

# ***Robiul Store***

# ***BRIEF BIO OF THE ENTREPRENEUR***

|  |   |   |
|--|---|---|
| Name                                     | : | Robiul Islam  |
| Marital status                           | : | Unmarried   |
| Age                                      | : | 23 years  |
| Address                                  | : | Vill: Khodinurpur, Union: 16 no. Mirzapur, Post: Mithapukur, Upazila : Mithapukur, District: Rangpur  |
| Mother<br><i>(Grameen Bank Borrower)</i> | : | Mrs. Rupali Begum<br>Boiragi Bazar, Centre # 24/Mo, Loan no.: 19554,<br>Member since 1992<br>Existing Loan –13,000 and Outstanding-11,284   |
| Education                                | : | Class Eight   |
| Experience                               | : | 10 years experience in the business of selling confectionery items. He started business with his father (retired) and now he has become owner of the business. The start up capital was BDT 60,000 and now it's value is about BDT 310,000. |

# BUSINESS BRIEFING

|   |  |
|---|--|
| <b>Business Name</b>  | <i>Robiul Store</i>  |
| <b>Shop location</b>  | Boiragi Bazar, Mithapukur, Rangpur   |
| <b>Total Investment:</b>  | <b>BDT 460,000</b><br><input type="checkbox"/> Self BDT 310,000 (from existing business)<br><input type="checkbox"/> Required Investment BDT 150,000 (as equity) |
| <b>Implementation:</b>  |  |
| <p>The business is planned to be scaled up by retailing stationary, confectionery and fruits targeting break even point within the <b>first year</b> &amp; pay back period is estimated to be <b>three years</b>.</p> |  |

# 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 expenses;
- He has trade license & ownership in his own name;
- Maintains regular records of business transactions
- His father will give support as part time in the business
- He has to provide GB loan from his running business income

# *Investment Breakdown*

| Particulars  | Existing Business (BDT) | Proposed (BDT) | Total (BDT)    |
|--|-------------------------|----------------|----------------|
| Investment in Goods                                      | 200,000                 | 150,000        | 350,000        |
| Furniture, Fixtures & Decoration ( <i>Refrigerator</i> ) | 50,000                  | -              | 50,000         |
| Advance Rent for Shop                                    | 60,000                  | -              | 60,000         |
| <b>Total Capital</b>                                     | <b>310,000</b>          | <b>150,000</b> | <b>460,000</b> |

# Means of Finance

| Particulars                 | Amount (Tk.)   | %           |
|-----------------------------|----------------|-------------|
| Entrepreneur's Contribution | 310,000        | 67%         |
| Investor's Investment       | 150,000        | 33%         |
| <b>Total</b>                | <b>460,000</b> | <b>100%</b> |

# Existing Business

| Particulars                               | Existing Business (BDT) |               |                  |
|---|-------------------------|---------------|------------------|
|   | Daily                   | Monthly       | Yearly           |
| Estimated sales revenue                   | 3,462                   | 90,000        | 1,080,000        |
| <b>Total Sales (A)</b>                    | <b>3,462</b>            | <b>90,000</b> | <b>1,080,000</b> |
| <b>Calculation of Variable Cost:</b>      |                         |               |                  |
| <i>Less: Variable Cost:</i>               |                         |               |                  |
| Estimated cost of sale                    | 2,873                   | 74,700        | 896,400          |
| <b>Total Variable Cost (B)</b>            | <b>2,873</b>            | <b>74,700</b> | <b>896,400</b>   |
| <b>Contribution Margin (CM) [C=(A-B)]</b> | <b>588</b>              | <b>15,300</b> | <b>183,600</b>   |
| <i>Less: Fixed Cost:</i>                  |                         |               |                  |
| Electricity bill                          |                         | 600           | 7,200            |
| Shop rent                                 |                         | 600           | 7,200            |
| Salary- own                               |                         | 5,000         | 60,000           |
| Transport                                 |                         | 2,000         | 24,000           |
| Entertainment                             |                         | 600           | 7,200            |
| Others                                    |                         | 400           | 4,800            |
| Depreciation Expenses                     |                         | 833           | 10,000           |
| Ownership Transfer Fees                   |                         | -             | -                |
| <b>(D) Total Fixed Cost</b>               | <b>334</b>              | <b>10,033</b> | <b>120,400</b>   |
| <b>(C-D)Net Profit:</b>                   |                         | <b>5,267</b>  | <b>63,200</b>    |



# Key assumptions for forecasting

- Sales growth will be 25% in 1st year and 10% in every year after introducing additional investment.
- Gross Profit on products is estimated to be 16% 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) |                |                  |
|---|--------------|----------------|------------------|--------------|----------------|------------------|--------------|----------------|------------------|
|   | Daily        | Monthly        | Yearly           | Daily        | Monthly        | Yearly           | Daily        | Monthly        | Yearly           |
| Estimated sales revenue                   | 4,327        | 112,500        | 1,350,000        | 4,760        | 123,750        | 1,485,000        | 5,236        | 136,125        | 1,633,500        |
| <b>Total Sales (A)</b>                    | <b>4,327</b> | <b>112,500</b> | <b>1,350,000</b> | <b>4,760</b> | <b>123,750</b> | <b>1,485,000</b> | <b>5,236</b> | <b>136,125</b> | <b>1,633,500</b> |
| <b>Calculation of Variable Cost:</b>      |              |                |                  |              |                |                  |              |                |                  |
| <b>Less: Variable Cost:</b>               |              |                |                  |              |                |                  |              |                |                  |
| Estimated cost of sale                    | 3,591        | 93,375         | 1,120,500        | 3,950        | 102,713        | 1,232,550        | 4,346        | 112,984        | 1,355,805        |
| <b>Total Variable Cost (B)</b>            | <b>3,591</b> | <b>93,375</b>  | <b>1,120,500</b> | <b>3,950</b> | <b>102,713</b> | <b>1,232,550</b> | <b>4,346</b> | <b>112,984</b> | <b>1,355,805</b> |
| <b>Contribution Margin (CM) [C=(A-B)]</b> | <b>736</b>   | <b>19,125</b>  | <b>229,500</b>   | <b>809</b>   | <b>21,038</b>  | <b>252,450</b>   | <b>890</b>   | <b>23,141</b>  | <b>277,695</b>   |
| <b>Less: Fixed Cost:</b>                  |              |                |                  |              |                |                  |              |                |                  |
| Electricity bill                          |              | 600            | 7,200            |              | 700            | 8,400            |              | 800            | 9,600            |
| Shop rent                                 |              | 600            | 7,200            |              | 700            | 8,400            |              | 800            | 9,600            |
| Salary- own                               |              | 7,000          | 84,000           |              | 7,000          | 84,000           |              | 8,000          | 96,000           |
| Transport                                 |              | 2,000          | 24,000           |              | 2,100          | 25,200           |              | 2,150          | 25,800           |
| Entertainment                             |              | 600            | 7,200            |              | 700            | 8,400            |              | 750            | 9,000            |
| Others                                    |              | 400            | 4,800            |              | 400            | 4,800            |              | 400            | 4,800            |
| Depreciation Expenses                     |              | 833            | 10,000           |              | 833            | 10,000           |              | 833            | 10,000           |
| Ownership Transfer Fees                   |              | -              | -                |              | 1,167          | 14,000           |              | 1,333          | 16,000           |
| <b>(D) Total Fixed Cost</b>               |              | <b>12,033</b>  | <b>144,400</b>   |              | <b>13,600</b>  | <b>163,200</b>   |              | <b>15,067</b>  | <b>180,800</b>   |
| <b>(C-D)Net Profit:</b>                   |              | <b>7,092</b>   | <b>85,100</b>    |              | <b>7,438</b>   | <b>89,250</b>    |              | <b>8,075</b>   | <b>96,895</b>    |
| <b>Cumulative Net Profit:</b>             |              |                | <b>85,100</b>    |              |                | <b>174,350</b>   |              |                | <b>271,245</b>   |

# Break Even Point analysis

| Particulars                           | Monthly       | Yearly         |
|---------------------------------------|---------------|----------------|
| Contribution Margin Ratio: (CM/Sales) | 17%           | 17%            |
| Break Even Point (BEP):               | 12,033        | 144,400        |
|                                       | 17%           | 17%            |
| <b>Break Even Point (in Tk.)</b>      | <b>70,784</b> | <b>849,412</b> |

# Cash flow (Rec. & Pay.)

| <i>Particulars</i>                                | <i>Year 1 (BDT)</i> | <i>Year 2 (BDT)</i> | <i>Year 3 (BDT)</i> |
|---|---------------------|---------------------|---------------------|
| <b>Cash Inflow</b>                                |                     |                     |                     |
| Investment Infusion by Investor's                 | 150,000             | -                   | -                   |
| Net Profit (Added back Ownership Tr. Fee)         | 202,850             | 237,575             | 265,453             |
| Depreciation                                      | 10,000              | 10,000              | 10,000              |
| Opening Balance of Cash Surplus                   | -                   | 201,568             | 365,143             |
| <b>Total Cash Inflow</b>                          | <b>362,850</b>      | <b>449,143</b>      | <b>640,596</b>      |
| <b>Cash Outflow</b>                               |                     |                     |                     |
| Purchase of Product                               | 150,000             | -                   | -                   |
| Payment of Grameen Bank Loan                      | 11,282              |                     |                     |
| Investment Pay Back (Including Ownership Tr. Fee) | -                   | 84,000              | 96,000              |
| <b>Total Cash Outflow</b>                         | <b>161,282</b>      | <b>84,000</b>       | <b>96,000</b>       |
| <b>Total Cash Surplus</b>                         | <b>201,568</b>      | <b>365,143</b>      | <b>544,596</b>      |

# Outcomes

- The business will start with BDT **460,000** and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT **581,000**.
- 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 sand and water.
- Close market watch to compete

Pictures









**Thank You**