

Business Name : S. B. Store

Presented at: 26th Yunus Centre Design Lab

Date: 24 August, 2014



BRIEF BIO OF THE ENTREPRENEUR

Name	:	Md. Harun Ar Rashid
Marital status	:	Married, Child/ren: 1 son
Age	:	30 years
Address	:	Vill: Shib Deulpara, Union: 16 Mirzapur, Post: Deulpara Upazila : Mithapukur, District: Rangpur
Father	:	Md. Abu Bakkar Siddiqui
Mother (<i>Grameen Bank Member</i>)	:	Most. Hawa Begum Branch: Boirati, Centre # 65/MO, Loan no.: 7440, Member since 2005 Existing Loan –5000, Outstanding-3790.
GB loan payback	:	He will provide GB loan installment from his business.
Proposed salary and Utilization	:	Salary Tk. 8,000, will be used to meet his own & family expenses.
Education	:	Class Nine
Experience	:	13 years experience in the business of selling confectionery items. The start up capital was BDT 1,000 and now it's value is about BDT 38,000 .
Source	:	GTT/GKF

Proposed Business Briefing

- Business Name : ***S. B. Store***
- Shop location: Deul Bazaar, Mithapukur, Rangpur
- Total Investment: **BDT 138,000**

Financing:

- ❖ Self **BDT 38,000** (from existing business)
- ❖ Required Investment **BDT 100,000** (as equity)

➤ **Implementation:**

The business is planned to be scaled up by investment in existing confectionery, grocery products as well as firewood. The targeting break even point is within the **first year** & pay back period is estimated to be **three years**.

Existing Business

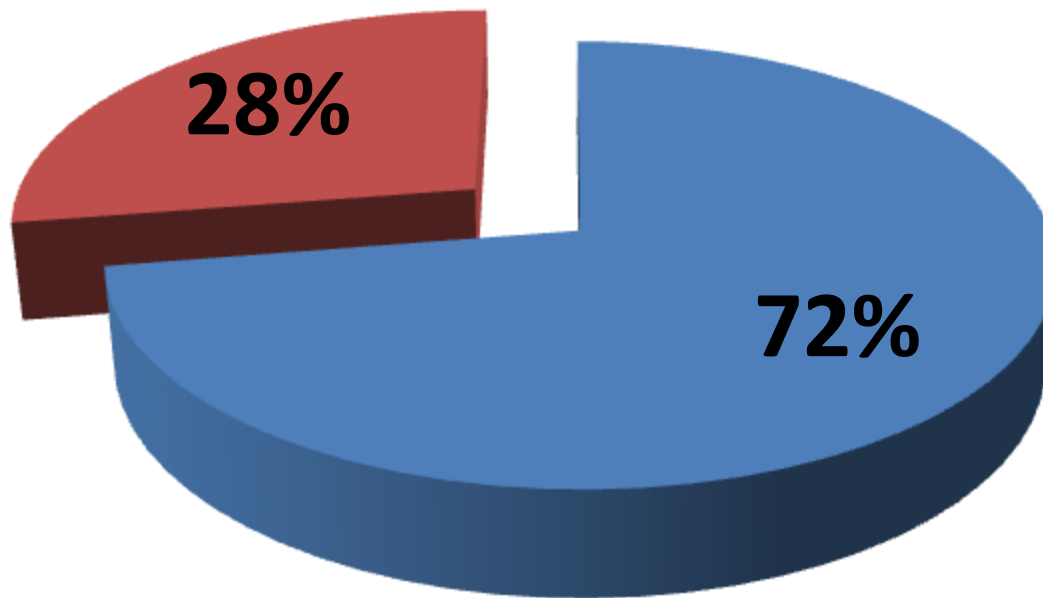
Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Sales Revenue	2,500	75,000	900,000
Total Sales (A)	2,500	75,000	900,000
Calculation of Variable Cost:			
Less: Variable Cost:			
Estimated cost of product	1,925	57,750	693,000
Total Variable Cost (B)	1,925	57,750	693,000
Contribution Margin (CM) [C=(A-B)]	575	17,250	207,000
Less: Fixed Cost:			
Electricity bill		300	3,600
Generator bill		100	1,200
Shop Rent		100	1,200
Salary- self		8,000	96,000
Salary-Employee (1)		3,000	36,000
Night Guard bill		50	600
Entertainment		500	6,000
Other cost (including SMS & monitoring)		200	2,400
Depreciation Expenses		33	400
(D) Total Fixed Cost		12,283	147,400
(C-D) Net Profit:		4,967	59,600

Investment Breakdown

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Goods-Confectionery Items	16,000	20,000	36,000
Investment in Goods- Firewood	18,000	35,000	53,000
Investment in Goods-Grocery Products	-	45,000	45,000
Furniture & Decoration	4,000	-	4,000
Total Capital	38,000	100,000	138,000

Source of Finance

- Investor's Investment BDT 100,000
- Entrepreneur's Contribution BDT 38,000
- Total Investment BDT 138,000



Key assumptions for forecasting

- Sales growth will be about 20% in 1st year and 10% in every year after introducing additional investment.
- Gross Profit on products is estimated to be 23% on an average.
- Depreciation has been charged on fixed assets at the rate of 10%.

Financial Projection

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
Estimated Sales Revenue	3,000	78,000	936,000	3,300	85,800	1,029,600	3,630	94,380	1,132,560
Total Sales (A)	3,000	78,000	936,000	3,300	85,800	1,029,600	3,630	94,380	1,132,560
Calculation of Variable Cost:									
Less: Variable Cost:									
Estimated cost of product	2,310	60,060	720,720	2,541	66,066	792,792	2,795	72,673	872,071
Total Variable Cost (B)	2,310	60,060	720,720	2,541	66,066	792,792	2,795	72,673	872,071
Contribution Margin (CM)	690	17,940	215,280	759	19,734	236,808	835	21,707	260,489
Less: Fixed Cost:									
Electricity bill		300	3,600		350	4,200		400	4,800
Generator bill		100	1,200		150	1,800		200	2,400
Shop Rent		100	1,200		100	1,200		100	1,200
Salary- self		8,000	96,000		8,000	96,000		8,000	96,000
Salary-Employee		3,000	36,000		3,000	36,000		3,000	36,000
Night Guard bill		50	600		50	600		50	600
Entertainment		500	6,000		500	6,000		500	6,000
Others (SMS & Monitoring)		200	2,400		200	2,400		200	2,400
Depreciation Expenses		33	400		33	400		33	400
Ownership Transfer Fees		-	-		833	10,000		833	10,000
(D) Total Fixed Cost		12,283	147,400		13,217	158,600		13,317	159,800
(C-D)Net Profit:		5,657	67,880		6,517	78,208		8,391	100,689
Cumulative Net Profit:			67,880			146,088			246,777

Cash flow (Rec. & Pay.)

<i>Particulars</i>	<i>Year 1 (BDT)</i>	<i>Year 2 (BDT)</i>	<i>Year 3 (BDT)</i>
Cash Inflow			
Investment Infusion by Investor	100,000	-	-
Net Profit (Ownership Tr. Fee added back)	67,880	88,208	110,689
Depreciation	400	400	400
Opening Balance of Cash Surplus	-	64,490	93,098
Total Cash Inflow	168,280	153,098	204,187
Cash Outflow			
Purchase of Product	100,000	-	-
Payment of GB Loan	3,790	-	
Investment Pay Back (Including Ownership Tr. Fee)	-	60,000	60,000
Total Cash Outflow	103,790	60,000	60,000
Total Cash Surplus	64,490	93,098	144,187

Break Even Point analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	23%	23%
Break Even Point (BEP):	12,283	147,400
	23%	23%
Break Even Point (in Tk.)	53,406	640,870

SWOT Analysis

STRENGTH

- Employment-Self 1, family 0, Other 1;
- Experience & Skill (13 yrs.)
- Trade license & ownership in his own name
- Keeping books of records

WEAKNESS

- Can not supply products as per demand

OPPORTUNITIES

- Less competitors
- Located in a Bazaar;
- The capital of Entrepreneur will be Tk. 2,46,000 after 3 years excluding pay back of investor's money.

THREATS

- Political unrest

Pictures







Thank You