

MUGDHO ELECTRONICS AND COSMETICS



BRIEF BIO DATA OF THE ENTREPRENEUR

Name	:	Mst. Minara Akther
Age	:	24 years
Address	:	Vill: Rajib, Post: Kawnia, Upazila: Kawnia, Dist: Rangpur
Mother (Grameen Bank Borrower)	:	Mst. Saleha begum Centre name: Balapara, Centre # 17/Mo, Loan no.: 2265 Member since May 08, 2004 Existing Loan – BDT 60,000 Outstanding- 51,000
Education	:	Class ten
Experience	:	4 (four) years experience in general retail & wholesale business with her husband. At present total capital of her business is about BDT 1,010,000 (ten lacs ten thousand). Now she is interested to scale up her running business.

BUSINESS BRIEFING

- Proposed Business : *Mugdho Electronics and Cosmetics*
- Shop location: Kawnia Bazar, Rangpur
- Total Investment: **BDT 1,410,000**
 - ❖ Financing
 - ❖ Self BDT 1,010,000 (from existing business)
 - ❖ Required Investment BDT 400,000 (as equity)
- **Implementation:**

The business is running with different items such as bags, charger light, belt, electronic products, toys, cosmetic items 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 to meet demand in the community;
- Contribute in improving socio-economic condition.

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Products	800,000	360,000	1,160,000
Advance for shop	120,000	-	120,000
Furniture Fixture & Decoration	90,000	40,000	130,000
Total Capital	1,010,000	400,000	1,410,000

MEANS OF FINANCE

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	1,010,000	72%
Investor's Investment	400,000	28%
Total	1,410,000	100%

EXISTING BUSINESS

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Sales Revenue (Retail & Whole)	6,000	156,000	1,872,000
Total Sales (A)	6,000	156,000	1,872,000
Less: Variable Cost:			
Estimated Variable Cost of Product	5,400	140,400	1,684,800
Total Variable Cost (B)	5,400	140,400	1,684,800
<i>Contribution Margin [C=(A-B)]</i>	600	15,600	187,200
Less: Fixed Cost:			
Electricity bill		300	3,600
Generator bill		350	4,200
Shop Rent		1,200	14,400
<i>Salary-Self</i>		<i>3,000</i>	<i>36,000</i>
<i>Night Guard</i>		<i>100</i>	<i>1,200</i>
<i>Depreciation Expenses</i>		<i>750</i>	<i>9,000</i>
Ownership Transfer Fees		-	-
Other Expenses		1,000	12,000
<i>(D) Total Fixed Cost</i>		<i>6,700</i>	<i>80,400</i>
(C-D)Net Profit:		8,900	106,800

KEY ASSUMPTIONS (I/S)

- Sales growth will be 50% in the 1st year of capital injection and 10% every year thereafter.
- Gross Profit on products on an average is estimated to be 10%.
- Salary of entrepreneur will increased every year in the range of 10% to 12%.
- Depreciation has been charged on furniture 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 (Retail & Whole)	9,000	234,000	2,808,000	9,900	257,400	3,088,800	10,890	283,140	3,397,680	11,979	311,454	3,737,448
Total Sales (A)	9,000	234,000	2,808,000	9,900	257,400	3,088,800	10,890	283,140	3,397,680	11,979	311,454	3,737,448
Less: Variable Cost:												
Estimated Variable Cost of Product	8,100	210,600	2,527,200	8,910	231,660	2,779,920	9,801	254,826	3,057,912	10,781	280,309	3,363,703
Total Variable Cost (B)	8,100	210,600	2,527,200	8,910	231,660	2,779,920	9,801	254,826	3,057,912	10,781	280,309	3,363,703
Contribution Margin [C=(A-B)]	900	23,400	280,800	990	25,740	308,880	1,089	28,314	339,768	1,198	31,145	373,745
Less: Fixed Cost:												
Electricity bill		400	4,800		450	5,400		450	5,400		450	5,400
Generator bill		350	4,200		350	4,200		350	4,200		400	4,800
Shop Rent		1,320	15,840		1,584	19,008		1,584	19,008		1,901	22,810
Salary-Self		3,500	42,000		4,500	54,000		5,500	66,000		6,500	78,000
Night Guard		100	1,200		100	1,200		150	1,800		150	1,800
Depreciation Expenses		1,083	13,000		1,083	13,000		1,083	13,000		1,083	13,000
Ownership Transfer Fees		-	-		1,389	16,667		2,500	30,000		2,778	33,333
Other Expenses		1,100	13,200		1,200	14,400		1,300	15,600		1,400	16,800
(D) Total Fixed Cost		7,853	94,240		10,656	127,875		12,917	155,008		14,662	175,943
(C-D)Net Profit:		15,547	186,560		15,084	181,005		15,397	184,760		16,483	197,802
Cumulative Net Profit:			186,560			367,565			552,325			750,127

BREAK EVEN POINT ANALYSIS

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Seles)	10%	10%
Break Even Point (BEP):	7,853	94,240
	10%	10%
Break Even Point (in BDT)	78,533	942,400

CASH FLOW (REC. & PAY.)

<i>Particulars</i>	<i>Existing Business(BDT)</i>	<i>Year 1 (BDT)</i>	<i>Year 2 (BDT)</i>	<i>Year 3 (BDT)</i>	<i>Year 4 (BDT)</i>
Cash Inflow					
New Investment	-	400,000	-	-	-
Net Profit (share transfer fee added back)	106,800	186,560	197,672	214,760	231,135
Depreciation	9,000	13,000	13,000	13,000	13,000
Opening Balance of Cash Surplus	-	115,800	315,360	426,032	473,792
Total Cash Inflow	115,800	715,360	526,032	653,792	717,927
Cash Outflow					
Purchase of Grocery Product	-	360,000	-	-	-
Refrigerator	-	-	-	-	-
Decoration (Fixtures and Fittings)	-	40,000	-	-	-
Investment Pay Back (share transfer fee included)	-	-	100,000	180,000	200,000
Total Cash Outflow	-	400,000	100,000	180,000	200,000
Total Cash Surplus	115,800	315,360	426,032	473,792	517,927

OUTCOMES

- The business will start with BDT 1,410,000 and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT 1,760,127
- The business will serve the community by selling quality and in demand products and strive to improve every year.

RISK FACTORS

- Theft
- Local competition
- Political Unrest
- Fire

RISK MANAGEMENT

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



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