

# NIBIR ENTERPRISE



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

Name	:	Md. Arifuzzaman
Age	:	23 years
Marital Status and family information	:	Married, Child/ren: Nil
Address	:	Vill: Noldanga road, Post: Jessore sadar, Ward No.: 8, Upazila: Kotwali, Dist: Jessore
Mother <b>(Grameen Bank Borrower)</b>	:	Salma Begum Branch name: Fatepur, Jessore, Centre # 48/Mo, Loan no.# 9545/1 Member since 2007 Existing Loan – BDT 200,000, {loan used in Husband's (200,000) business}, Outstanding- 55,000, Others Loan: nil
<i>GB loan payback</i>	:	He will not payback GB loan from his business.
Proposed Salary and utilization	:	BDT 8000, salary will be used to meet his own & family expenses.
Education	:	Graduation
Experience	:	He has 5 (five) years experience in motor parts business with a partner. Presently he is running the business independently. He started his business with BDT 150000 (one lac fifty thousand). Now it's value is BDT 250000 (two lac fifty thousand).
Source	:	Grameen Telecom Trust (GTT).

# EXISTING BUSINESS

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated sales revenue	7,000	182,000	2,184,000
<b>Total Sales (A)</b>	<b>7,000</b>	<b>182,000</b>	<b>2,184,000</b>
<b>Calculation of Variable Cost:</b>			
<i>Less: Variable Cost:</i>			
Estimated cost of sales	5,950	154,700	1,856,400
<b>Total Variable Cost (B)</b>	<b>5,950</b>	<b>154,700</b>	<b>1,856,400</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>1,050</b>	<b>27,300</b>	<b>327,600</b>
<i>Less: Fixed Cost:</i>			
Shop rent		2,700	32,400
Electricity bill		300	3,600
Salary- own		8,000	96,000
Night Guard salary		-	-
Transportation		2,000	24,000
Entertainment		500	6,000
Others		400	4,800
Depreciation Expenses		250	3,000
<b>(D) Total Fixed Cost</b>		<b>14,150</b>	<b>169,800</b>
<b>(C-D) Net Profit:</b>		<b>13,150</b>	<b>157,800</b>
<b>Cumulative Net Profit:</b>			<b>157,800</b>

# PROPOSED BUSINESS BRIEFING

- Business Name : *Nibir Enterprise*
- Shop location: 28 R.M road, Jonaki market, Jessore
- Total Investment: **BDT 550,000**
  - ❖ Financing
  - ❖ Self BDT 250,000 (from existing business)
  - ❖ Required Investment BDT 300,000 (as equity)
- **Implementation:**

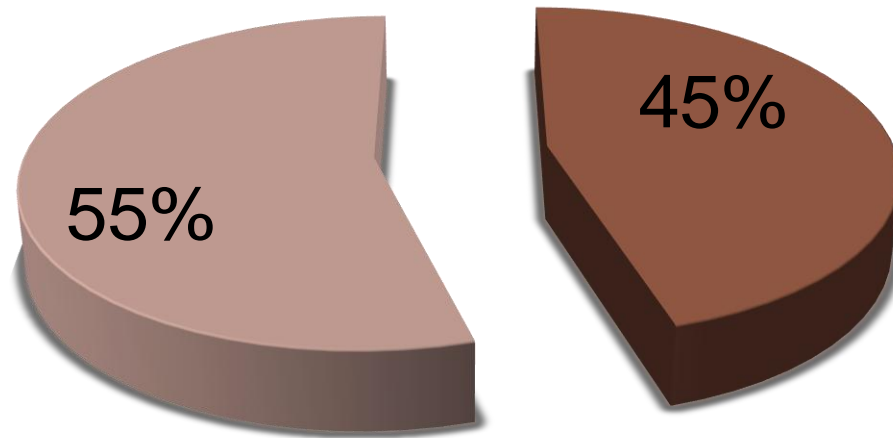
Scaling up with different items like Head Light, looking glass, cylinder, air filter, back light and head light cover, plug, bumper etc. targeting break even point within the **first year** & pay back period is estimated to be within **four years**.

# ***INVESTMENT BREAKDOWN***

<b>Particulars</b>	<b>Existing Business (BDT)</b>	<b>Proposed (BDT)</b>	<b>Total (BDT)</b>
Investment in products	200,000	300,000	500,000
Furniture, Fixtures & Decoration	30,000	-	30,000
Advance Rent for Shop	20,000	-	20,000
<b>Total Capital</b>	<b>250,000</b>	<b>300,000</b>	<b>550,000</b>

# SOURCE OF FINANCE

- Entrepreneur's Contribution BDT 250000
- Investor's Investment BDT 300000



# KEY ASSUMPTIONS

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- Sales growth will be 30% in the 1<sup>st</sup> year of capital injection and 10% in every year thereafter.
- Gross profit on products on an average is 15%.
- Depreciation charged on furniture @ 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	9,100	236,600	2,839,200	10,010	260,260	3,123,120	11,011	286,286	3,435,432	12,112	314,915	3,778,975
<b>Total Sales (A)</b>	<b>9,100</b>	<b>236,600</b>	<b>2,839,200</b>	<b>10,010</b>	<b>260,260</b>	<b>3,123,120</b>	<b>11,011</b>	<b>286,286</b>	<b>3,435,432</b>	<b>12,112</b>	<b>314,915</b>	<b>3,778,975</b>
<b>Calculation of Variable Cost:</b>												
<b>Less: Variable Cost:</b>												
Estimated cost of sales	7,735	201,110	2,413,320	8,509	221,221	2,654,652	9,359	243,343	2,920,117	10,295	267,677	3,212,129
<b>Total Variable Cost (B)</b>	<b>7,735</b>	<b>201,110</b>	<b>2,413,320</b>	<b>8,509</b>	<b>221,221</b>	<b>2,654,652</b>	<b>9,359</b>	<b>243,343</b>	<b>2,920,117</b>	<b>10,295</b>	<b>267,677</b>	<b>3,212,129</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>1,365</b>	<b>35,490</b>	<b>425,880</b>	<b>1,502</b>	<b>39,039</b>	<b>468,468</b>	<b>1,652</b>	<b>42,943</b>	<b>515,315</b>	<b>1,817</b>	<b>47,237</b>	<b>566,846</b>
<b>Less: Fixed Cost:</b>												
Shop rent		2,700	32,400		2,700	32,400		2,700	32,400		2,700	32,400
Electricity bill		300	3,600		350	4,200		450	5,400		450	5,400
Salary- own		8,000	96,000		8,500	102,000		9,000	108,000		9,500	114,000
Transportation		2,000	24,000		2,100	25,200		2,150	25,800		2,200	26,400
Entertainment		500	6,000		600	7,200		650	7,800		700	8,400
Others		400	4,800		400	4,800		400	4,800		400	4,800
Depreciation Expenses		250	3,000		250	3,000		250	3,000		250	3,000
Ownership Transfer Fee		-	-		1,389	16,667		2,222	26,667		1,667	20,000
<b>(D) Total Fixed Cost</b>		<b>14,150</b>	<b>169,800</b>		<b>16,289</b>	<b>195,467</b>		<b>17,822</b>	<b>213,867</b>		<b>17,867</b>	<b>214,400</b>
<b>(C-D)Net Profit:</b>		<b>21,340</b>	<b>256,080</b>		<b>22,750</b>	<b>273,001</b>		<b>25,121</b>	<b>301,448</b>		<b>29,371</b>	<b>352,446</b>
<b>Cumulative Net Profit:</b>			<b>256,080</b>			<b>529,081</b>			<b>830,529</b>			<b>1,182,976</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 Infusion by Investor	300,000	-	-	-
Net Profit (Ownership transfer fee added back)	256,080	289,668	328,115	372,446
Depreciation	3,000	3,000	3,000	3,000
Opening Balance of Cash Surplus	-	259,080	451,748	622,863
<b>Total Cash Inflow</b>	<b>559,080</b>	<b>551,748</b>	<b>782,863</b>	<b>998,309</b>
<b>Cash Outflow</b>				
Purchase of Product	300,000	-	-	-
Investment Pay Back (Including Ownership transfer fee)	-	100,000	160,000	120,000
<b>Total Cash Outflow</b>	<b>300,000</b>	<b>100,000</b>	<b>160,000</b>	<b>120,000</b>
<b>Total Cash Surplus</b>	<b>259,080</b>	<b>451,748</b>	<b>622,863</b>	<b>878,309</b>

# BREAK EVEN POINT ANALYSIS

<b>Particulars</b>	<b>Monthly</b>	<b>Yearly</b>
<b>Contribution Margin Ratio: (CM/Sales)</b>	15%	15%
	14,150	169,800
	15%	15%
<b>Break Even Point (BEP)</b>		
<b>Break Even Point (in BDT.)</b>	<b>94,333</b>	<b>1,132,000</b>

# SWOT ANALYSIS

## Strength

1. Employment- self-1, Family-0, Others-0;
2. Experienced and skill;
3. Quality products;
4. He has permanent retail and wholesale customer;
5. Trade license & ownership in own name;
6. Maintains regular records of business transactions.

## Weakness

1. Credit sales.

## Opportunity

1. Good reputation;
2. Good demand of products;
3. Scope of more employment;
4. It is expected that by the end of three years after payback of investor's money the entrepreneur's capital will be BDT **1416,309** .

## Threat

1. Local competitor;
2. Theft;
3. Political unrest.















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**Thank You**