

# *Sabbir Metal Workshop*



# Brief Bio of the Entrepreneur

• Name	: Md. Sabbir Hossain Age: 23 years Marital status: Married, No of Children: One (01) child
• Address	: Vill: Horipur, Post: Shatibari, Union Parishad: Shatibari, Upazila: Mithapukur, Dist: Rangpur
• Mother <b>(Grameen Bank Borrower)</b>	: Mst. Asmatara Begum Loan No: 7603 Center : 77/Mo Branch Name: Shatibari Member since: 20/09/1999 Existing loan-BDT 30,000 Outstanding balance-BDT 7,500.
• Educational Qualification	: Eight pass
• Experience	: Entrepreneur has 05 (five) years experience in this business. Business started in 2009 with BDT 5,000. Now its value BDT 150,000.

# BUSINESS BRIEFING

• Business Name	:	<b><i>Sabbir Metal Workshop</i></b>
• Location	:	Shatibari Bazar, Mithapukur, Rangpur.
• Total Investment	:	<b>BDT 300,000/-</b>
• Financing	:	<ul style="list-style-type: none"><li>➤ Entrepreneur BDT- 150,000/-(Existing Business)</li><li>➤ Investor BDT- 150,000/-(As Equity)</li></ul>
• <b>Implementation</b>	:	
<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 years.</p>		

# Objectives

- Enhancement of entrepreneurial skills
- Employment opportunities for others
- Improving livelihood of the entrepreneur
- Become a prominent Nabin 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;**
- **He has no other assets and liabilities.**

# INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Rod, Ispat & Others Product	50,000	150,000	200,000
Machinery (welding, Drill and other Machine)	100,000	-	100,000
<b>Total Capital</b>	<b>150,000</b>	<b>150,000</b>	<b>300,000</b>

# Means of Finance

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	150,000	50%
Investor's Investment	150,000	50%
<b>Total</b>	<b>300,000</b>	<b>100%</b>

# Existing Business

Particulars	EB (BDT)		
	Daily	Monthly	Yearly
Estimated Sales of Product	10,000	260,000	3,120,000
Estimated Income from welding service	250	6,500	78,000
<b>Total Sales (A)</b>	<b>10,250</b>	<b>266,500</b>	<b>3,198,000</b>
<b><u>Less: Variable Cost:</u></b>			
Est. Cost of Product	8,800	228,800	2,745,600
Estimated cost of welding service	75	1,950	23,400
<b>Total Variable Cost (B)</b>	<b>8,875</b>	<b>230,750</b>	<b>2,769,000</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>1,375</b>	<b>35,750</b>	<b>429,000</b>
<b><u>Less: Fixed Cost:</u></b>			
Shop Rent (Self)		-	-
Salary (Self)		9,000	108,000
Employees' Salaries (3 Persons)		18,000	216,000
Electricity bill		2,000	24,000
Entertainment Expenses		600	7,200
Ownership Transfer Fees		-	-
Depreciation Expenses		833	10,000
Transportation Cost		600	7,200
Night Guard bill		100	1,200
Others Expenses		600	7,200
<b>(D) Total Fixed Cost</b>		<b>31,733</b>	<b>380,800</b>
<b>(C-D)Net Profit:</b>		<b>4,017</b>	<b>48,200</b>



# Key Assumptions:

- Sales and Servicing revenue growth will be 25% in 1<sup>st</sup> year of injecting additional investment and 10% thereafter.
- Gross profit margin is calculated @ 14% on an average.
- Cost of welding service is charged @ 30%.
- 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	12,500	325,000	3,900,000	13,750	357,500	4,290,000	15,125	393,250	4,719,000	16,638	432,575	5,190,900
Estimated Income from welding service	350	9,100	109,200	385	10,010	120,120	424	11,011	132,132	466	12,112	145,345
<b>Total Sales (A)</b>	<b>12,850</b>	<b>334,100</b>	<b>4,009,200</b>	<b>14,135</b>	<b>367,510</b>	<b>4,410,120</b>	<b>15,549</b>	<b>404,261</b>	<b>4,851,132</b>	<b>17,103</b>	<b>444,687</b>	<b>5,336,245</b>
<b>Less: Variable Cost:</b>												
Est. Cost of Product	11,000	286,000	3,432,000	12,100	314,600	3,775,200	13,310	346,060	4,152,720	14,641	380,666	4,567,992
Estimated cost of welding service	105	2,730	32,760	116	3,003	36,036	127	3,303	39,640	140	3,634	43,604
<b>Total Variable Cost (B)</b>	<b>11,105</b>	<b>288,730</b>	<b>3,464,760</b>	<b>12,216</b>	<b>317,603</b>	<b>3,811,236</b>	<b>13,437</b>	<b>349,363</b>	<b>4,192,360</b>	<b>14,781</b>	<b>384,300</b>	<b>4,611,596</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>1,745</b>	<b>45,370</b>	<b>544,440</b>	<b>1,920</b>	<b>49,907</b>	<b>598,884</b>	<b>2,111</b>	<b>54,898</b>	<b>658,772</b>	<b>2,323</b>	<b>60,387</b>	<b>724,650</b>
<b>Less: Fixed Cost:</b>												
Shop Rent (Self)		-	-		-	-		-	-		-	-
Salary (Self)		9,000	108,000		10,000	120,000		11,000	132,000		12,000	144,000
Employees' Salaries (3 Persons)		18,000	216,000		19,500	234,000		21,000	252,000		22,000	264,000
Electricity bill		2,200	26,400		2,300	27,600		2,350	28,200		2,400	28,800
Entertainment Expenses		800	9,600		900	10,800		1,000	12,000		1,100	13,200
Ownership Transfer Fees		-	-		667	8,000		667	8,000		1,167	14,000
Depreciation Expenses		834	10,000		834	10,000		834	10,000		834	10,000
Transportation Cost		1,000	12,000		1,200	14,400		1,400	16,800		1,600	19,200
Night Guard bill		100	1,200		100	1,200		150	1,800		150	1,800
Others Expenses		600	7,200		600	7,200		600	7,200		600	7,200
<b>(D) Total Fixed Cost</b>	<b>-</b>	<b>32,534</b>	<b>390,400</b>	<b>-</b>	<b>36,101</b>	<b>433,200</b>	<b>-</b>	<b>39,001</b>	<b>468,000</b>	<b>-</b>	<b>41,851</b>	<b>502,200</b>
<b>(C-D)Net Profit:</b>	<b>1,745</b>	<b>12,836</b>	<b>154,040</b>	<b>1,920</b>	<b>13,806</b>	<b>165,684</b>	<b>2,111</b>	<b>15,897</b>	<b>190,772</b>	<b>2,323</b>	<b>18,537</b>	<b>222,450</b>
<b>Cumulative Net Profit:</b>		<b>154,040</b>			<b>319,724</b>			<b>510,496</b>			<b>732,946</b>	

# Break even analysis

Particulars	Monthly	Yearly
<b>Contribution Margin Ratio: (CM/Sales)</b>	14%	14%
<b>Break Even Point (BEP):</b>	32,534	390,400
	14%	14%
<b>Break Even Point (BDT)</b>	<b>239,577</b>	<b>2,874,865</b>

# 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>
<b>Cash Inflow</b>				
Investment Infusion by Entrepreneur's	-	-	-	-
Investment Infusion by Investor's	150,000	-	-	-
Net Profit (ownership transfer fee added back)	154,040	173,684	198,772	236,450
Depreciation Expenses	10,000	10,000	10,000	10,000
Opening Balance of Cash Surplus	-	156,540	292,224	452,996
<b>Total Cash Inflow</b>	<b>314,040</b>	<b>340,224</b>	<b>500,996</b>	<b>699,446</b>
<b>Cash Outflow</b>				
Payment for Rod, Ispat & other items purchase	150,000	-	-	-
Payback to Grameen Bank Existing Outstanding Loan	7,500	-	-	-
Investment Pay Back (including ownership transfer fee)	-	48,000	48,000	84,000
<b>Total Cash Outflow</b>	<b>157,500</b>	<b>48,000</b>	<b>48,000</b>	<b>84,000</b>
<b>Total Cash Surplus</b>	<b>156,540</b>	<b>292,224</b>	<b>452,996</b>	<b>615,446</b>

# Outcomes

- The business will start with **BDT 300,000** 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 883,000**.
- 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 fire extinguisher (if possible), sand and water.
- Close market watch to compete

*Pictures*





***Thank You***

