

Nantu Store



Brief Bio of the Entrepreneur

• Name	: Md. Omar Faruque Age: 30 years Marital status: Married, No. of Children: One (01) Child
• Address	: Vill: Nichpara, Post: Shatibari, Union: 5no.Balapara, Upazila: Kaunia, Dist: Rangpur
• Mother (Grameen Bank Borrower)	: Mst. Rahela Begum Loan No: 3631 Center : 29/Mo Branch Name: Balapara Member since: 01/03/1995 Existing loan-BDT 14,000 Outstanding balance-BDT 4,298.
• Educational Qualification	: Nine pass
• Experience	: Entrepreneur has 02 (two) years experience in general retail business. Business started in 2011 with BDT 150,000. Now its value BDT 220,000.

BUSINESS BRIEFING

• Business Name	:	<i>Nantu Store</i>
• Location	:	Kaunia Bazar, Kaunia, Rangpur.
• Total Investment	:	BDT 470,000/-
• Financing	:	<ul style="list-style-type: none">➤ Entrepreneur BDT- 270,000/-(EB + advance of new shop)➤ Investor BDT- 200,000/-(As Equity)
• Implementation	:	
<p>The business will scale up with different items such as oil, rice, sugar, salt, spices, soap & detergent etc. It targets to break even point within first year and pay back period is estimated to be four 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 running business income;
- He has trade license & ownership in his own name;
- Employment a person through this business;
- He has no other assets and liabilities;

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Working Capital (Products)	170,000	200,000	370,000
Advance Shop Rent (Existing + New)	25,000	50,000	75,000
Decoration	25,000	-	25,000
Sub-Total Capital	220,000	250,000	470,000

Means of Finance

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	270,000	57%
Investor's Investment	200,000	43%
Total	470,000	100%

Existing Business

Particulars	EB (BDT)		
	Daily	Monthly	Yearly
Estimated Sales of Product	5,500	143,000	1,716,000
Total Sales (A)	5,500	143,000	1,716,000
Less: Variable Cost:			
Est. Cost of Product	4,950	128,700	1,544,400
Total Variable Cost (B)	4,950	128,700	1,544,400
Contribution Margin (CM) [C=(A-B)]	550	14,300	171,600
Less: Fixed Cost:			
Shop Rent	-	500	6,000
Salary (Self)		6,000	72,000
Salary (Assistant)		-	-
Electricity bill		300	3,600
Entertainment Expenses		600	7,200
Ownership Transfer Fee		-	-
Depreciation Expenses		208	2,500
Transportation Cost		1,000	12,000
Night Guard bill		100	1,200
Generator Bill		100	1,200
Bad debt Expenses		358	4,290
Other Expenses		600	7,200
(D) Total Fixed Cost		9,766	117,190
(C-D) Net Profit:		4,534	54,410

Key Assumptions:

- Sales and Servicing revenue growth will be 75% in 1st year of injecting additional investment and 10% thereafter.
- Gross profit margin is calculated @ 10% on an average.
- Depreciation is charged @ 10% on fixtures & fittings.
- 25% is credit sales.
- Bad debt is charged @1% of credit sales.

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	9,625	250,250	3,003,000	10,588	275,275	3,303,300	11,646	302,803	3,633,630	12,811	333,083	3,996,993
Total Sales (A)	9,625	250,250	3,003,000	10,588	275,275	3,303,300	11,646	302,803	3,633,630	12,811	333,083	3,996,993
Less: Variable Cost:												
Est. Cost of Product	8,663	225,225	2,702,700	9,529	247,748	2,972,970	10,482	272,522	3,270,267	11,530	299,774	3,597,294
Total Variable Cost (B)	8,663	225,225	2,702,700	9,529	247,748	2,972,970	10,482	272,522	3,270,267	11,530	299,774	3,597,294
Contribution Margin (CM) [C=(A-B)]	963	25,025	300,300	1,059	27,528	330,330	1,165	30,280	363,363	1,281	33,308	399,699
Less: Fixed Cost:												
Shop Rent		1,000	12,000		1,000	12,000		1,400	16,800		1,400	16,800
Salary (Self)		6,000	72,000		6,500	78,000		7,500	90,000		8,500	102,000
Salary (Assistant)		4,000	48,000		5,000	60,000		5,500	66,000		5,500	66,000
Electricity bill		600	7,200		650	7,800		700	8,400		750	9,000
Entertainment Expenses		600	7,200		600	7,200		700	8,400		800	9,600
Ownership Transfer Fee		-	-		667	8,000		1,000	12,000		1,667	20,000
Depreciation Expenses		209	2,500		209	2,500		209	2,500		209	2,500
Transportation Cost		1,000	12,000		1,000	12,000		1,100	13,200		1,100	13,200
Night Guard bill		200	2,400		200	2,400		200	2,400		200	2,400
Generator Bill		200	2,400		200	2,400		200	2,400		200	2,400
Bad debt Expenses		626	7,508		688	8,258		757	9,084		833	9,992
Other Expenses		600	7,200		700	8,400		800	9,600		800	9,600
(D) Total Fixed Cost	-	15,035	180,408	-	17,414	208,958	-	20,066	240,784	-	21,958	263,492
(C-D) Net Profit:		9,990	119,893		10,114	121,372		10,214	122,579		11,350	136,207
Cumulative Net Profit:			119,893			241,264			363,843			500,050

Break even analysis

Particulars	Monthly	Yearly	
Contribution Margin Ratio: (CM/Sales)	10%	10%	
	Break Even Point (BEP):	15,035	180,408
	10%	10%	
Break Even Point (BDT)	150,346	1,804,075	

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	50,000	-	-	-
Investment Infusion by Investor	200,000	-	-	-
Net Profit (ownership transfer fee added back)	119,893	129,372	134,579	156,207
Depreciation Expenses	2,500	2,500	2,500	2,500
Opening Balance of Cash Surplus	-	68,095	151,966	217,045
Total Cash Inflow	322,393	199,966	289,045	375,752
Cash Outflow				
Payment for Working Capital (general retail products)	200,000	-	-	-
Payment for advance shop rent	50,000			
Payback to Grameen Bank Outstanding Loan	4,298	-	-	-
Investment Pay Back including ownership transfer fee	-	48,000	72,000	120,000
Total Cash Outflow	254,298	48,000	72,000	120,000
Total Cash Surplus	68,095	151,966	217,045	255,752

Outcomes

- The business will scale up with **BDT 470,000** 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 770,000**.
- The business will serve the community by selling quality and in demand products and strive to improve every year.

Risk Factors

- Theft
- Fire
- Local competition
- Political unrest

Risk Management

- Adequate precautions to be taken
- Keeping adequate sand and ensure source of water
- Close market watch to compete

Pictures





Thank You

