

Suresh Handicrafts(Dalit)



Dalit:

- Caste discrimination affects huge populations in Bangladesh and “Dalits” commonly known as “untouchables” exist far below the poverty line with extremely limited access to health services, education and employment.
- They are historically associated with occupations regarded as ritually impure, such as any involving leatherwork, butchering, removal of rubbish, animal carcasses etc.

Brief Bio Data of the Entrepreneur

• Name	:	Sree Shelon Baisya Age: 19 years
• Address	:	Vill: Bat pali goan, Post: Pirganj, Thana: Pirganj, Dist: Thakurgaon.
• Mother (<i>Grameen Bank Borrower</i>)	:	Sree Momota Bala, Centre # 41, Loan No: 5114, Pirganj Branch.Member since 1996 Existing Loan -14,000 Outstanding Balance -9,500
• Educational Qualification	:	Eight Pass
• Experience	:	Entrepreneur has 7 (Seven) years experience in handicrafts business through association with his family business.

BUSINESS BRIEFING

•	Proposed Business	:	<i>Suresh Handicrafts</i>
•	Location	:	Own residence
•	Total Investment	:	BDT 80,000/-
•	Financing	:	➤ Entrepreneur -30,000/- ➤ Investor BDT- 50,000/-
•	Implementation		
	The project will start with different kinds of bamboo, cane & leaf made products such fruits baskets, fences, morah, hand fan, pot, winnowing-fan (Kula) etc. targeting break even within first year & pay back period is estimated within three years.		

Objectives

- Enhancement of entrepreneurial skills;
- Employment opportunities for others;
- Improving livelihood of the entrepreneur;
- Become a prominent Nobin Udyokta;

INVESTMENT BREAKDOWN

Particulars	EB (BDT)	Proposed (BDT)	Total (BDT)
Investment in Products	30,000	50,000	80,000
Total Capital	30,000	50,000	80,000

Means of finance

Particulars	Amount (Tk.)	%
Entrepreneur's Contribution	30,000	38%
Investor's Investment	50,000	62%
Total	80,000	100%

Existing Business

Particulars	EB (BDT)		
	Weekly	Monthly	Yearly
Est. Sale of Own Product	8,000	32,000	384,000
Est. Sale of Tradi Product	2,000	8,000	96,000
Total Sales (A)	10,000	40,000	480,000
Less: Variable Cost:			
Est. Cost of Product	5,600	22,400	268,800
Est. Cost of Trading Product	1,600	6,400	76,800
Carrying Cost	200	800	9,600
Total Variable Cost (B)	7,400	29,600	355,200
Contribution Margin (CM) [C=(A-B)]	2,600	10,400	124,800
Less: Fixed Cost:			
Salary	1,500	6,000	72,000
Electricity bill	75	300	3,600
Entertainment Expenses	250	1,000	12,000
Ownership Transfer Fees	-	-	-
Other Expenses	250	1,000	12,000
(D) Total Fixed Cost	2,075	8,300	99,600
(C-D)Net Profit:	525	2,100	25,200

Key Assumptions:

- Sales growth will be 50% in 1st year of injecting additional investment and 10% thereafter.
- Gross profit margin is calculated on an average 26%.
- Carrying cost is charged @2% on gross sales.
- Cost of production of own product is calculated @70% and trading product @80%.
- Shop rent is not charged because business is established his own residence.

Financial Projection

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)		
	Weekly	Monthly	Yearly	Weekly	Monthly	Yearly	Weekly	Monthly	Yearly
Est. Sale of Own Product	12,000	48,000	576,000	13,200	52,800	633,600	14,520	58,080	696,960
Est. Sale of Tradi Product	3,000	12,000	144,000	3,300	13,200	158,400	3,630	14,520	174,240
Total Sales (A)	15,000	60,000	720,000	16,500	66,000	792,000	18,150	72,600	871,200
Less: Variable Cost:									
Est. Cost of Product	8,400	33,600	403,200	9,240	36,960	443,520	10,164	40,656	487,872
Est. Cost of Trading Product	2,400	9,600	115,200	2,640	10,560	126,720	2,904	11,616	139,392
Carrying Cost	300	1,200	14,400	330	1,320	15,840	363	1,452	17,424
Total Variable Cost (B)	11,100	44,400	532,800	12,210	48,840	586,080	13,431	53,724	644,688
Contribution Margin (CM) [C=(A-B)]	3,900	15,600	187,200	4,290	17,160	205,920	4,719	18,876	226,512
Less: Fixed Cost:									
Salary	2,000	8,000	96,000	2,000	8,000	96,000	2,000	8,000	96,000
Electricity bill	100	400	4,800	125	500	6,000	150	600	7,200
Entertainment Expenses	300	1,200	14,400	300	1,200	14,400	300	1,200	14,400
Ownership Transfer Fees		-	-	69	278	3,333	104	417	5,000
Other Expenses	250	1,000	12,000	250	1,000	12,000	250	1,000	12,000
(D) Total Fixed Cost	2,650	9,600	115,200	2,744	10,978	131,733	2,804	11,217	134,600
(C-D) Net Profit:	1,250	6,000	72,000	1,546	6,182	74,187		7,659	91,912
Cumulative Net Profit:			72,000			146,187			238,099

Break even analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Seles)	26%	26%
Break Even Point (BEP): (Fixed Cost/CM Ratio)	9,600	115,200
	26%	26%
Break Even Point (in Tk.)	36,923	443,077

Cash flow (Rec. & Pay.)

<i>Particulars</i>	<i>Existing Business(BDT)</i>	<i>Year 1 (BDT)</i>	<i>Year 2 (BDT)</i>	<i>Year 3 (BDT)</i>
Cash Inflow				
New Investment Infusion by Investors	-	50,000	-	-
Net Profit	25,200	72,000	77,520	96,912
Opening Balance of Cash Surplus	-	25,200	97,200	154,720
Total Cash Inflow	25,200	147,200	174,720	251,632
Cash Outflow				
Purchase of Wood Product	-	50,000	-	-
Investment Pay Back	-	-	20,000	30,000
Total Cash Outflow	-	50,000	20,000	30,000
Total Cash Surplus	25,200	97,200	154,720	221,632

Outcomes

- The business will start with **BDT 80,000** and it is expected that by the end of three years after payback of investor's money the entrepreneur's capital will be **BDT 276,432**.
- The business will serve the community by selling quality and in demand products and strive to improve every year.

Risk Factors

- Theft
- Local competition
- Non availability of raw material
- Demand and Supply of products

Risk Management

- Adequate precautions to be taken
- Proper security measures will be taken
- Close market watch to compete
- Equilibrium of demand and supply



Pictures









Thank You

