

MAHADEB STORE



BRIEF BIO OF THE ENTREPRENEUR

Name	:	Mahadeb Kumer Kundu
Age	:	29 years
Marital Status	:	Unmarried
Address	:	Vill: Dhakuria, Post: Protapkati, Union: Dhakuria, Upazila: Monirampur, Dist: Jessore
Mother (Grameen Bank Borrower)	:	Kalpana Rani Kundu Branch name: Narendrapur, Jessore, Centre # 19/Mo, Loan no.: 5425 Member since May 13, 2012 Existing Loan – BDT 40,000 Outstanding- 34,000
Education	:	SSC
Experience	:	12 (twelve) years experience in general store business. Entrepreneur started his business with BDT 50,000 (fifty thousand) and now it's value is BDT 144,500 (one lac forty four thousand five hundred).

BUSINESS BRIEFING

- Business Name : *Mahadeb store*
- Shop location: Dhakuria Bazar, Monirampur, Jessore
- Total Investment: **BDT 294,500**
 - ❖ Financing
 - ❖ Self BDT 144,500 (from existing business)
 - ❖ Required Investment BDT 150,000 (as equity)
- **Implementation:**

The business is running with different items of general store targeting break even point within the **first year** & pay back period is estimated to be within **four 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.

ADDITIONAL INFORMATION

- Salary will be used to meet his own & family expenses;
- GB loan was taken for his business;
- He has to provide GB loan installment from his business;
- Credit sales are limited and they are realized in a timely manner;
- Maintains regular records of business transactions;
- He has trade license & ownership in his own name;
- He has no assets and liabilities.

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in products	25,000	115,000	140,000
Refrigerator	-	35,000	35,000
Weight Machine	1,500	-	1,500
Furniture, Fixtures & Decoration	18,000	-	18,000
Advance Rent for Shop	100,000	-	100,000
Total Capital	144,500	150,000	294,500

MEANS OF FINANCE

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	144,500	49%
Investor's Investment	150,000	51%
Total	294,500	100%

EXISTING BUSINESS

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated sales revenue	3,500	91,000	1,092,000
Total Sales (A)	3,500	91,000	1,092,000
Calculation of Variable Cost:			
Less: Variable Cost:			
Estimated cost of sale	3,150	81,900	982,800
Total Variable Cost (B)	3,150	81,900	982,800
Contribution Margin (CM) [C=(A-B)]	350	9,100	109,200
Less: Fixed Cost:			
Shop rent		600	7,200
Electricity bill		300	3,600
Salary- own		6,000	72,000
Generator Bill		90	1,080
Night guard bill		90	1,080
Transport		200	2,400
Entertainment		300	3,600
Others		300	3,600
Depreciation Expenses		173	2,070
Ownership Transfer Fees		-	-
(D) Total Fixed Cost	268	8,053	96,630
(C-D)Net Profit:		1,048	12,570
Cumulative Net Profit:			12,570

KEY ASSUMPTIONS

- Sales growth will be 30% in the 1st year of capital injection and 10% in every year thereafter.
- Gross Profit on products on an average is 10%.
- Depreciation charged on furniture @ 10% and refrigerator, weight machine @ 18%.

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	4,550	118,300	1,419,600	5,005	130,130	1,561,560	5,506	143,143	1,717,716	6,056	157,457	1,889,488
Total Sales (A)	4,550	118,300	1,419,600	5,005	130,130	1,561,560	5,506	143,143	1,717,716	6,056	157,457	1,889,488
Calculation of Variable Cost:												
Less: Variable Cost:												
Estimated cost of sale	4,095	106,470	1,277,640	4,505	117,117	1,405,404	4,955	128,829	1,545,944	5,450	141,712	1,700,539
Total Variable Cost (B)	4,095	106,470	1,277,640	4,505	117,117	1,405,404	4,955	128,829	1,545,944	5,450	141,712	1,700,539
Contribution Margin (CM) [C=(A-B)]	455	11,830	141,960	501	13,013	156,156	551	14,314	171,772	606	15,746	188,949
Less: Fixed Cost:												
Shop rent		600	7,200		600	7,200		800	9,600		800	9,600
Electricity bill		350	4,200		400	4,800		450	5,400		500	6,000
Salary- own		6,000	72,000		6,500	78,000		7,000	84,000		7,500	90,000
Generator Bill		90	1,080		90	1,080		140	1,680		140	1,680
Night guard bill		90	1,080		100	1,200		100	1,200		100	1,200
Transport		200	2,400		300	3,600		350	4,200		400	4,800
Entertainment		300	3,600		400	4,800		450	5,400		500	6,000
Others		300	3,600		300	3,600		300	3,600		300	3,600
Depreciation Expenses		698	8,370		698	8,370		698	8,370		698	8,370
Ownership Transfer Fees		-	-		556	6,667		833	10,000		1,111	13,333
(D) Total Fixed Cost		8,628	103,530		9,943	119,317		11,121	133,450		12,049	144,583
(C-D) Net Profit:		3,203	38,430		3,070	36,839		3,193	38,322		3,697	44,365
Cumulative Net Profit:			38,430			75,269			113,591			157,956

BREAK EVEN POINT ANALYSIS

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	10%	10%
Break Even Point (BEP):	8,628	103,530
	10%	10%
Break Even Point (in BDT.)	86,275	1,035,300

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 Investor	150,000	-	-	-
Net Profit (Ownership transfer fee added back)	38,430	43,506	48,322	57,699
Depreciation	8,370	8,370	8,370	8,370
Opening Balance of Cash Surplus	-	26,800	24,676	21,368
Total Cash Inflow	196,800	78,676	81,368	87,436
Cash Outflow				
Purchase of Product	115,000	-	-	-
Refrigerator	35,000			
Payment of Grameen Bank Loan	20,000	14,000		
Investment Pay Back (Including ownership transfer fee)	-	40,000	60,000	80,000
Total Cash Outflow	170,000	54,000	60,000	80,000
Total Cash Surplus	26,800	24,676	21,368	7,436

OUTCOMES

- The business will scale up with BDT **294,500** and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT **302,456**
- The business will serve the community by selling quality and in demand products and strive to improve every year.

RISK FACTORS

- Theft
- Local competition
- Political Unrest
- 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