

Business Name : *Chanchal Electronics*

Presented at: 24th Yunus Centre Design Lab (8th Executive Session)

Date: 18 August, 2014



Brief Bio of the Entrepreneur

Name	:	Sree Chanchal Mohanta
Age:	:	23 years
Marital status:	:	Unmarried
Address	:	Village: Mirzapur, Post: Mithapukur, Union: 07 no. Latifpur, Upazila: Mithapukur, Dist: Rangpur.
Father Mother (Grameen Bank Borrower)	:	Sree Manoranjan Mohanta Minoti Rani Loan ID: 4425, Center : 41/mo, Branch Name: Mithapukur, Rangpur. Member since: 14/09/2000 GB loan-BDT 25,000 (GB loan is used by his elder son) Outstanding balance-3,000. Others Loan-nil.
Utilization of salary	:	Salary Tk. 4,000 will be used to meet his own and family expenses.
Payment of other loan	:	GB loan will not be paid from his business.
Educational	:	Class Eight
Experience	:	Entrepreneur has 5 (five) years experience in electronics & electric business. Business started in 2009 with BDT 30,000 . Now its value is BDT 55,000 .
Source	:	Grameen Krishi Foundation/(GTT).

Proposed Business Briefing

• Business Name	:	<i>Chanchal Electronics</i>
• Location	:	Notunhat bazar, Mithapukur, Rangpur.
• Total Investment	:	BDT 155,000/-
• Financing	:	➤ Entrepreneur BDT- 55,000/-(EB) ➤ Investor BDT-100,000/-(As Equity)
• Implementation	:	
<p>The business will scale up with different types of mobile phone accessories and electric products such as multi plug, wire, switch, torch light, switch board etc. It's targets to break even point within first year and pay back period is estimated to be four (04) years.</p>		

Existing Business

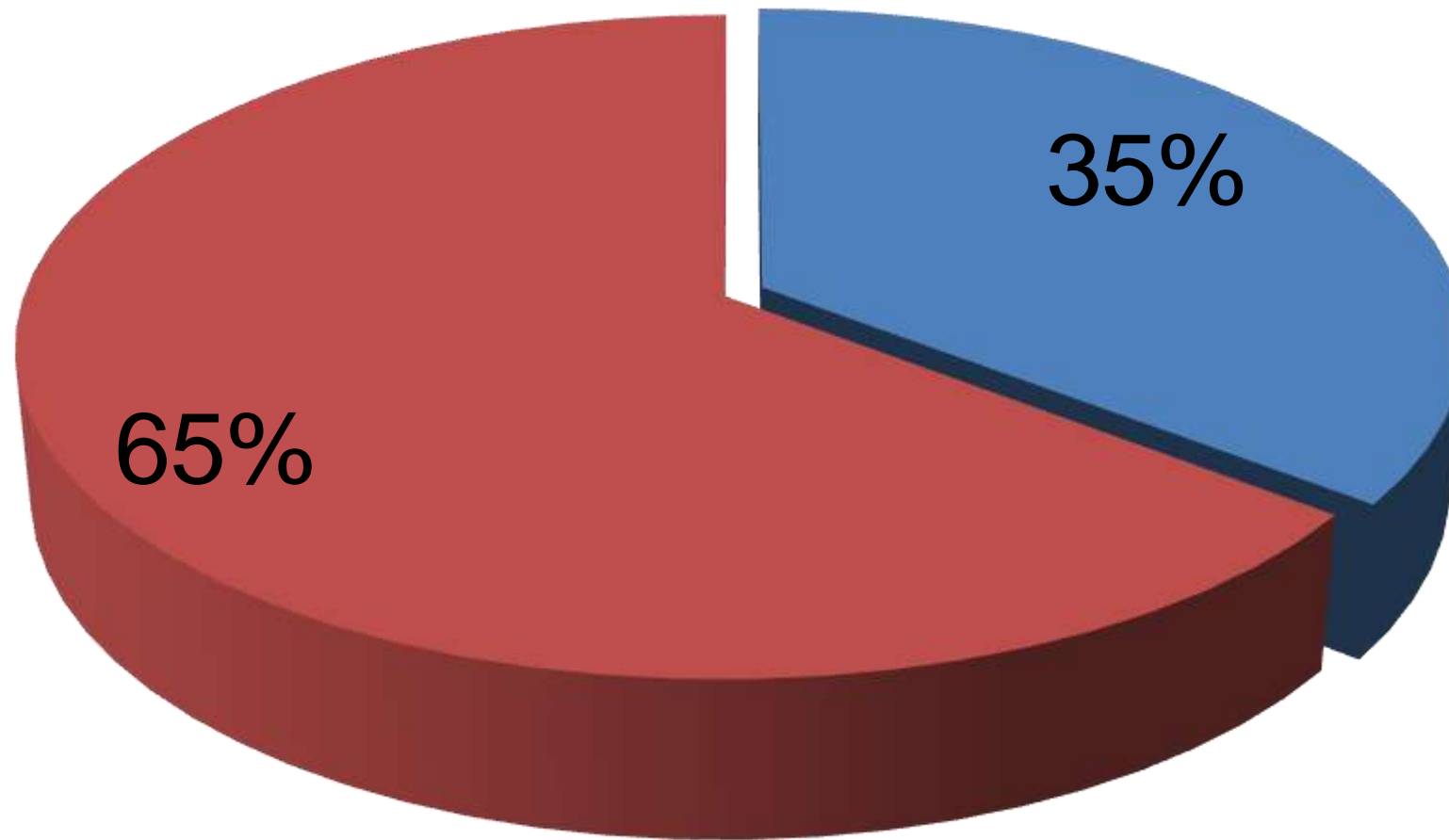
Particulars	EB (BDT)		
	Daily	Monthly	Yearly
Estimated Sales of electric and electronics products	400	10,400	124,800
Estimated income from mobile servicing	200	5,200	62,400
Est. Income from flexi-load	100	2,600	31,200
Total Sales (A)	700	18,200	218,400
<u>Less: Variable Cost:</u>			
Estimated cost of products	340	8,840	106,080
Estimated cost of mobile servicing	50	1,300	15,600
Estimated cost of flexi-load	-	-	-
Total Variable Cost (B)	390	10,140	121,680
Contribution Margin (CM) [C=(A-B)]	310	8,060	96,720
<u>Less: Fixed Cost:</u>			
Shop Rent		300	3,600
Salary (Self)		4,000	48,000
Electricity bill		500	6,000
Night guard bill		100	1,200
Depreciation Expenses		208	2,500
Other Expenses		600	7,200
(D) Total Fixed Cost		5,708	68,500
(C-D) Net Profit:		2,352	28,220

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Electric products (wire, multi plug, switch, switch board etc)	10,000	30,000	40,000
Investment in mobile accessories (battery, charger, ribbon, cover etc.)	10,000	50,000	60,000
Investment in flexi-load	10,000	-	10,000
Computer	10,000	-	10,000
Advance shop rent	10,000	-	10,000
Decoration	5,000	20,000	25,000
Total Capital	55,000	100,000	155,000

Source of Finance

- Entrepreneur's Contribution BDT 55,000
- Investor's Investment BDT 100,000
- Total Capital BDT 155,000



Key Assumptions:

- Sales growth will be 100% on electric & mobile accessories products and 75% on mobile servicing in 1st year of injecting additional investment and 10% thereafter.
- Gross profit margin is calculated @ 39% on an average.
- Depreciation is charged @ 10% on decoration and 20% on computer.

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 electric and electronics products	800	20,800	249,600	880	24,960	299,520	968	27,456	329,472	1,065	30,202	362,419
Estimated income from mobile servicing	350	9,100	109,200	385	10,010	120,120	424	11,011	132,132	466	12,112	145,345
Est. Income from flexi-load	100	2,600	31,200	100	2,860	34,320	100	3,146	37,752	100	3,461	41,527
Total Sales (A)	1,250	32,500	390,000	1,365	37,830	453,960	1,492	41,613	499,356	1,631	45,774	549,292
Less: Variable Cost:												
Estimated cost of products	680	17,680	212,160	748	21,216	254,592	823	23,338	280,051	905	25,671	308,056
Estimated cost of mobile servicing	88	2,275	27,300	96	2,503	30,030	106	2,753	33,033	116	3,028	36,336
Estimated cost of flexi-load	-	-	-	-	-	-	-	-	-	-	-	-
Total Variable Cost (B)	768	19,955	239,460	844	23,719	284,622	929	26,090	313,084	1,022	28,699	344,393
Contribution Margin (CM) [C=(A-B)]	483	12,545	150,540	521	14,112	169,338	563	15,523	186,272	609	17,075	204,899
Less: Fixed Cost:												
Shop Rent		300	3,600		300	3,600		500	6,000		500	6,000
Salary (Self)		4,000	48,000		4,500	54,000		5,000	60,000		5,500	66,000
Electricity bill		600	6,100		700	8,400		750	9,000		800	9,600
Night guard bill		100	1,200		100	1,200		150	1,800		150	1,800
Ownership Transfer Fee		-	-		500	6,000		500	6,000		667	8,000
Depreciation Expenses		375	4,500		375	4,500		375	4,500		375	4,500
Other Expenses		1,200	14,400		1,600	19,200		1,700	20,400		2,200	26,400
(D) Total Fixed Cost	-	6,575	77,800	-	8,075	96,900	-	8,975	107,700	-	10,192	122,300
(C-D)Net Profit:		5,970	72,740	-	6,037	72,438	-	6,548	78,572	-	6,883	82,599
Cumulative Net Profit:			72,740			145,178			223,750			306,349

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	-	-	-	-
Investment Infusion by Investor's	100,000	-	-	-
Net Profit (ownership transfer fee added back 2nd & 3rd year)	72,740	78,438	84,572	90,599
Depreciation Expenses	4,500	4,500	4,500	4,500
Opening Balance of Cash Surplus	-	77,240	124,178	177,250
Total Cash Inflow	177,240	160,178	213,250	272,349
Cash Outflow				
Investment in Electric products (wire, multi plug, switch, switch board etc)	30,000			
Investment in mobile accessories (battery, charger, ribbon etc)	50,000			
Decoration	20,000			
Payback to Grameen Bank Outstanding Loan	-	-	-	-
Investment Pay Back including ownership transfer fee	-	36,000	36,000	48,000
Total Cash Outflow	100,000	36,000	36,000	48,000
Total Cash Surplus	77,240	124,178	177,250	224,349

Break even analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	39%	39%
Break Even Point (BEP):	6,575	77,800
	39%	39%
Break Even Point (BDT)	17,034	201,554

SWOT Analysis

<p><u>Strength:</u></p> <ol style="list-style-type: none">1. Employment: self (1) + family (0) = 1 person; Others = 02. Quality products;3. Skill and experience;4. Trade license and ownership in his own name;5. Maintaining accounting records.	<p><u>Weakness:</u></p> <ol style="list-style-type: none">1. Credit Sales;
<p><u>Opportunity:</u></p> <ol style="list-style-type: none">1. Location of shop;2. Regular customers;3. After 4 years the capital of the entrepreneur will be Tk. 361,350 including payback of investor's money.	<p><u>Threat:</u></p> <ol style="list-style-type: none">1. Technology change.

Pictures







Thank You

