

JAHANGIR STORE



জাহাঙ্গীর স্টোর

থানা রোড, কাউনিয়া, রংপুর

BRIEF BIO OF THE ENTREPRENEUR

Name	:	Md. Kabir Uddin
Age	:	22 years
Address	:	Kounia Bazzar, Village: Balapara Upazila: Kownia, District: Rangpur
Mother (<i>Grameen Bank Borrower</i>)	:	Mrs. Kohinoor Begum, Kownia, Centre # 13, Loan no.: 2545, Member since 2007 Existing Loan – BDT 30,000, Outstanding- Nil
Education	:	HSC
Experience	:	9 (Nine) years experience in selling cosmetics and playing instrument business. Entrepreneur started his business with BDT 10,000 and now it's value is BDT 400,000.

BUSINESS BRIEFING

- Proposed Business : Jahangir Sore
- Shop location: Kounia Bazzar, Kounia, Rangpur
- Total Investment: **BDT 700,000**
 - ❖ Financing
 - ❖ Self BDT 400,000 (from existing business)
 - ❖ Required Investment BDT 300,000 (as equity)
- **Implementation:**

The business is running with different items of cosmetics and sporting items such as cricket bat, ball, etc. targeting break even point within the **first year** & pay back period is estimated to be within **four year**.

OBJECTIVES

- Become a Prominent Nobin Udyokta;
- Self employment for the entrepreneur;
- Create employment opportunities for especially for family members of Grameen Bank Borrowers ;
- Provide quality goods & service to meet demand in the community;
- Contribute in improving socio-economic condition.

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Goods	280,000	250,000	530,000
Furniture, Fixtures & Decoration	50,000	50,000	100,000
Advance Rent for Shop	70,000		70,000
Total Capital	400,000	300,000	700,000

MEANS OF FINANCE

Particulars	Amount (Tk.)	%
Entrepreneur's Contribution	400,000	57%
Investor's Investment	300,000	43%
Total	700,000	100%

EXISTING BUSINESS

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Revenue	6,538	170,000	2,040,000
Total Sales (A)	6,538	170,000	2,040,000
Less: Variable Cost:			
Estimated Cost of Sale	5,754	149,600	1,795,200
Total Variable Cost (B)	5,754	149,600	1,795,200
Contribution Margin (CM) [C=(A-B)]	785	20,400	244,800
Less: Fixed Cost:			
Shop Rent		1,200	14,400
Electricity bill		500	6,000
Salary- own		5,000	60,000
Entertainment		300	3,600
Others		400	4,800
Depreciation Expenses		833	10,000
(D) Total Fixed Cost	274	8,233	98,800
(C-D)Net Profit:		12,167	146,000

KEY ASSUMPTIONS FOR FORECASTING

- Sales growth will be 50% in 1st year and 10% to 20% in every year after introducing additional investment.
- Gross Profit on products on an average is estimated to be 12%.
- Salary of entrepreneur will be increased every year within the range of 15% to 20%.
- 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 Revenue	9,808	255,000	3,060,000	10,788	280,500	3,366,000	12,946	336,600	4,039,200	15,535	403,920	4,847,040
Total Sales (A)	9,808	255,000	3,060,000	10,788	280,500	3,366,000	12,946	336,600	4,039,200	15,535	403,920	4,847,040
<i>Less: Variable Cost:</i>												
Estimated Cost of Sale	8,631	224,400	2,692,800	9,494	246,840	2,962,080	11,393	296,208	3,554,496	13,671	355,450	4,265,395
Total Variable Cost (B)	8,631	224,400	2,692,800	9,494	246,840	2,962,080	11,393	296,208	3,554,496	13,671	355,450	4,265,395
Contribution Margin (CM) [C=(A-B)]	1,177	30,600	367,200	1,295	33,660	403,920	1,554	40,392	484,704	1,864	48,470	581,645
<i>Less: Fixed Cost:</i>												
Shop Rent		1,200	14,400		1,300	15,600		1,400	16,800		1,500	18,000
Electricity bill		500	6,000		600	7,200		700	8,400		700	8,400
Salary- own		5,000	60,000		6,000	72,000		7,000	84,000		8,000	96,000
Entertainment		300	3,600		350	4,200		350	4,200		400	4,800
Others		400	4,800		400	4,800		400	4,800		400	4,800
Depreciation Expenses		1,667	20,000		1,667	20,000		1,667	20,000		1,667	20,000
Ownership Transfer Fees		-	-		1,333	16,000		1,833	22,000		1,833	22,000
(D) Total Fixed Cost		9,067	108,800		11,650	139,800		13,350	160,200		14,500	174,000
(C-D)Net Profit:		21,533	258,400		22,010	264,120		27,042	324,504		33,970	407,645
Cumulative Net Profit:			258,400			522,520			847,024			1,254,669

BREAK EVEN POINT ANALYSIS

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	12%	12%
Break Even Point (BEP):	9,067	108,800
	12%	12%
Break Even Point (in Tk.)	75,556	906,667

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>	<i>Year 4 (BDT)</i>
Cash Inflow					
New Investment Infusion by Investor's	-	300,000	-	-	-
Net Profit	146,000	258,400	280,120	346,504	429,645
Depreciation	10,000	20,000	20,000	20,000	20,000
Opening Balance of Cash Surplus	-	156,000	434,400	638,520	873,024
Total Cash Inflow	156,000	734,400	734,520	1,005,024	1,322,669
Cash Outflow					
Purchase of Product	-	250,000	-	-	-
Decoration (Fixtures and Fittings)	-	50,000	-	-	-
Investment Pay Back	-	-	96,000	132,000	132,000
Total Cash Outflow	-	300,000	96,000	132,000	132,000
Total Cash Surplus	156,000	434,400	638,520	873,024	1,190,669

OUTCOMES

- The business will start with BDT 700,000 and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT **1,654,000**.
- The business will serve the community by selling quality and in demand products and strive to improve every year.

RISK FACTORS

- Theft
- Local competition
- Political Unrest
- Fire

RISK MANAGEMENT

- Adequate precautions to be taken
- Proper security measures will be taken
- Close market watch to compete

PICTURE









Thank You