	314,907	417,910
Cash Outflow				
Payment for Rod, Ispat & other items purchase	150,000	-	-	-
Payment for Grameen Bank Existing Outstanding Loan	14,923	-	-	-
Investment Pay Back including ownership transfer fee	-	36,000	48,000	96,000
Total Cash Outflow	164,923	36,000	48,000	96,000
Total Cash Surplus	97,037	182,813	266,907	321,910

Outcomes

- The business will scale up with **BDT 290,000** and it is expected that by the end of four (04) years after payback of investor's money the entrepreneur's capital will be **BDT 606,800**.
- 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
- Health hazards

Risk Management

- Adequate precautions to be taken;
- Arranging adequate sources of sand and water;
- Close market watch to compete;
- Using hand gloves and anti ultra violet glass;

Pictures







Thank You

