

Sohel Tula Ghar

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BRIEF BIO OF THE ENTREPRENEUR

Name	:	Md. Sohel Rana
Marital status	:	Married
Age	:	23 years
Address	:	Vill: Mithapukur, Union: 14 no. Durgapur , Post+Upazila : Mithapukur, District: Rangpur
Mother <i>(Grameen Bank Borrower)</i>	:	Mrs. Mohuba Begum Branch: Krishnapur, Mithapukur, Centre # 19/MO, Loan no.: 1862, Member since 1984 Existing Loan –1,77,000, Outstanding-1,60,000 This loan is used in his father’s business.
Education	:	Class Nine
Experience	:	14 years experience in the business of making and selling cotton made pillow, mattress and mosquito net etc. The start up capital was BDT 20,000 (1 years ago) and now it’s value is about BDT 62,000.

BUSINESS Briefing

- Business Name : ***Sohel Tula Ghar***
- Shop location: Mithapukur Bazaar, Rangpur
- Total Investment: **BDT 162,000**

Financing:

- ❖ Self BDT **62,000** (from existing business)
- ❖ Required Investment BDT **100,000** (as equity)

➤ **Implementation:**

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

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
- He has no personal assets and liabilities

Investment Breakdown

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Goods (Cotton & Cloth)	30,000	100,000	130,000
Furniture & Decoration	15,000	-	15,000
Sewing Machine	6,000	-	6,000
Advance Rent for Shop	11,000	-	11,000
Total Capital	62,000	100,000	162,000

Means of Finance

Particulars	Amount (Tk.)	%
Entrepreneur's Contribution	62,000	38%
Investor's Investment	100,000	62%
Total	162,000	100%

Existing Business

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Sales Revenue	1,962	51,000	612,000
Total Sales (A)	1,962	51,000	612,000
Calculation of Variable Cost:			
<i>Less: Variable Cost:</i>			
Estimated cost of product	1,373	35,700	428,400
Total Variable Cost (B)	1,373	35,700	428,400
Contribution Margin (CM) [C=(A-B)]	588	15,300	183,600
<i>Less: Fixed Cost:</i>			
Electricity bill		500	6,000
Shop Rent		2,000	24,000
Generator bill		100	1,200
Salary- own		8,000	96,000
Entertainment		500	6,000
Others		300	3,600
Depreciation Expenses		350	4,200
(D) Total Fixed Cost		11,750	141,000
(C-D) Net Profit:		3,550	42,600

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 30% 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	2,550	66,300	795,600	2,805	72,930	875,160	3,086	80,223	962,676
Total Sales (A)	2,550	66,300	795,600	2,805	72,930	875,160	3,086	80,223	962,676
Calculation of Variable Cost:									
Less: Variable Cost:									
Estimated cost of product	1,785	46,410	556,920	1,964	51,051	612,612	2,160	56,156	673,873
Total Variable Cost (B)	1,785	46,410	556,920	1,964	51,051	612,612	2,160	56,156	673,873
Contribution Margin (CM) [C=(A-B)]	765	19,890	238,680	842	21,879	262,548	926	24,067	288,803
Less: Fixed Cost:									
Electricity bill		500	6,000		550	6,600		600	7,200
Shop Rent		2,000	24,000		2,000	24,000		2,000	24,000
Generator bill		100	1,200		100	1,200		100	1,200
Salary- own		8,000	96,000		8,000	96,000		8,500	102,000
Salary- employee (1)		2,500	30,000		2,500	30,000		2,500	30,000
Entertainment		500	6,000		600	7,200		650	7,800
Others		300	3,600		300	3,600		300	3,600
Depreciation Expenses		350	4,200		350	4,200		350	4,200
Ownership Transfer Fees		-	-		667	8,000		1,000	12,000
(D) Total Fixed Cost		14,250	171,000		15,067	180,800		16,000	192,000
(C-D) Net Profit:		5,640	67,680		6,812	81,748		8,067	96,803
Cumulative Net Profit:			67,680			149,428			246,231

Break Even Point analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	30%	30%
Break Even Point (BEP):	14,250	171,000
	30%	30%
Break Even Point (in Tk.)	47,500	570,000

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)	68,880	90,948	110,003
Depreciation	3,000	3,000	3,000
Opening Balance of Cash Surplus	-	51,880	97,828
Total Cash Inflow	171,880	145,828	210,831
Cash Outflow			
Purchase of Product	100,000	-	-
Payment of Grameen Bank Loan	20,000		
Investment Pay Back (Including Ownership Tr. Fee)	-	48,000	72,000
Total Cash Outflow	120,000	48,000	72,000
Total Cash Surplus	51,880	97,828	138,831

Outcomes

- The business will scale up with BDT **162,000** and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT **308,000**.
- 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

Risk Management

- Adequate precautions to be taken
- Close market watch to compete
- Arranging sand and water for protecting fire.

Pictures







Thank You