

*PROBIR.COM*



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

Name	:	Probir Kumer Bormon
Age	:	30 years
Marital Status	:	Unmarried
Address	:	Vill: Chachra, Post: Jessore sadar, Union: Chachra, Upazila: Kotwali, Dist: Jessore
Mother <i>(Grameen Bank Borrower)</i>	:	Porosh Rani Bormon Centre Name: Bormon Para, Centre # 74/Mo, Loan no.: 9248 Member since October 01, 2009 Existing Loan – BDT 50,000, Outstanding- 32,000
Education	:	B.A
Experience	:	5 (five) years experience in telecom products and servicing business. Entrepreneur started his business with BDT 75,000 (seventy five thousand) and now it's value is BDT 3,58,700 (three lacs fifty eight thousand seven hundred).

# ***BUSINESS BRIEFING***

- Business Name: *PROBIR.COM*
- Shop location: Mobile city, 5<sup>th</sup> Floor, shop no. 540, Jest tower, Jessore
- Total Investment: **BDT 558,700**
  - ❖ Financing
  - ❖ Self BDT **358,700** (from existing business)
  - ❖ Required Investment BDT **200,000** (as equity)
- **Implementation:**

The business is running with different items of telecom products and services 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.

# Additional Information

- Salary will be used to meet his own, deposit & family expenses;
- Entrepreneur has taken training on servicing Mobile, TV, Dvd and Vcd player from Muslim Aid;
- GB loan was taken for his business;
- He has to provide GB loan installment from his business;
- Maintains regular records of business transactions;
- He has no assets and liabilities;
- He has trade license & ownership in his own name;
- He employs three people.

# *Investment Breakdown*

<b>Particulars</b>	<b>Existing Business (BDT)</b>	<b>Proposed (BDT)</b>	<b>Total (BDT)</b>
Investment in telecom and IT Products	79,700	190,000	269,700
2 pcs Laptop and 1Pcs Desktop	90,000	-	90,000
Hot gun 2Pcs	4,000	-	4,000
DC meter 2Pcs	4,000	-	4,000
Abo meter 1Pc	1,000	-	1,000
Flash Device 4Pcs	80,000	-	80,000
Furniture Fixture & Decoration	50,000	10,000	60,000
Advance for Shop	50,000	-	50,000
<b>Total Capital</b>	<b>358,700</b>	<b>200,000</b>	<b>558,700</b>

# Means of Finance

<b>Particulars</b>	<b>Amount (BDT)</b>	<b>%</b>
Entrepreneur's Contribution	358,700	64%
Investor's Investment	200,000	36%
<b>Total</b>	<b>558,700</b>	<b>100%</b>

# Existing Business

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Sales Revenue	1,600	41,600	499,200
Estimated Revenue from servicing	700	18,200	218,400
<b>Total Sales (A)</b>	<b>2,300</b>	<b>59,800</b>	<b>717,600</b>
<b>Less: Variable Cost:</b>			
Estimated Variable Cost of Product	1,440	37,440	449,280
<b>Total Variable Cost (B)</b>	<b>1,440</b>	<b>37,440</b>	<b>449,280</b>
<b>Contribution Margin [C=(A-B)]</b>	<b>860</b>	<b>22,360</b>	<b>268,320</b>
<b>Less: Fixed Cost:</b>			
Shop rent		1,200	14,400
Electricity bill		700	8,400
Generator bill		300	3,600
<i>Salary-Self</i>		12,000	144,000
Salary-Assistant		1,500	18,000
Entertainment		1,000	12,000
<i>Depreciation Expenses</i>		3,400	40,800
Ownership Transfer Fees		-	-
Other Expenses		200	2,400
<b>(D) Total Fixed Cost</b>		<b>20,300</b>	<b>243,600</b>
<b>(C-D) Net Profit:</b>		<b>2,060</b>	<b>24,720</b>
<b>Cumulative Net Profit:</b>			<b>24,720</b>



# Key assumptions for forecasting

- Sales growth will be 30% in 1<sup>st</sup> year and 10% in every year after introducing additional investment.
- Gross Profit on products on an average is estimated to be 10%.
- Depreciation charged on furniture @ 10% and others @ 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 Revenue	2,080	54,080	648,960	2,288	59,488	713,856	2,517	65,437	785,242	2,768	71,980	863,766
Estimated Revenue from servicing	840	21,840	262,080	882	22,932	275,184	926	24,079	288,943	972	25,283	303,390
<b>Total Sales (A)</b>	<b>2,920</b>	<b>75,920</b>	<b>911,040</b>	<b>3,170</b>	<b>82,420</b>	<b>989,040</b>	<b>3,443</b>	<b>89,515</b>	<b>1,074,185</b>	<b>3,741</b>	<b>97,263</b>	<b>1,167,156</b>
<b>Less: Variable Cost:</b>												
Estimated Variable Cost of Product	1,872	48,672	584,064	2,059	53,539	642,470	2,265	58,893	706,717	2,492	64,782	777,389
<b>Total Variable Cost (B)</b>	<b>1,872</b>	<b>48,672</b>	<b>584,064</b>	<b>2,059</b>	<b>53,539</b>	<b>642,470</b>	<b>2,265</b>	<b>58,893</b>	<b>706,717</b>	<b>2,492</b>	<b>64,782</b>	<b>777,389</b>
<b>Contribution Margin [C=(A-B)]</b>	<b>1,048</b>	<b>27,248</b>	<b>326,976</b>	<b>1,111</b>	<b>28,881</b>	<b>346,570</b>	<b>1,178</b>	<b>30,622</b>	<b>367,467</b>	<b>1,249</b>	<b>32,481</b>	<b>389,767</b>
<b>Less: Fixed Cost:</b>												
Shop rent		1,200	14,400		1,200	14,400		1,500	18,000		1,500	18,000
Electricity bill		750	9,000		800	9,600		850	10,200		900	10,800
Generator bill		300	3,600		350	4,200		350	4,200		400	4,800
Salary-Self		12,000	144,000		12,500	150,000		13,000	156,000		14,000	168,000
Salary-Assistant		1,500	18,000		1,600	19,200		1,700	20,400		1,800	21,600
Entertainment		1,000	12,000		1,050	12,600		1,050	12,600		1,100	13,200
Depreciation Expenses		3,483	41,800		3,483	41,800		3,483	41,800		3,483	41,800
Ownership Transfer Fees		-	-		556	6,667		1,389	16,667		1,389	16,667
Other Expenses		300	3,600		400	4,800		500	6,000		600	7,200
<b>(D) Total Fixed Cost</b>		<b>20,533</b>	<b>246,400</b>		<b>21,939</b>	<b>263,267</b>		<b>23,822</b>	<b>285,867</b>		<b>25,172</b>	<b>302,067</b>
<b>(C-D)Net Profit:</b>		<b>6,715</b>	<b>80,576</b>		<b>6,942</b>	<b>83,303</b>		<b>6,800</b>	<b>81,601</b>		<b>7,308</b>	<b>87,700</b>
<b>Cumulative Net Profit:</b>			<b>80,576</b>			<b>163,879</b>			<b>245,480</b>			<b>333,180</b>

# Break Even Point analysis

<b>Particulars</b>	<b>Monthly</b>	<b>Yearly</b>
<b>Contribution Margin Ratio: (CM/Sales)</b>	36%	36%
<b>Break Even Point (BEP):</b>	20,533	246,400
	36%	36%
<b>Break Even Point (in BDT)</b>	<b>57,211</b>	<b>686,534</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 Inflation by Investor	200,000	-	-	-
Net Profit (Ownership transfer fee added back )	80,576	89,970	98,267	104,367
Depreciation	41,800	41,800	41,800	41,800
Opening Balance of Cash Surplus	-	114,376	181,146	221,213
<b>Total Cash Inflow</b>	<b>322,376</b>	<b>246,146</b>	<b>321,213</b>	<b>367,380</b>
<b>Cash Outflow</b>				
Purchase of telecom and IT Products	190,000	-	-	-
Grameen Bank loan installment	8,000	25,000	-	-
Decoration (Fixtures and Fittings)	10,000	-	-	-
Investment Pay Back (Including Ownership transfer fee)	-	40,000	100,000	100,000
<b>Total Cash Outflow</b>	<b>208,000</b>	<b>65,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Total Cash Surplus</b>	<b>114,376</b>	<b>181,146</b>	<b>221,213</b>	<b>267,380</b>

# Outcomes

- The business will scale up with BDT **558,700** and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT **691,880**
- 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

- Night guard deployment;
- Arrange fire extinguisher (if possible), Keep adequate sand and ensure source of water;
- Close market watch to compete.







Mobile Zone

3rd FLOOR NETWORK





**Thank You**