

# SHORIFUL RICE & DAIRY FEED SHOP



# BRIEF BIO OF THE ENTREPRENEUR

- Name : Md. Shoriful Islam
- Address : Fokirpara, Ramna, Chillmari, Kurigram.
- Mother : Manaka Begum, Fokirpara, Ramna, Chillmari,  
(*Grameen Bank* Centre # 7/Mo.  
*Borrower*) : Member since November 25, 2005  
Existing loan - BDT 60,000 Outstanding- BDT 8000
- Educational Qualification : S.S.C pass
- Experience : 2 (Two) years of experience in rice wholesale and retail business . Entrepreneur started his business with BDT 50,000 (Fifty thousand). Now it's value is BDT 130,000 (one lac thirty thousand)

# BUSINESS BRIEFING

- ✘ Proposed Business : *SHORIFUL RICE & DAIRY FEED SHOP*
- ✘ Shop location: Jurgas old market close to entrepreneurs' residence in Chilmari, Kurigram.
- ✘ Total Investment: BDT **330,000**
  - + Financing
    - Self BDT130,000 (from existing business)
    - Required Investment BDT 200,000 (as equity)
- ✘ **Implementation:**

The business will start with different types of rice & cattle feed products targeting break even within the first year & pay back period is estimated to be three years.

# OBJECTIVES

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- ✘ Self employment for the entrepreneur;
- ✘ Create employment opportunities for others (especially for family members of Grameen Bank Borrowers) ;
- ✘ Provide quality goods to meet demand for Rice & Cattle Feed in the community;
- ✘ Selling products that are environment friendly;
- ✘ Contribute in improving socio-economic condition.

# INVESTMENT BREAKDOWN

Particulars	Present (BDT)	Proposed (BDT)	Total (BDT)
Rice & Dairy Feed	80,000	170,000	250,000
Advance Rent for Shop	50,000	-	50,000
Fixtures and Fittings (Decoration)	-	18,000	18,000
Purchase of weight Machine	-	12,000	12,000
<b><i>Total Required Capital</i></b>	<b>130,000</b>	<b>200,000</b>	<b>330,000</b>

# MEANS OF FINANCE

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	130,000	39%
Investor's Investment	200,000	61%

# EXISTING BUSINESS

Particulars	Existing Business		
	Daily	Monthly	Yearly
<b>Revenue</b>			
<b>(A) Estimated Income from Product Sales</b>	<b>2,000</b>	<b>60,000</b>	<b>720,000</b>
<b>Less: Variable Cost:</b>			
Estimated Variable Cost on Product	1,700	51,000	612,000
Packing & Others	10	300	3,600
<b>(B) Total Variable Cost</b>	<b>1,710</b>	<b>51,300</b>	<b>615,600</b>
<b>[C=(A-B)] Contribution Margin (CM)</b>	<b>290</b>	<b>8,700</b>	<b>104,400</b>
<b>Less: Fixed Cost:</b>			
Shop Rent		800	9,600
Electricity (By nature Semi-Variable & Fixed)		200	2,400
Salary		5,000	60,000
Depreciation Expenses		400	4,800
Ownership Transfer Fees		-	-
Others		500	6,000
<b>(D) Total Fixed Cost</b>		<b>6,900</b>	<b>82,800</b>
<b>(C-D) Net Profit:</b>		<b>1,800</b>	<b>21,600</b>

# FINANCIAL PROJECTION

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
Revenue									
<b>(A) Estimated Income from Product Sales</b>	<b>2,500</b>	<b>75,000</b>	<b>900,000</b>	<b>3,250</b>	<b>97,500</b>	<b>1,170,000</b>	<b>4,225</b>	<b>126,750</b>	<b>1,521,000</b>
<b>Less: Variable Cost:</b>									
Estimated Variable Cost on Product	2,125	63,750	765,000	2,763	82,875	994,500	3,591	107,738	1,292,850
Packing & Others	13	375	4,500	16	488	5,850	21	634	7,605
<b>(B) Total Variable Cost</b>	<b>2,138</b>	<b>64,125</b>	<b>769,500</b>	<b>2,779</b>	<b>83,363</b>	<b>1,000,350</b>	<b>3,612</b>	<b>108,371</b>	<b>1,300,455</b>
<b>[C=(A-B)] Contribution Margin (CM)</b>	<b>363</b>	<b>10,875</b>	<b>130,500</b>	<b>471</b>	<b>14,138</b>	<b>169,650</b>	<b>613</b>	<b>18,379</b>	<b>220,545</b>
<b>Less: Fixed Cost:</b>									
Shop Rent		800	9,600		400	4,800		400	4,800
Electricity (By nature Semi-Variable & Fixed)		200	2,400		400	4,800		400	4,800
Salary		5,000	60,000		6,000	72,000		7,000	84,000
Depreciation Expenses		400	4,800		400	4,800		400	4,800
Ownership Transfer Fees		-	8,000		-	14,000		-	18,000
Others		600	7,200		600	7,200		600	7,200
<b>(D) Total Fixed Cost</b>		<b>7,000</b>	<b>92,000</b>		<b>7,800</b>	<b>107,600</b>		<b>8,800</b>	<b>123,600</b>
<b>(C-D) Net Profit:</b>		<b>3,875</b>	<b>38,500</b>		<b>6,338</b>	<b>62,050</b>		<b>9,579</b>	<b>96,945</b>
<b>Cumulative Net Profit:</b>			<b>38,500</b>			<b>100,550</b>			<b>197,495</b>



# BREAK EVEN ANALYSIS

Particulars	Monthly	Yearly
<b>Contribution Margin Ratio: (CM/Rev)</b>	15%	15%
<b>Break Even Point (BEP):</b> <div style="text-align: right; margin-right: 20px;"> <u>Fixed Cost</u>             C/M Ratio         </div>	7,000  15%	92,000  15%
<b>Break Even Point Sales (in BDT)</b>	<b>48,276</b>	<b>634,483</b>

# 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>
<b>Cash Inflow</b>				
New Investment	-	200,000	-	-
Net Profit	21,600	46,500	76,050	114,945
Depreciation	-	4,800	4,800	4,800
Opening Balance Of Cash Surplus	-	21,600	24,900	21,750
<b>Total Cash Inflow</b>	<b>21,600</b>	<b>272,900</b>	<b>105,750</b>	<b>141,495</b>
<b>Cash Outflow</b>				
Purchase of Products	-	170,000	-	-
New weight Machine	-	12,000	-	-
Fixtures and Fittings (Decoration)	-	18,000	-	-
Pay Back to investor's	-	48,000	84,000	108,000
<b>Total Cash Outflow</b>	<b>-</b>	<b>248,000</b>	<b>84,000</b>	<b>108,000</b>
<b>Total Cash Surplus</b>	<b>21,600</b>	<b>24,900</b>	<b>21,750</b>	<b>33,495</b>

# OWNERS' EQUITY STATEMENT

Particulars	1st Year	2nd Year	3rd Year
	Amount in BDT	Amount in BDT	Amount in BDT
Entrepreneur's Share	130,000	168,500	230,550
Investor's Share	200,000	160,000	90,000
<b>Total Investment</b>	<b>330,000</b>	<b>328,500</b>	<b>320,550</b>
Add: Net Profit	38,500	62,050	96,945
<b>Ending Owners' Equity before payback to Investor</b>	<b>368,500</b>	<b>390,550</b>	<b>417,495</b>
Less: Payback to Investor	40,000	70,000	90,000
<b>Ending Owners' Equity</b>	<b>328,500</b>	<b>320,550</b>	<b>327,495</b>
<i>Increase in Entrepreneur's Equity</i>			<b>197,495</b>

# OUTCOMES

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- The business will start with BDT **330,000** and it is expected that by the end of three years after payback of investors' money the entrepreneur's capital will be BDT **327,495**
- The business will serve the community by selling quality and in demand products and strive to improve every year.

# RISK FACTORS

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- Theft
- Local competition
- Political Unrest

# RISK MANAGEMENT

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

# Thank You

