

Business Name: Ershad Telecom

Presented at : 26 th Yunus Centre Design Lab

Date: 24 August, 2014



Brief Bio of the Entrepreneur

Name	:	Md. Ershad Ali
Age	:	28 years
Marital status	:	Married, Children: 2 sons (twin)
Address	:	Vill: Dahobonda, Sadullah, Post: Matial Adarsha Bazar, Union: Tabukpur, Upazila: Ulipur, Dist: Kurigram.
Father Mother (Grameen Bank Member)	:	Md. Mohubbar Rahman Mst. Asia Begum Loan ID: 5864, Center : 42/mo, Branch Name: Thanahat, Kurigram. Member since: 14/02/2002 GB loan-BDT 9,000. (GB loan is used in family purposes) Outstanding balance-8000. Others Loan -nil.
Utilization of salary	:	Salary Tk. 6,000 will be used to meet his own and family expenses.
Payment of GB loan	:	Payback of GB loan will not be provided from business.
Educational	:	S.S.C
Experience	:	Entrepreneur has 6 (six) years experience in telecom and mobile servicing business. Business started in 2008 with BDT 16,000 . Now its value BDT 50,000 .
Source	:	Grameen Telecom Trust (GTT).

Proposed Business Briefing

• Business Name	:	<i>Ershad Telecom</i>
• Location	:	Thanahat Bazar, Kurigram.
• Total Investment	:	BDT 150,000/-
• Financing	:	➤ Entrepreneur BDT- 50,000/-(EB) ➤ Investor BDT- 100,000/-(As Equity)
• Implementation	:	
<p>The business will scale up with different types of mobile parts, accessories and mobile servicing business. It targets to break even point within first year and pay back period is estimated to be three (03) years.</p>		

Existing Business

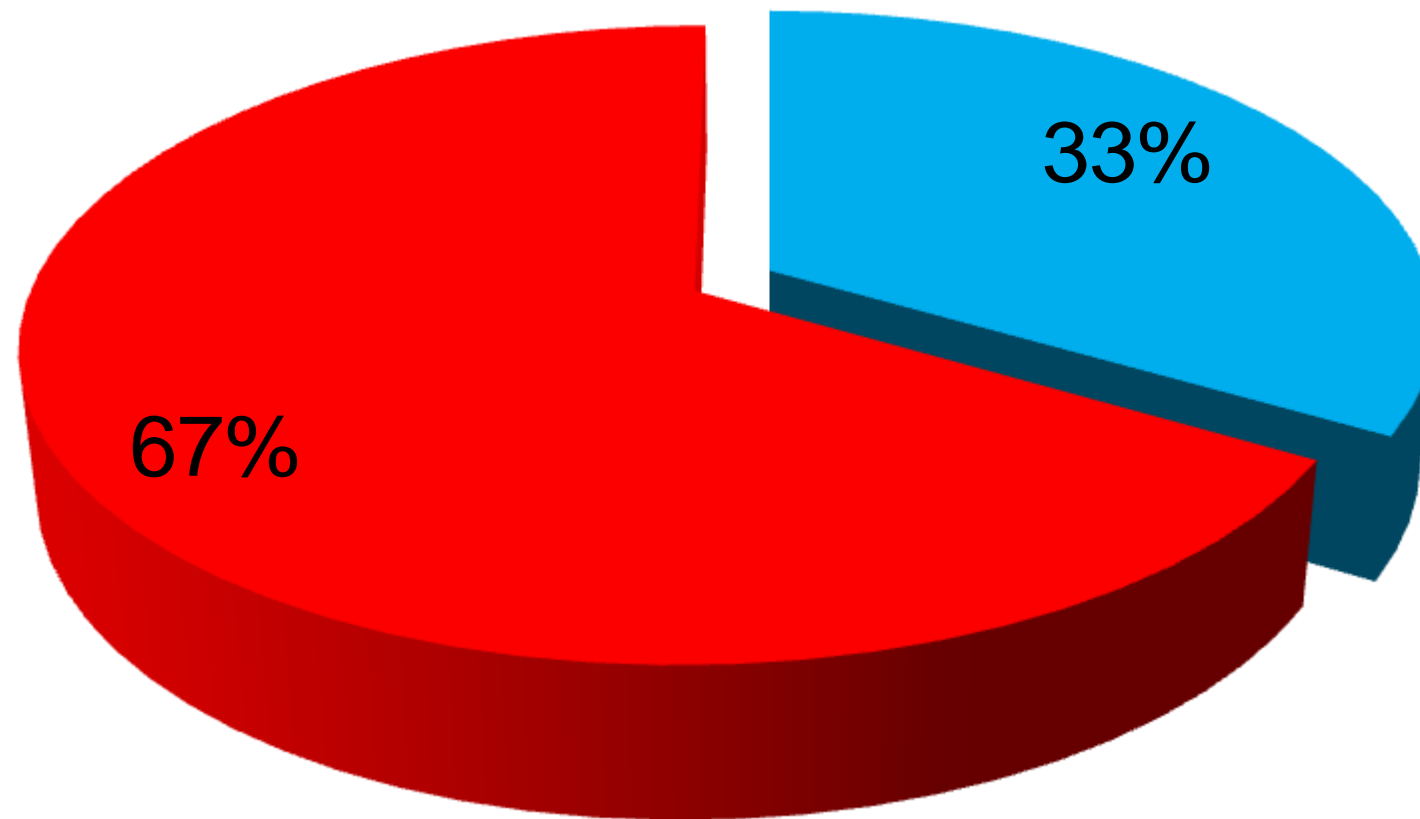
Particulars	EB (BDT)		
	Daily	Monthly	Yearly
Est. Sales of products	300	7,800	93,600
Est. Income from mobile servicing	400	10,400	124,800
Total Sales (A)	700	18,200	218,400
Less: Variable Cost:			
Estimated cost of products	255	6,630	79,560
Estimated cost of mobile servicing	120	3,120	37,440
Total Variable Cost (B)	375	9,750	117,000
Contribution Margin (CM) [C=(A-B)]	325	8,450	101,400
Less: Fixed Cost:			
Shop Rent		500	6,000
Salary (Self)		5,000	60,000
Electricity bill		400	4,800
Generator bill		240	2,880
Night Guard bill		50	600
Depreciation Expenses		208	2,500
Other Expenses (including SMS & monitoring)		500	6,000
(D) Total Fixed Cost		6,898	82,780
(C-D)Net Profit:		1,552	18,620

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in products (Charger, display, touch screen, speaker, ribbon etc)	25,000	35,000	60,000
Computer	10,000	-	10,000
Mobile flush box software (China-volcano and GPJ dragon, NOKIA)	-	45,000	45,000
Advance Shop Rent	10,000	-	10,000
Decoration	5,000	20,000	25,000
Total Capital	50,000	100,000	150,000

Source of Finance

- Entrepreneur's Contribution BDT 50,000
- Investor's Investment BDT 100,000
- Total Investment BDT 150,000



Key Assumptions:

- Sales growth will be 100% of products and 35% of mobile servicing in 1st year of injecting additional investment and 10% thereafter.
- Gross profit margin is calculated @ 41% 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)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
Est. Sales of products	600	15,600	187,200	660	17,160	205,920	726	18,876	226,512
Est. Income from mobile servicing	540	14,040	168,480	594	15,444	185,328	653	16,988	203,861
Total Sales (A)	1,140	29,640	355,680	1,254	32,604	391,248	1,379	35,864	430,373
<u>Less: Variable Cost:</u>									
Estimated cost of products	510	13,260	159,120	561	14,586	175,032	617	16,045	192,535
Estimated cost of mobile servicing	162	4,212	50,544	178	4,633	55,598	196	5,097	61,158
Total Variable Cost (B)	672	17,472	209,664	739	19,219	230,630	813	21,141	253,693
Contribution Margin (CM) [C=(A-B)]	468	12,168	146,016	515	13,385	160,618	566	14,723	176,679
<u>Less: Fixed Cost:</u>									
Shop Rent		500	6,000		500	6,000		700	8,400
Salary (Self)		6,000	72,000		6,500	78,000		7,000	84,000
Electricity bill		500	6,000		600	7,200		700	8,400
Generator bill		240	2,880		100	1,200		100	1,200
Night Gaurd bill		50	600		75	900		100	1,200
Ownership Transfer Fee		-	-		667	8,000		1,000	12,000
Depreciation Expenses		375	4,500		375	4,500		375	4,500
Other Expenses (including SMS & monitoring)		500	6,000		600	7,200		800	9,600
(D) Total Fixed Cost	-	8,165	97,980	-	9,417	113,000	-	10,775	129,300
(C-D)Net Profit:	-	4,003	48,036	-	3,968	47,618	-	3,948	47,379
Cumulative Net Profit:			48,036			95,654			143,033

Cash flow (Rec. & Pay.)

<i>Particulars</i>	<i>Year 1 (BDT)</i>	<i>Year 2 (BDT)</i>	<i>Year 3 (BDT)</i>
Cash Inflow			
Investment Infusion by Entrepreneur	-	-	-
Investment Infusion by Investor	100,000	-	-
Net Profit (ownership transfer fee added back 2nd & 3rd year)	48,036	55,618	59,379
Depreciation Expenses	4,500	4,500	4,500
Opening Balance of Cash Surplus	-	52,536	64,654
Total Cash Inflow	152,536	112,654	128,533
Cash Outflow			
Investment in products (Charger, display, tuch screen, speaker, ribbon etc)	35,000	-	-
Mobile flush box software (China-volcano and GPJ dragon, NOKIA)	45,000		
Payment for Decoration	20,000		
Investment Pay Back including ownership transfer fee	-	48,000	72,000
Total Cash Outflow	100,000	48,000	72,000
Total Cash Surplus	52,536	64,654	56,533

Break even analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio(CM/Sales) :	41%	41%
Break Even Point (BEP):	8,165	97,980
	41%	41%
Break Even Point (BDT)	19,889	238,669

SWOT Analysis

Strength:

1. Employment: self (1) + family (0) + Others (0)= 1 person;
2. Quality services and products;
3. Skill and experience;
4. Trade license & ownership in his own name;

Weakness:

1. Credit Sales.

Opportunity:

1. Location of shop;
2. Demand of product;
3. Regular customers;
4. Capital of the entrepreneur will be Tk. 193,000 after 3 years excluding investor's money.

Threat:

1. Local competitors.

Pictures



Thank You

