

Akota Glass House (একতা কাঁচ ঘর)



Brief Bio of the Entrepreneur

• Name	:	Md. Mozahidul Islam Age: 29 years Marital status: Married, No of Children: One (01) child.
• Address	:	Vill : Dulhapur, Shatibari Post : Shatibari Union Parishad : Shatibari Upazila : Mithapukur Dist : Rangpur
• Mother <i>(Grameen Bank Borrower)</i>	:	Mst. Fatema Begum Loan No: 7962 Center : 67/Mo Branch Name: Shatibari Member since: 01/04/1995 Existing loan-BDT 100,000 Outstanding balance-BDT 42,790.
• Educational Qualification	:	Five pass
• Experience	:	Entrepreneur has 10 (ten) years experience in glass, board and furniture business. Business started in 2003 with BDT 150,000. Now its value BDT 535,000.

BUSINESS BRIEFING

• Business Name	:	<i>Akota Katch Ghar (একতা কাঁচ ঘর)</i>
• Location	:	Shatibari Bazar, Mithapukur, Rangpur.
• Total Investment	:	BDT 935,000/-
• Financing	:	<ul style="list-style-type: none">➤ Entrepreneur BDT- 535,000/-(Existing Business)➤ Investor BDT- 400,000/-(As Equity)
• Implementation	:	
<p>The business will scale up with different items of glass and board such as 3M glass, 4M glass, 5M glass, melamine board, hard board, RFL board, dressing table, show case, TV trolley etc. It targets to break even point within first year and pay back period is estimated to be four years.</p>		

Objectives

- Enhancement of entrepreneurial skills
- Employment opportunities for others
- Improving livelihood of the entrepreneur
- Become a prominent Nobin Udyokta

Additional Information:

- Salary will be used for his family expenses;
- He has to provide GB loan from his running business income;
- He has trade license & ownership in his own name;
- He has no other assets & liabilities;
- He has employment 03 (three) persons through this business;

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Working Capital (glass, hard board & others)	400,000	400,000	800,000
Advance Shop Rent	130,000	-	130,000
Decoration	5,000	-	5,000
Total Capital	535,000	400,000	935,000

Means of Finance

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	535,000	57%
Investor's Investment	400,000	43%
Total	935,000	100%

Existing Business

Particulars	EB (BDT)		
	Daily	Monthly	Yearly
Estimated Sales of Product	14,000	364,000	4,368,000
Total Sales (A)	14,000	364,000	4,368,000
Less: Variable Cost:			
Est. Cost of Product	12,600	327,600	3,931,200
Total Variable Cost (B)	12,600	327,600	3,931,200
Contribution Margin (CM) [C=(A-B)]	1,400	36,400	436,800
Less: Fixed Cost:			
Shop Rent	-	2,000	24,000
Salary (Self)		10,000	120,000
Employees Salary		16,000	192,000
Electricity bill		600	7,200
Entertainment Expenses		600	7,200
Ownership Transfer Fee		-	-
Depreciation Expenses		42	500
Transportation Cost		600	7,200
Night Guard bill		100	1,200
Generator Bill		100	1,200
Bad debt Expenses		910	10,920
Others Expenses		600	7,200
(D) Total Fixed Cost		31,552	378,620
(C-D)Net Profit:		4,848	58,180

Key Assumptions:

- Sales and Servicing revenue growth will be 40% in 1st year of injecting additional investment and 10% thereafter.
- Gross profit margin is calculated @ 10% on an average.
- Depreciation is charged @ 10% on fixtures & fittings.
- 25% is credit sales.
- Bad debt expenses is charged @1% on credit sales.

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 of Product	19,600	509,600	6,115,200	21,560	560,560	6,726,720	23,716	616,616	7,399,392	26,088	678,278	8,139,331
Total Sales (A)	19,600	509,600	6,115,200	21,560	560,560	6,726,720	23,716	616,616	7,399,392	26,088	678,278	8,139,331
Less: Variable Cost:												
Est. Cost of Product	17,640	458,640	5,503,680	19,404	504,504	6,054,048	21,344	554,954	6,659,453	23,479	610,450	7,325,398
Total Variable Cost (B)	17,640	458,640	5,503,680	19,404	504,504	6,054,048	21,344	554,954	6,659,453	23,479	610,450	7,325,398
Contribution Margin (CM) [C=(A-B)]	1,960	50,960	611,520	2,156	56,056	672,672	2,372	61,662	739,939	2,609	67,828	813,933
Less: Fixed Cost:												
Shop Rent		2,000	24,000		2,000	24,000		2,500	30,000		2,500	30,000
Salary (Self)		10,000	120,000		11,000	132,000		12,000	144,000		13,000	156,000
Employees Salary		16,000	192,000		17,000	204,000		18,000	216,000		19,000	228,000
Electricity bill		650	7,800		700	8,400		750	9,000		800	9,600
Entertainment Expenses		700	8,400		800	9,600		900	10,800		1,000	12,000
Ownership Transfer Fee		-	-		1,667	20,000		1,667	20,000		3,333	40,000
Depreciation Expenses		42	500		42	500		42	500		42	500
Transportation Cost		600	7,200		800	9,600		1,000	12,000		1,200	14,400
Night Guard bill		100	1,200		100	1,200		100	1,200		100	1,200
Generator Bill		100	1,200		100	1,200		100	1,200		100	1,200
Bad debt Expenses		1,274	15,288		1,401	16,817		1,542	18,498		1,696	20,348
Others Expenses		700	8,400		800	9,600		900	10,800		1,000	12,000
(D) Total Fixed Cost	-	32,166	385,988	-	36,410	436,917	-	39,500	473,998	-	43,771	525,248
(C-D)Net Profit:		18,794	225,532		19,646	235,755		22,161	265,941		24,057	288,685
Cumulative Net Profit:		225,532		461,287		727,228		1,015,913				

Break even analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	10%	10%
Break Even Point (BEP):	32,166	385,988
	10%	10%
Break Even Point (BDT)	321,660	3,859,880

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>
Cash Inflow				
Investment Infusion by Entrepreneur's	-	-	-	-
Investment Infusion by Investor	400,000	-	-	-
Net Profit (ownership transfer fee added back)	225,532	255,755	285,941	328,685
Depreciation Expenses	500	500	500	500
Opening Balance of Cash Surplus	-	183,242	319,497	485,938
Total Cash Inflow	626,032	439,497	605,938	815,123
Cash Outflow				
Payment for Working Capital (glass, Board & others)	400,000	-	-	-
Pay back of Grameen Bank Loan	42,790	-	-	-
Investment Pay Back (including ownership transfer fee)	-	120,000	120,000	240,000
Total Cash Outflow	442,790	120,000	120,000	240,000
Total Cash Surplus	183,242	319,497	485,938	575,123

Outcomes

- The business will scale up with **BDT 935,000** and it is expected that by the end of four (04) years after payback of investor's money the entrepreneur's capital will be **BDT 1,551,000**.
- The business will serve the community by selling quality and in demand products and strive to improve every year.

Risk Factors

- Theft
- Fire
- Risks related to glass handling
- Local competition
- Political unrest

Risk Management

- Adequate precautions to be taken
- Keeping adequate sand and ensure source of water
- Caution in handling
- Close market watch to compete

Pictures







Thank You

