

KONIKA COSMETICS AND THREAD HOUSE



BRIEF BIO DATA OF THE ENTREPRENEUR

Name	:	Konika Rani
Age	:	31 years
Address	:	Vill: Vobanipur, Post: Mithapukur, Upazila: Mithapukur, District: Rangpur
Mother <i>(Grameen Bank Borrower)</i>	:	Shova Rani Centre name: Mithapukur, Rangpur, Centre # 15/Mo, Loan no.: 1645 Member since December 02, 1982 Existing Loan – BDT 20,000 Outstanding- 8,000
Education	:	Passed: HSC
Experience	:	5 (five) years experience in general retail & whole sale business. Entrepreneur started her business with BDT 20,000 (twenty thousand) and now it's value is BDT 140,000 (one lac forty thousand) .

BUSINESS BRIEFING

- Business Name : *Konika Cosmetics and Thread house*
- Shop location: Mohila Market, Mithapukur, Rangpur
- Total Investment: **BDT 340,000**
 - ❖ Financing
 - ❖ Self BDT 140,000 (from existing business)
 - ❖ Required Investment BDT **200,000** (as equity)
- **Implementation:**

The business is running with different items of cosmetic and tailoring products etc., targeting break even point within the **first year** & pay back period is estimated to be **four years**.

OBJECTIVES

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

ADDITIONAL INFORMATION

- Salary will be used to meet her own & family expenses;
- GB loan taken for her business;
- She has to provide GB loan installment from her business;
- Credit sales are limited and they are realized in a timely manner;
- Maintains regular records of business transactions
- She has trade license & ownership in her own name.

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Products	110,000	150,000	260,000
Furniture Fixture & Decoration	30,000	50,000	80,000
Total Capital	140,000	200,000	340,000

MEANS OF FINANCE

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	140,000	41%
Investor's Investment	200,000	59%
Total	340,000	100%

EXISTING BUSINESS

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Sales Revenue (Retail & Wholesales)	5,000	130,000	1,560,000
Total Sales (A)	5,000	130,000	1,560,000
Less: Variable Cost:			
Estimated Variable Cost of Products	4,500	117,000	1,404,000
Total Variable Cost (B)	4,500	117,000	1,404,000
Contribution Margin [C=(A-B)]	500	13,000	156,000
Less: Fixed Cost:			
Electricity bill		600	7,200
Generator bill		150	1,800
Shop Rent		100	1,200
<i>Salary-Self</i>		6,000	72,000
<i>Entertainment</i>		200	2,400
<i>Night Guard</i>		100	1,200
<i>Depreciation Expenses</i>		250	3,000
Other Expenses		500	6,000
(D) Total Fixed Cost		7,900	94,800
(C-D)Net Profit:		5,100	61,200
Cumulative Net Profit:			61,200

KEY ASSUMPTIONS (I/S)

- Sales growth will be 50% in the 1st year of capital injection and 10% in every year thereafter.
- Gross Profit on products on an average is 10%.
- Salary of entrepreneur will be increased every year in the range of 10% to 15%.
- Depreciation has been charged at the rate of 10%.

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 (Retail & Wholesales)	7,500	195,000	2,340,000	8,250	214,500	2,574,000	9,075	235,950	2,831,400	9,529	247,748	2,972,970
Total Sales (A)	7,500	195,000	2,340,000	8,250	214,500	2,574,000	9,075	235,950	2,831,400	9,529	247,748	2,972,970
Less: Variable Cost:												
Estimated Variable Cost of Products	6,750	175,500	2,106,000	7,425	193,050	2,316,600	8,168	212,355	2,548,260	8,576	222,973	2,675,673
Total Variable Cost (B)	6,750	175,500	2,106,000	7,425	193,050	2,316,600	8,168	212,355	2,548,260	8,576	222,973	2,675,673
Contribution Margin [C=(A-B)]	750	19,500	234,000	825	21,450	257,400	908	23,595	283,140	953	24,775	297,297
Less: Fixed Cost:												
Electricity bill		700	8,400		750	9,000		750	9,000		750	9,000
Generator bill		150	1,800		170	2,040		170	2,040		190	2,280
Shop Rent		100	1,200		100	1,200		100	1,200		100	1,200
Salary-Self		6,500	78,000		7,500	90,000		8,500	102,000		9,500	114,000
Entertainment		200	2,400		250	3,000		300	3,600		300	3,600
Night Guard		120	1,440		120	1,440		150	1,800		150	1,800
Depreciation Expenses		667	8,000		667	8,000		667	8,000		667	8,000
Ownership Transfer Fees		-	-		556	6,667		1,389	16,667		1,389	16,667
Other Expenses		600	7,200		700	8,400		800	9,600		900	10,800
(D) Total Fixed Cost		9,037	108,440		10,812	129,747		12,826	153,907		13,946	167,347
(C-D)Net Profit:		10,463	125,560		10,638	127,653		10,769	129,233		10,829	129,950
Cumulative Net Profit:			125,560			253,213			382,447			512,397

BREAK EVEN POINT ANALYSIS

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	10%	10%
	Break Even Point (BEP):	108,440
	10%	10%
Break Even Point (in BDT)	90,367	1,084,400

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 Inflation by Investor's	-	200,000	-	-	-
Net Profit (Ownership transfer fee added back)	61,200	125,560	134,320	145,900	146,617
Depreciation	3,000	8,000	8,000	8,000	8,000
Opening Balance of Cash Surplus	-	64,200	197,760	300,080	353,980
Total Cash Inflow	64,200	397,760	340,080	453,980	508,597
Cash Outflow					
Purchase of Product	-	150,000	-	-	-
Decoration (Fixtures and Fittings)	-	50,000	-	-	-
Investment Pay Back (including share transfer fee)	-	-	40,000	100,000	100,000
Total Cash Outflow	-	200,000	40,000	100,000	100,000
Total Cash Surplus	64,200	197,760	300,080	353,980	408,597

OUTCOMES

- The business will start with BDT 340,000 and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT 652,397
- 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

- Night guard deployment
- Keeping adequate sand and ensure source of water
- Close market watch to compete







Thank You