

New Bati Ghar



BRIEF BIO OF THE ENTREPRENEUR

Name	:	Md. Ashraful Alom
Marital status	:	Married, Child/ren: 1
Age	:	34 years
Address	:	Vill: Nijdorpa, Union+Post: Tapa Modhupur, Upazila : Kaunia, District: Rangpur
Mother (Grameen Bank Borrower)	:	Mrs. Anowara Begum Branch: Modhupur, Kaunia, Centre # 30/MO, Loan no.: 2992, Member since 1993 Existing Loan –54,000 (loan used for her son’s business), Outstanding-51,475. Other loan: Nil
GB loan payback	:	He has to provide GB loan installment from his business.
Proposed salary and Utilization	:	BDT 12,000, Salary will be used to meet his own & family expenses.
Education	:	Class Ten
Experience	:	19 years experience in the business of selling electronic products. The start up capital was BDT 15,000 and now it’s value is about BDT 435,000.
Source	:	Grameen Telecom Trust

Existing Business

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Sales Revenue	12,000	312,000	3,744,000
Total Sales (A)	12,000	312,000	3,744,000
Calculation of Variable Cost:			
<i>Less: Variable Cost:</i>			
Estimated cost of product	10,800	280,800	3,369,600
Total Variable Cost (B)	10,800	280,800	3,369,600
Contribution Margin (CM) [C=(A-B)]	1,200	31,200	374,400
<i>Less: Fixed Cost:</i>			
Electricity bill		300	3,600
Shop Rent		1,500	18,000
Generator bill		150	1,800
Salary- own		12,000	144,000
Salary-Employee		4,500	54,000
Night Guard bill		200	2,400
Transport		1,000	12,000
Entertainment		1,500	18,000
Doubtful debt provision		125	1,500
GB loan interest		245	245
Depreciation Expenses		583	7,000
Ownership Transfer Fees		-	-
(D) Total Fixed Cost		22,104	262,545
(C-D)Net Profit:		9,096	111,855

Proposed Business Briefing

- Business Name : ***New Bati Ghar***
- Shop location: Kaunia Bazaar, Rangpur
- Total Investment: **BDT 735,000**

Financing:

- ❖ Self BDT 435,000 (from existing business)
- ❖ Required Investment BDT 300,000 (as equity)

➤ **Implementation:**

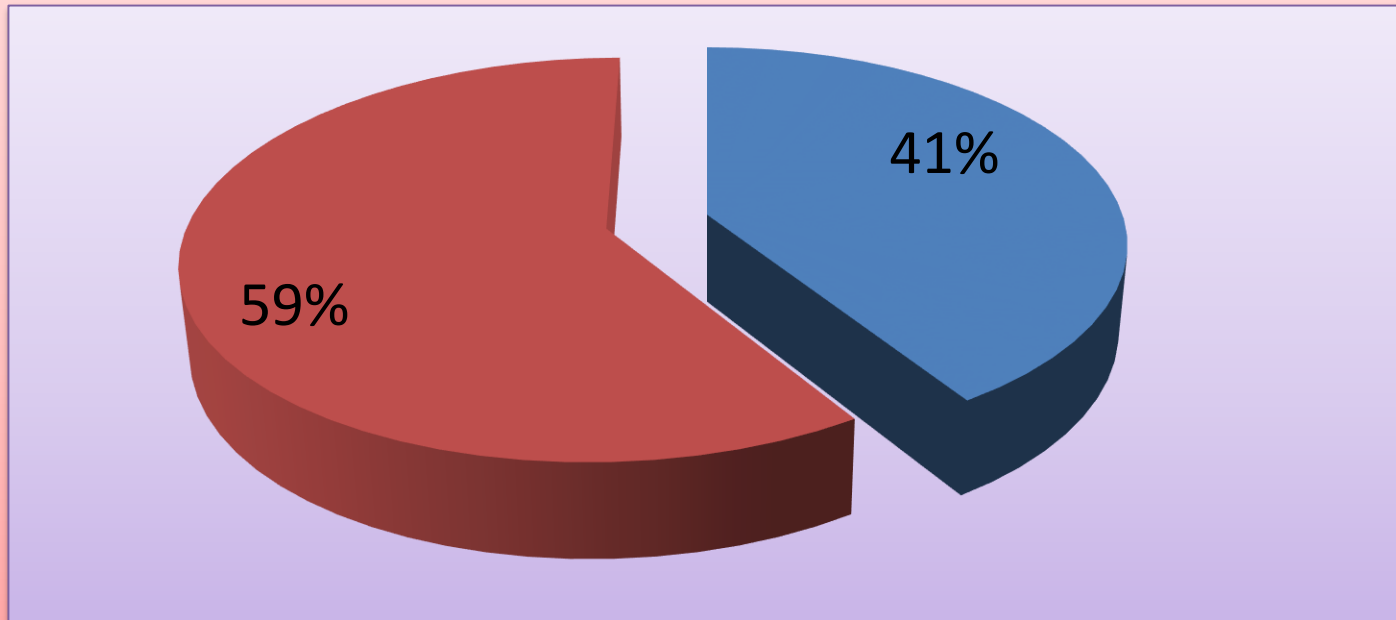
The business is planned to be scaled up by investment in existing products as well as few new products. The targeting break even point is within the **first year** & pay back period is estimated to be **four years**.

Investment Breakdown

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Goods	400,000	300,000	700,000
Furniture & Decoration	35,000	-	35,000
Total Capital	435,000	300,000	735,000

Source of Finance

- Investor's Investment BDT 300,000
- Entrepreneur's Contribution BDT 435,000



Key assumptions for forecasting

- Sales growth will be about 20% in 1st year and 10% in every year after introducing additional investment.
- Gross Profit on products is estimated to be 10% on an average.
- Depreciation has been charged on fixed assets at the rate of 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	14,400	374,400	4,492,800	15,840	411,840	4,942,080	17,424	453,024	5,436,288	19,166	498,326	5,979,917
Total Sales (A)	14,400	374,400	4,492,800	15,840	411,840	4,942,080	17,424	453,024	5,436,288	19,166	498,326	5,979,917
Calculation of Variable Cost:												
<i>Less: Variable Cost:</i>												
Estimated cost of product	12,960	336,960	4,043,520	14,256	370,656	4,447,872	15,682	407,722	4,892,659	17,250	448,494	5,381,925
Total Variable Cost (B)	12,960	336,960	4,043,520	14,256	370,656	4,447,872	15,682	407,722	4,892,659	17,250	448,494	5,381,925
Contribution Margin (CM)	1,440	37,440	449,280	1,584	41,184	494,208	1,742	45,302	543,629	1,917	49,833	597,992
<i>Less: Fixed Cost:</i>												
Electricity bill		300	3,600		350	4,200		400	4,800		400	4,800
Shop Rent		1,500	18,000		1,500	18,000		1,500	18,000		1,500	18,000
Generator bill		150	1,800		150	1,800		150	1,800		150	1,800
Salary- own		12,000	144,000		12,500	150,000		13,000	156,000		13,500	162,000
Salary-Employee		4,500	54,000		4,500	54,000		4,500	54,000		4,500	54,000
Night Guard bill		200	2,400		200	2,400		200	2,400		200	2,400
Transport		1,200	14,400		1,400	16,800		1,600	19,200		1,800	21,600
Entertainment		1,500	18,000		1,600	19,200		1,650	19,800		1,700	20,400
Doubtful debt provision		125	1,500		125	1,500		125	1,500		125	1,500
GB loan interest		491	5,155		-	-		-	-		-	-
Depreciation Expenses		583	7,000		583	7,000		583	7,000		583	7,000
Ownership Transfer Fees		-	-		1,333	16,000		1,667	20,000		2,000	24,000
(D) Total Fixed Cost		22,549	269,855		24,242	290,900		25,375	304,500		26,458	317,500
(C-D)Net Profit:		14,891	179,425		16,942	203,308		19,927	239,129		23,374	280,492
Cumulative Net Profit:			179,425			382,733			621,862			902,354

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 Investor	300,000	-	-	-
Net Profit (Ownership Tr. Fee added back)	179,425	219,308	259,129	304,492
Depreciation	7,000	7,000	7,000	7,000
Opening Balance of Cash Surplus	-	134,950	265,258	411,387
Total Cash Inflow	486,425	361,258	531,387	722,879
Cash Outflow				
Purchase of Product	300,000	-	-	-
Payment of Grameen Bank Loan	51,475			
Investment Pay Back (Including Ownership Tr. Fee)	-	96,000	120,000	144,000
Total Cash Outflow	351,475	96,000	120,000	144,000
Total Cash Surplus	134,950	265,258	411,387	578,879

Break Even Point analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	10%	10%
Break Even Point (BEP):	22,549	269,855
	10%	10%
Break Even Point (in Tk.)	225,492	2,698,545

SWOT Analysis

STRENGTH

- Employment-Self 1, family 0, Other 1
- Experience & Skill (19 Yrs)
- Trade license & ownership in his own name
- Maintains regular business records
- Nature of product (Not Perishable)

WEAKNESS

- Credit sale

OPPORTUNITIES

- Market Place
- Less competitors
- Near to Palli Bidyut office
- Consumer demand increasing
- The capital of Entrepreneur will be Tk. 13,37,000 after 4 years.

THREATS

- Fire & Theft
- Negative political trends

Pictures







Thank You