

*Business Name : **M/S. Sharkar Traders***

*Presented at: **26<sup>th</sup> Yunus Centre Design Lab***

*Date: **24 August, 2014***



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

Name	:	Md. Shahidul Islam
Marital status	:	Married, Child/ren: 1 son
Age	:	28 years
Address	:	Vill: Shahabaz, Union: 5 no. Balapara, Post: Kaunia Upazila : Kaunia, District: Rangpur
Father	:	Late Amzad Hossain
Mother ( <b><i>Grameen Bank Borrower</i></b> )	:	Most. Sultana Parvin Branch: Balapara, Centre # 15/MO, Loan no.: 4178, Member since 2004 Existing Loan –Nil (2011), Outstanding-Nil. Other loan: 65,000 (From BRAC Mela, Business Loan)
GB loan payback	:	He will provide BRAC loan installment from his business.
Proposed salary and Utilization	:	Salary, Tk. 8,000, will be used to meet his own & family expenses.
Education	:	HSC
Experience	:	10 years experience in the business of selling hardware items. The start up capital was <b>BDT 5,000</b> and now it's value is about <b>BDT 210,000</b> .
Source	:	Grameen Telecom Trust

# Proposed Business Briefing

- Business Name : ***M/S. Sharkar Traders***
- Shop location: Tokipol Bazaar, Kaunia, Rangpur
- Total Investment: **BDT 410,000**

## Financing:

- ❖ Self **BDT 210,000** (from existing business)
- ❖ Required Investment **BDT 200,000** (as equity)

## ➤ **Implementation:**

The business is planned to be scaled up by investment in existing hardware products as well as cookerries, cycle parts, electric products. The targeting break even point is within the **first year** & pay back period is estimated to be **four years**.

# Existing Business

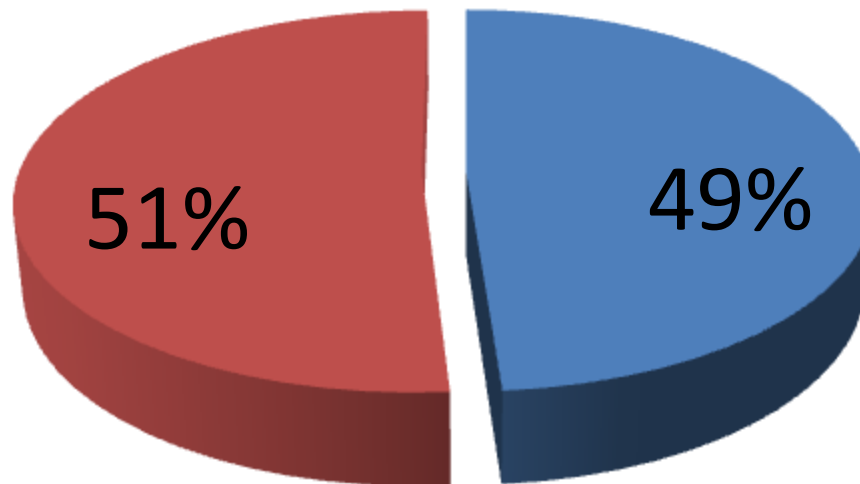
Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Sales Revenue	2,500	75,000	900,000
<b>Total Sales (A)</b>	<b>2,500</b>	<b>75,000</b>	<b>900,000</b>
<b>Calculation of Variable Cost:</b>			
<b>Less: Variable Cost:</b>			
Estimated cost of product	2,308	60,000	720,000
<b>Total Variable Cost (B)</b>	<b>2,308</b>	<b>60,000</b>	<b>720,000</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>192</b>	<b>15,000</b>	<b>180,000</b>
<b>Less: Fixed Cost:</b>			
Electricity bill		450	5,400
Shop Rent		230	2,760
Salary- self		8,000	96,000
Salary-Employee (1)		3,000	36,000
Night Guard bill		60	720
Entertainment		500	6,000
Other cost including SMS & monitoring cost		400	4,800
loan interest (BRAC)		1,391	5,845
Depreciation Expenses		292	3,500
<b>(D) Total Fixed Cost</b>		<b>14,323</b>	<b>161,025</b>
<b>(C-D)Net Profit:</b>		<b>677</b>	<b>18,975</b>

# *Investment Breakdown*

<b>Particulars</b>	<b>Existing Business (BDT)</b>	<b>Proposed (BDT)</b>	<b>Total (BDT)</b>
Investment in Goods-Hardware	20,000	50,000	70,000
Investment in Goods-Pipes	40,000	20,000	60,000
Investment in Goods-Tube well	10,000	20,000	30,000
Investment in Goods-Electric Items	28,000	30,000	58,000
Investment in Goods-Cookeries	52,000	30,000	82,000
Investment in Goods-Color	15,000	-	15,000
Investment in Goods-Cycle parts	10,000	50,000	60,000
Furniture & Decoration	35,000	-	35,000
<b>Total Capital</b>	<b>210,000</b>	<b>200,000</b>	<b>410,000</b>

# Source of Finance

- Investor's Investment BDT 200,000
- Entrepreneur's Contribution BDT 210,000
- Total Investments BDT 410,000



# Key assumptions for forecasting

- Sales growth will be about 30% in 1st year and 10% in every year after introducing additional investment.
- Gross Profit on products is estimated to be 20% 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)			Year 4 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
Estimated Sales Revenue	3,250	84,500	1,014,000	3,738	97,175	1,166,100	4,298	111,751	1,341,015	4,943	128,514	1,542,167
<b>Total Sales (A)</b>	<b>3,250</b>	<b>84,500</b>	<b>1,014,000</b>	<b>3,738</b>	<b>97,175</b>	<b>1,166,100</b>	<b>4,298</b>	<b>111,751</b>	<b>1,341,015</b>	<b>4,943</b>	<b>128,514</b>	<b>1,542,167</b>
<b>Calculation of Variable Cost:</b>												
<b>Less: Variable Cost:</b>												
Estimated cost of product	2,600	67,600	811,200	2,990	77,740	932,880	3,439	89,401	1,072,812	3,954	102,811	1,233,734
<b>Total Variable Cost (B)</b>	<b>2,600</b>	<b>67,600</b>	<b>811,200</b>	<b>2,990</b>	<b>77,740</b>	<b>932,880</b>	<b>3,439</b>	<b>89,401</b>	<b>1,072,812</b>	<b>3,954</b>	<b>102,811</b>	<b>1,233,734</b>
<b>Contribution Margin (CM)</b>	<b>650</b>	<b>16,900</b>	<b>202,800</b>	<b>748</b>	<b>19,435</b>	<b>233,220</b>	<b>860</b>	<b>22,350</b>	<b>268,203</b>	<b>989</b>	<b>25,703</b>	<b>308,433</b>
<b>Less: Fixed Cost:</b>												
Electricity bill		450	5,400		500	6,000		550	6,600		550	6,600
Shop Rent		230	2,760		230	2,760		230	2,760		230	2,760
Salary- self		8,000	96,000		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		3,000	36,000
Night Guard bill		60	720		60	720		60	720		60	720
Entertainment		500	6,000		500	6,000		500	6,000		500	6,000
Others (SMS & Monitoring)		400	4,800		400	4,800		400	4,800		400	4,800
loan interest		1,391	10,855		-	-		-	-		-	-
Depreciation Expenses		292	3,500		292	3,500		292	3,500		292	3,500
Ownership Transfer Fees		-	-		833	10,000		1,250	15,000		1,250	15,000
<b>(D) Total Fixed Cost</b>		<b>14,323</b>	<b>166,035</b>		<b>13,815</b>	<b>165,780</b>		<b>14,282</b>	<b>171,380</b>		<b>14,282</b>	<b>171,380</b>
<b>(C-D)Net Profit:</b>		<b>2,577</b>	<b>36,765</b>		<b>5,620</b>	<b>67,440</b>		<b>8,069</b>	<b>96,823</b>		<b>11,421</b>	<b>137,053</b>
<b>Cumulative Net Profit:</b>			<b>36,765</b>			<b>104,205</b>			<b>201,028</b>			<b>338,081</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 Investor	200,000	-	-	-
Net Profit ( Ownership Tr. Fee added back)	36,765	77,440	111,823	152,053
Depreciation	3,500	3,500	3,500	3,500
Opening Balance of Cash Surplus	-	1,465	1,205	26,528
<b>Total Cash Inflow</b>	<b>240,265</b>	<b>82,405</b>	<b>116,528</b>	<b>182,081</b>
<b>Cash Outflow</b>				
Purchase of Product	200,000	-	-	-
Pay back of BRAC Loan	38,800	21,200		
Investment Pay Back (Including Ownership Tr. Fee)	-	60,000	90,000	90,000
<b>Total Cash Outflow</b>	<b>238,800</b>	<b>81,200</b>	<b>90,000</b>	<b>90,000</b>
<b>Total Cash Surplus</b>	<b>1,465</b>	<b>1,205</b>	<b>26,528</b>	<b>92,081</b>

# Break Even Point analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	20%	20%
Break Even Point (BEP):	14,323	166,035
	20%	20%
<b>Break Even Point (in Tk.)</b>	<b>71,613</b>	<b>830,175</b>

# SWOT Analysis

## **S**TRENGTH

- Employment-Self 1, family 0, Other 1
- Experience & Skill (10 yrs.)
- Trade license & ownership in his own name
- Keeping books of records

## **O**PPORTUNITIES

- Three days Hat in a week.
- Less competitors (3 similar shops)
- Located in Tokipol bazaar
- The capital of Entrepreneur will be Tk. 5,48,000 after 4 years excluding pay back of investor's money.

## **W**EAKNESS

- Can not supply products as per demand

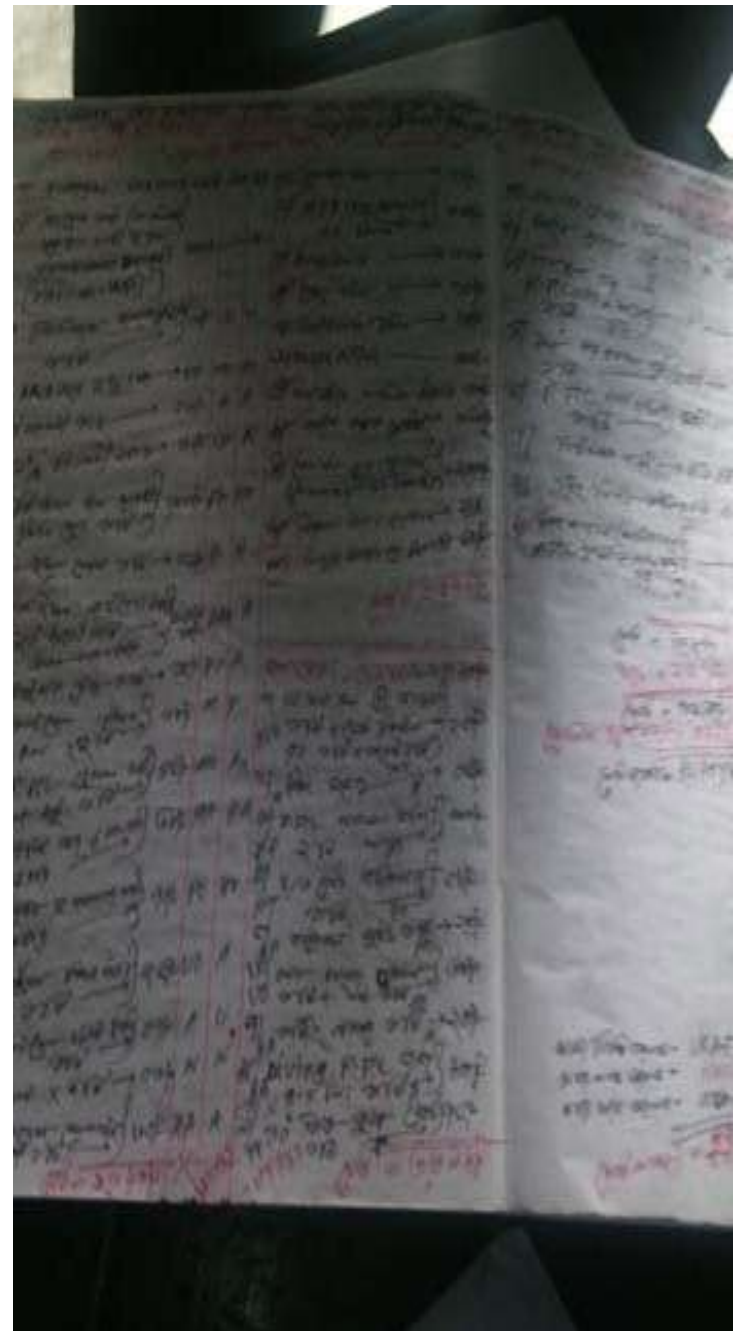
## **T**HREATS

- Political unrest

Pictures











**Thank You**