

Abida Store



Brief Bio of the Entrepreneur

<ul style="list-style-type: none"> Name 	<p>Md. Shahadat Hossain</p> <p>: Age: 21 years</p> <p>Marital status: Married, No. of Children: Two (02) Children.</p>
<ul style="list-style-type: none"> Address 	<p>: Vill: Horipur, Post: Shatibari, Union Parishad: 14 no. Durgapur,</p> <p>: Upazila: Mithapuur, Dist: Rangpur.</p>
<ul style="list-style-type: none"> Father (Grameen Bank Borrower) 	<p>Md. Ibrahim Hossain</p> <p>Loan No: 4949</p> <p>Center : 17/Pu</p> <p>: Branch Name: Shatibari</p> <p>Member since: 01/04/1993</p> <p>Existing loan-BDT 20,000</p> <p>Outstanding balance-BDT 1,9520.</p>
<ul style="list-style-type: none"> Educational Qualification 	<p>: Seven pass</p>
<ul style="list-style-type: none"> Experience 	<p>: Entrepreneur has 14 (fourteen) years experience in general retail business. Business started in 2003 with BDT 50,000. Now its value BDT 260,000.</p>

BUSINESS BRIEFING

• Business Name	:	<i>Abida Store</i>
• Location	:	Shatibari Bazar, Mithapukur, Rangpur.
• Total Investment	:	BDT 460,000/-
• Financing	:	<ul style="list-style-type: none">➤ Entrepreneur BDT- 260,000/-(EB)➤ Investor BDT- 200,000/-(As Equity)
• Implementation	:	
<p>The business will scale up with different products such as rice, oil, dual, sugar, cosmetic products, 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;
- He has no other assets and liabilities.

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Working Capital	200,000	200,000	400,000
Refrigerator	30,000	-	30,000
Decoration	30,000	-	30,000
Total Capital	260,000	200,000	460,000

Means of Finance

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	260,000	57%
Investor's Investment	200,000	43%
Total	460,000	100%

Existing Business

Particulars	EB (BDT)		
	Daily	Monthly	Yearly
Estimated Sales of Product	5,000	150,000	1,800,000
Total Sales (A)	5,000	150,000	1,800,000
<u>Less: Variable Cost:</u>			
Est. Cost of Product	4,500	135,000	1,620,000
Total Variable Cost (B)	4,500	135,000	1,620,000
Contribution Margin (CM) [C=(A-B)]	500	15,000	180,000
<u>Less: Fixed Cost:</u>			
Shop Rent	-	-	-
Salary (Self)		8,000	96,000
Electricity bill		600	7,200
Entertainment Expenses		300	3,600
Ownership Transfer Fee		-	-
Depreciation Expenses		750	9,000
Transportation Cost		600	7,200
Night Guard bill		100	1,200
Generator Bill		100	1,200
Bad debt Expenses		375	4,500
Others Expenses		200	2,400
(D) Total Fixed Cost		11,025	132,300
(C-D) Net Profit:		3,975	47,700

Key Assumptions:

- Sales and Servicing revenue growth will be 60% in 1st year of injecting additional investment and 10% thereafter.
- Gross profit margin is calculated @ 10% on an average.
- Depreciation is charged @ 10% and 20% on fixtures & fittings and refrigerator respectively.
- 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	8,000	240,000	2,880,000	8,800	264,000	3,168,000	9,680	290,400	3,484,800	10,648	319,440	3,833,280
Total Sales (A)	8,000	240,000	2,880,000	8,800	264,000	3,168,000	9,680	290,400	3,484,800	10,648	319,440	3,833,280
Less: Variable Cost:												
Est. Cost of Product	7,200	216,000	2,592,000	7,920	237,600	2,851,200	8,712	261,360	3,136,320	9,583	287,496	3,449,952
Total Variable Cost (B)	7,200	216,000	2,592,000	7,920	237,600	2,851,200	8,712	261,360	3,136,320	9,583	287,496	3,449,952
Contribution Margin (CM) [C=(A-B)]	800	24,000	288,000	880	26,400	316,800	968	29,040	348,480	1,065	31,944	383,328
Less: Fixed Cost:												
Shop Rent		-	-		-	-		-	-		-	-
Salary (Self)		8,000	96,000		9,000	108,000		10,000	120,000		11,000	132,000
Electricity bill		600	7,200		650	7,800		700	8,400		750	9,000
Entertainment Expenses		300	3,600		400	4,800		500	6,000		600	7,200
Ownership Transfer Fee		-	-		667	8,000		1,000	12,000		1,667	20,000
Depreciation Expenses		750	9,000		750	9,000		750	9,000		750	9,000
Transportation Cost		600	7,200		800	9,600		900	10,800		900	10,800
Night Guard bill		100	1,200		100	1,200		100	1,200		100	1,200
Generator Bill		100	1,200		100	1,200		100	1,200		100	1,200
Bad debt Expenses		600	7,200		660	7,920		726	8,712		799	9,583
Others Expenses		200	2,400		300	3,600		400	4,800		400	4,800
(D) Total Fixed Cost	-	11,250	135,000	-	13,427	161,120	-	15,176	182,112	-	17,065	204,783
(C-D)Net Profit:		12,750	153,000		12,973	155,680		13,864	166,368		14,879	178,545
Cumulative Net Profit:			153,000			308,680			475,048			653,593

Break even analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	10%	10%
Break Even Point (BEP):	11,250	135,000
	10%	10%
Break Even Point (BDT)	112,500	1,350,000

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				
Additional Investment Infusion by Entrepreneur's	50,000	-	-	-
Investment Infusion by Investor	200,000	-	-	-
Net Profit (ownership transfer fee added back)	153,000	163,680	178,368	198,545
Depreciation Expenses	9,000	9,000	9,000	9,000
Opening Balance of Cash Surplus	-	142,480	267,160	382,528
Total Cash Inflow	362,000	315,160	454,528	590,073
Cash Outflow				
Payment for Working Capital	200,000	-	-	-
Payback to Grameen Bank Outstanding Loan	19,520	-	-	-
Investment Pay Back (including ownership transfer fee)	-	48,000	72,000	120,000
Total Cash Outflow	219,520	48,000	72,000	120,000
Total Cash Surplus	142,480	267,160	382,528	470,073

Outcomes

- The business will scale up with **BDT 460,000** 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 913,500**.
- 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

