

Bristi Store



Brief Bio of the Entrepreneur

• Name	: Ridoy Chandra Barman Age: 31 years Marital status: Married, No. of Children: One (01) Child
• Address	: Vill: Zibonpur, Post: Mithapukur, Union: 14no.Durgapur, Upazila: Mithapuur, Dist: Rangpur
• Father (Grameen Bank Borrower)	: Sushil Chandra Barman Loan No: 1663 Center : 48/Pu Branch Name: Shatibari Member since: 05/04/1992 Existing loan-BDT 23,000 Outstanding balance-BDT 18,442.
• Educational Qualification	: Five pass
• Experience	: Entrepreneur has 10 (ten) years experience in general retail business. Business started in 2003 with BDT 15,000. Now its value BDT 160,000.

BUSINESS BRIEFING

• Business Name	:	<i>Bristi Store</i>
• Location	:	Mithapukur Bazar, Mithapukur, Rangpur.
• Total Investment	:	BDT 260,000/-
• Financing	:	<ul style="list-style-type: none">➤ Entrepreneur BDT- 160,000/-(EB)➤ Investor BDT- 100,000/-(As Equity)
• Implementation	:	
<p>The business will scale up with different items of confectionery products such as biscuit and bread and other items, chips, sugar, soap & detergent 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 and liabilities.

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Working Capital	100,000	100,000	200,000
Advance Shop Rent	35,000	-	35,000
Decoration	25,000	-	25,000
Sub-Total Capital	160,000	100,000	260,000

Means of Finance

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	160,000	62%
Investor's Investment	100,000	38%
Total	260,000	100%

Existing Business

Particulars	EB (BDT)		
	Daily	Monthly	Yearly
Estimated Sales of Product	5,000	130,000	1,560,000
Total Sales (A)	5,000	130,000	1,560,000
Less: Variable Cost:			
Est. Cost of Product	4,500	117,000	1,404,000
Total Variable Cost (B)	4,500	117,000	1,404,000
Contribution Margin (CM) [C=(A-B)]	500	13,000	156,000
Less: Fixed Cost:			
Shop Rent	-	500	6,000
Salary (Self)		7,000	84,000
Electricity & Generator bill		300	3,600
Entertainment Expenses		300	3,600
Ownership Transfer Fee		-	-
Depreciation Expenses		208	2,500
Transportation & Labor Cost		1,000	12,000
Night Guard bill		100	1,200
Bad debt Expenses		325	3,900
Other Expenses		200	2,400
(D) Total Fixed Cost		9,933	119,200
(C-D) Net Profit:		3,067	36,800

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 is charged @ 1% of credit sales.

Financial Projection

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)			Year 4 (BDT)		
	Daily	Monthly	Yearly									
Estimated Sales of Product	7,000	182,000	2,184,000	7,700	200,200	2,402,400	8,470	220,220	2,642,640	9,317	242,242	2,906,904
Total Sales (A)	7,000	182,000	2,184,000	7,700	200,200	2,402,400	8,470	220,220	2,642,640	9,317	242,242	2,906,904
Less: Variable Cost:												
Est. Cost of Product	6,300	163,800	1,965,600	6,930	180,180	2,162,160	7,623	198,198	2,378,376	8,385	218,018	2,616,214
Total Variable Cost (B)	6,300	163,800	1,965,600	6,930	180,180	2,162,160	7,623	198,198	2,378,376	8,385	218,018	2,616,214
Contribution Margin (CM) [C=(A-B)]	700	18,200	218,400	770	20,020	240,240	847	22,022	264,264	932	24,224	290,690
Less: Fixed Cost:												
Shop Rent		500	6,000		500	6,000		500	6,000		500	6,000
Salary (Self)		7,000	84,000		7,500	90,000		8,500	102,000		9,500	114,000
Electricity & Generator bill		300	3,600		350	4,200		400	4,800		450	5,400
Entertainment Expenses		300	3,600		400	4,800		500	6,000		600	7,200
Ownership Transfer Fee		-	-		500	6,000		500	6,000		667	8,000
Depreciation Expenses		209	2,500		209	2,500		209	2,500		209	2,500
Transportation & Labor Cost		1,000	12,000		1,200	14,400		1,300	15,600		1,300	15,600
Night Guard bill		100	1,200		100	1,200		100	1,200		100	1,200
Bad debt Expenses		455	5,460		501	6,006		551	6,607		606	7,267
Other Expenses		200	2,400		300	3,600		400	4,800		400	4,800
(D) Total Fixed Cost	-	10,064	120,760	-	11,560	138,706	-	12,960	155,507	-	14,331	171,967
(C-D)Net Profit:	-	8,136	97,640	-	8,461	101,534	-	9,062	108,757	-	9,893	118,723
Cumulative Net Profit:			97,640			199,174			307,931			426,655

Break even analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	10%	10%
Break Even Point (BEP):	10,064	120,760
	10%	10%
Break Even Point (BDT)	100,640	1,207,600

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's	100,000	-	-	-
Net Profit (ownership transfer fee added back)	97,640	107,534	114,757	126,723
Depreciation Expenses	2,500	2,500	2,500	2,500
Opening Balance of Cash Surplus	-	81,698	155,732	236,989
Total Cash Inflow	200,140	191,732	272,989	366,213
Cash Outflow				
Payment for Working Capital	100,000	-	-	-
Payback to Grameen Bank Outstanding Loan	18,442	-	-	-
Investment Pay Back including ownership transfer fee	-	36,000	36,000	48,000
Total Cash Outflow	118,442	36,000	36,000	48,000
Total Cash Surplus	81,698	155,732	236,989	318,213

Outcomes

- The business will scale up with **BDT 260,000** 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 586,600**.
- The business will serve the community by selling quality and in demand products and strive to improve every year.

Risk Factors

- Theft
- Fire
- Local competition
- Political unrest

Risk Management

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

Pictures





Thank You

