

# *New Collection Garments*



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

Name	:	Imran Hossain
Age	:	25 years
Address	:	House # 1725-26, Jail Road, Belltola Upazila: Shodor, District: Jessore
Mother ( <i>Grameen Bank Borrower</i> )	:	Mrs. Jesmin Begum, Nowapara, Centre # 34, Loan no.: 6484/B, Member since 2010 Existing Loan – BDT 45,000, Outstanding-32,000
Education	:	Honors
Experience	:	6 (Six) years experience in clothing business. Entrepreneur started his business with BDT 30,000 and now it's value is BDT 2,90,000.

# BUSINESS Briefing

- Proposed Business : New Collection Garments
- Shop location: Truck Stand, Magura Road, Jessore
- Total Investment: **BDT 670,000**

- ❖ Financing

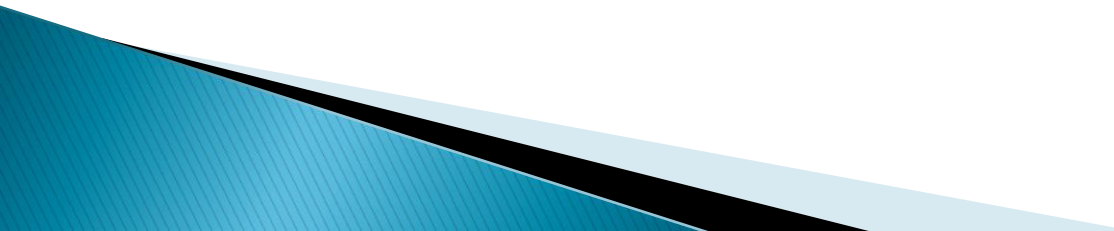
- ❖ Self BDT 290,000 (from existing business)

- ❖ Required Investment BDT 380,000 (as equity)

- **Implementation:**

The business is running with different items of cloths specially in trouser, pant, shirt etc. targeting break even point within the **first year** & pay back period is estimated to be within **four year**.

# Objectives

- Become a Prominent Nobin Udyokta;
  - Self employment for the entrepreneur;
  - Create employment opportunities for especially for family members of Grameen Bank Borrowers ;
  - Provide quality goods & service to meet demand in the community;
  - Contribute in improving socio-economic condition.
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# *Investment Breakdown*

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Clothing	250,000	200,000	450,000
Sewing Machine (35000*4)	-	140,000	140,000
Advance for Shop	20,000	-	20,000
Construction of Small Factory	-	30,000	30,000
Furniture, Fixtures & Decoration	20,000	10,000	30,000
<b>Total Capital</b>	<b>290,000</b>	<b>380,000</b>	<b>670,000</b>

# Means of Finance

Particulars	Amount (Tk.)	%
Entrepreneur's Contribution	290,000	43%
Investor's Investment	380,000	57%
<b>Total</b>	<b>670,000</b>	<b>100%</b>

# Existing Business

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated sales	4,500	117,000	1,404,000
<b>Total Sales (A)</b>	<b>4,500</b>	<b>117,000</b>	<b>1,404,000</b>
<b>Calculation of Variable Cost:</b>			
<i>Less: Variable Cost:</i>			
Estimated cost of sale	3,600	93,600	1,123,200
<b>Total Variable Cost (B)</b>	<b>3,600</b>	<b>93,600</b>	<b>1,123,200</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>900</b>	<b>23,400</b>	<b>280,800</b>
<i>Less: Fixed Cost:</i>			
Shop Rent		2,500	30,000
Electricity bill		3,000	36,000
Salary- own		5,000	60,000
Salary- employee		3,000	36,000
Entertainment		600	7,200
DPS (entrepreneur's benefit)		1,000	12,000
Others		2,000	24,000
Depreciation Expenses		333	4,000
Ownership Transfer Fees		-	-
<b>(D) Total Fixed Cost</b>	<b>581</b>	<b>17,433</b>	<b>209,200</b>
<b>(C-D)Net Profit:</b>		<b>5,967</b>	<b>71,600</b>

# Key assumptions for forecasting

- Sales growth will be 200% in 1st year and 20% in every year after introducing additional investment.
- Gross Profit on products on an average is estimated to be 20%.
- Salary of entrepreneur will be increased every year within the range of 10% to 12%.
- Depreciation has been charged on fixed assets at the rate of 20%.



# 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	13,500	351,000	4,212,000	16,200	421,200	5,054,400	19,440	505,440	6,065,280	23,328	606,528	7,278,336
<b>Total Sales (A)</b>	<b>13,500</b>	<b>351,000</b>	<b>4,212,000</b>	<b>16,200</b>	<b>421,200</b>	<b>5,054,400</b>	<b>19,440</b>	<b>505,440</b>	<b>6,065,280</b>	<b>23,328</b>	<b>606,528</b>	<b>7,278,336</b>
<b>Calculation of Variable Cost:</b>												
<b>Less: Variable Cost:</b>												
Estimated cost of sale	10,800	280,800	3,369,600	12,960	336,960	4,043,520	15,552	404,352	4,852,224	18,662	485,222	5,822,669
<b>Total Variable Cost (B)</b>	<b>10,800</b>	<b>280,800</b>	<b>3,369,600</b>	<b>12,960</b>	<b>336,960</b>	<b>4,043,520</b>	<b>15,552</b>	<b>404,352</b>	<b>4,852,224</b>	<b>18,662</b>	<b>485,222</b>	<b>5,822,669</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>2,700</b>	<b>70,200</b>	<b>842,400</b>	<b>3,240</b>	<b>84,240</b>	<b>1,010,880</b>	<b>3,888</b>	<b>101,088</b>	<b>1,213,056</b>	<b>4,666</b>	<b>121,306</b>	<b>1,455,667</b>
<b>Less: Fixed Cost:</b>												
Shop Rent		3,000	36,000		3,100	37,200		3,200	38,400		3,300	39,600
Electricity bill		5,000	60,000		5,200	62,400		5,400	64,800		5,600	67,200
Salary- own		7,000	84,000		8,000	96,000		9,000	108,000		10,000	120,000
Salary- employee		30,000	360,000		30,000	360,000		30,000	360,000		30,000	360,000
Entertainment		600	7,200		650	7,800		700	8,400		750	9,000
DPS (entrepreneur's benefit)		1,000	12,000		1,000	12,000		1,000	12,000		1,000	12,000
Others		2,000	24,000		2,000	24,000		2,000	24,000		2,000	24,000
Depreciation Expenses		3,333	40,000		3,333	40,000		3,333	40,000		3,333	40,000
Ownership Transfer Fees		-	-		1,667	20,000		2,333	28,000		2,333	28,000
<b>(D) Total Fixed Cost</b>		<b>51,933</b>	<b>623,200</b>		<b>54,950</b>	<b>659,400</b>		<b>56,967</b>	<b>683,600</b>		<b>58,317</b>	<b>699,800</b>
<b>(C-D)Net Profit:</b>		<b>18,267</b>	<b>219,200</b>		<b>29,290</b>	<b>351,480</b>		<b>44,121</b>	<b>529,456</b>		<b>62,989</b>	<b>755,867</b>
<b>Cumulative Net Profit:</b>		<b>219,200</b>		<b>570,680</b>		<b>1,100,136</b>		<b>1,856,003</b>				

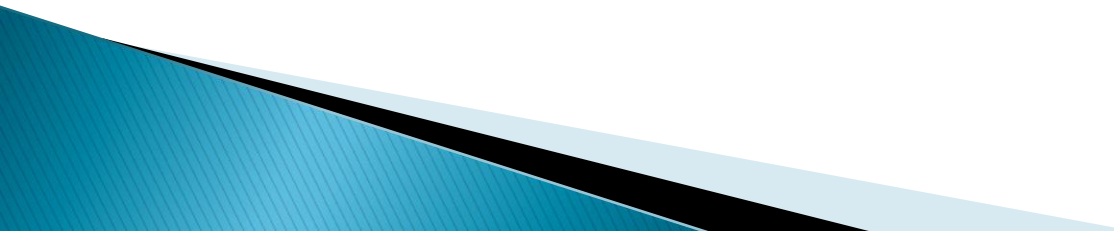
# Break Even Point analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	20%	20%
Break Even Point (BEP):	51,933	623,200
	20%	20%
Break Even Point (in Tk.)	<b>259,667</b>	<b>3,116,000</b>

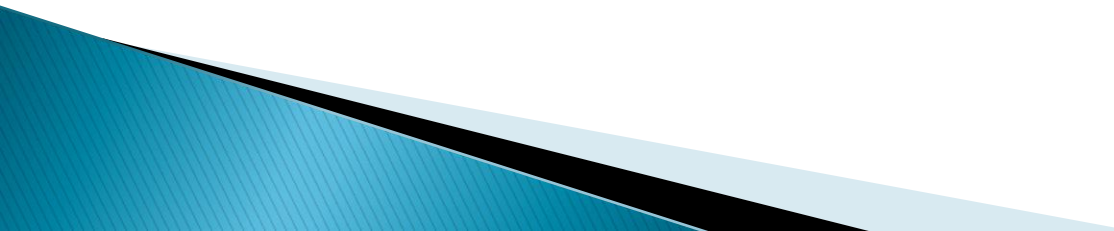
# Cash flow (Rec. & Pay.)

Particulars	Existing Business(BDT)	Year 1 (BDT)	Year 2 (BDT)	Year 3 (BDT)	Year 4 (BDT)
Cash Inflow					
New Investment Infusion by Investor's	-	380,000	-	-	-
Net Profit (share transfer fee added back)	71,600	219,200	371,480	557,456	783,867
Depreciation	4,000	40,000	40,000	40,000	40,000
Opening Balance of Cash Surplus	-	75,600	334,800	626,280	1,055,736
<b>Total Cash Inflow</b>	<b>75,600</b>	<b>714,800</b>	<b>746,280</b>	<b>1,223,736</b>	<b>1,879,603</b>
Cash Outflow					
Purchase of Product	-	200,000	-	-	-
Sewing Machine (35000*4)	-	140,000	-	-	-
Decoration (Fixtures and Fittings)	-	10,000	-	-	-
Construction of Small Factory	-	30,000	-	-	-
Investment Pay Back (share transfer fee included)	-	-	120,000	168,000	168,000
<b>Total Cash Outflow</b>	<b>-</b>	<b>380,000</b>	<b>120,000</b>	<b>168,000</b>	<b>168,000</b>
<b>Total Cash Surplus</b>	<b>75,600</b>	<b>334,800</b>	<b>626,280</b>	<b>1,055,736</b>	<b>1,711,603</b>

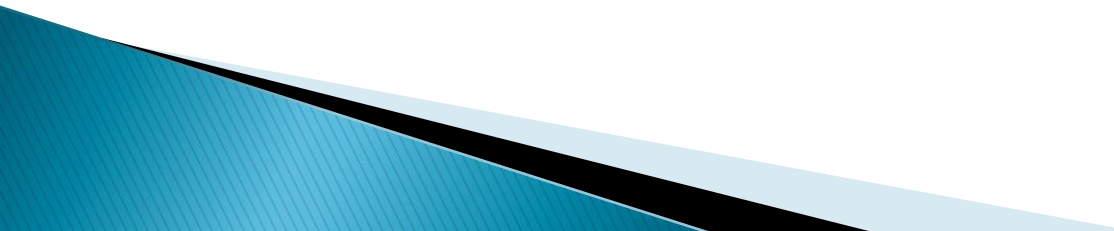
# Outcomes

- The business will start with BDT **670,000** and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT **21,46,000**.
  - The business will serve the community by selling quality and in demand products and strive to improve every year.
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# Risk Factors

- Theft
  - Local competition
  - Political Unrest
  - Fire
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# Risk Management

- Adequate precautions to be taken
  - Proper security measures will be taken
  - Close market watch to compete
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**Picture**







**Thank You**