

# ALVI SHOE STORE



# ***BRIEF BIO DATA OF THE ENTREPRENEUR***

Name	:	Md. Aminur Islam
Age	:	32 years
Address	:	City College Para, Bou Bazar, Molla Cottage, Jessore
Mother <b>(Grameen Bank Borrower)</b>	:	Mst. Kohinur Begum Centre name: Fotehpur, Jessore, Centre # 32/Mo, Loan no.: 5015/1 Member since February 28, 2009 Existing Loan – BDT 90,000 Outstanding- 59,700
Education	:	Class Eight
Experience	:	13 (thirteen) years experience as an assistant of a shoe store and 4 (four) years experience in running own business. Entrepreneur started his business with BDT 60,000 (sixty thousand) and now it's value is BDT 260,000 (two lacs sixty thousand).

# BUSINESS BRIEFING

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- Business Name : *Alvi Shoe store*
- Shop location: H.M. Road, Jonota Plaza, Jessore
- Total Investment: **BDT 460,000**
  - ❖ Financing
  - ❖ Self BDT 260,000 (from existing business)
  - ❖ Required Investment BDT 200,000 (as equity)
- **Implementation:**

The business is running with different items of footwear targeting break even point within the **first year** & pay back period is estimated to be **three years**.

# OBJECTIVES

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- 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 to meet demand in the community;
- Contribute in improving socio-economic condition.

# ADDITIONAL INFORMATION

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- Salary will be used to meet his own & family expenses;
- GB loan was taken for his business;
- Has no credit sales;
- He has trade license & ownership in his own name;
- He employs one people.

# ***INVESTMENT BREAKDOWN***

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<b>Particulars</b>	<b>Existing Business (BDT)</b>	<b>Proposed (BDT)</b>	<b>Total (BDT)</b>
Investment in Footwear (Various Designs)	150,000	200,000	350,000
Furniture Fixture & Decoration	60,000	-	60,000
Advance for shop	50,000	-	50,000
<b>Total Capital</b>	<b>260,000</b>	<b>200,000</b>	<b>460,000</b>

# MEANS OF FINANCE

<b>Particulars</b>	<b>Amount (BDT)</b>	<b>%</b>
Entrepreneur's Contribution	260,000	57%
Investor's Investment	200,000	43%
<b>Total</b>	<b>460,000</b>	<b>100%</b>

# EXISTING BUSINESS

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Sales Revenue	7,000	182,000	2,184,000
<b>Total Sales (A)</b>	<b>7,000</b>	<b>182,000</b>	<b>2,184,000</b>
<b>Less: Variable Cost:</b>			
Estimated Variable Cost of Products	5,600	145,600	1,747,200
<b>Total Variable Cost (B)</b>	<b>5,600</b>	<b>145,600</b>	<b>1,747,200</b>
<b>Contribution Margin [C=(A-B)]</b>	<b>1,400</b>	<b>36,400</b>	<b>436,800</b>
<b>Less: Fixed Cost:</b>			
Electricity bill		800	9,600
Generator bill		150	1,800
Shop Rent		8,000	96,000
<i>Salary-Self</i>		<i>8,000</i>	<i>96,000</i>
Salary-Assistant		3,000	36,000
Entertainment		1,000	12,000
<i>Depreciation Expenses</i>		<i>500</i>	<i>6,000</i>
Ownership Transfer Fees		-	-
Night Guard		30	360
Other Expenses		800	9,600
<b>(D) Total Fixed Cost</b>		<b>22,280</b>	<b>267,360</b>
<b>(C-D)Net Profit:</b>		<b>14,120</b>	<b>169,440</b>
<b>Cumulative Net Profit:</b>			<b>169,440</b>



# KEY ASSUMPTIONS (I/S)

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- Sales growth will be 50% in the 1<sup>st</sup> year of capital injection and 5% in every year thereafter.
- Gross Profit on products on an average is 20%.
- 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)		
		Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
	Estimated Sales Revenue	10,500	273,000	3,276,000	11,025	286,650	3,439,800	11,576	300,983	3,611,790
<b>Total Service Revenue/Sales (A)</b>		<b>10,500</b>	<b>273,000</b>	<b>3,276,000</b>	<b>11,025</b>	<b>286,650</b>	<b>3,439,800</b>	<b>11,576</b>	<b>300,983</b>	<b>3,611,790</b>
<b>Less: Variable Cost :</b>										
	Estimated Variable Cost of Products	8,400	218,400	2,620,800	8,820	229,320	2,751,840	9,261	240,786	2,889,432
<b>Total Estimated Variable Cost (B)</b>		<b>8,400</b>	<b>218,400</b>	<b>2,620,800</b>	<b>8,820</b>	<b>229,320</b>	<b>2,751,840</b>	<b>9,261</b>	<b>240,786</b>	<b>2,889,432</b>
<b>Contribution Margin (CM): [C=(A-B)]</b>		<b>2,100</b>	<b>54,600</b>	<b>655,200</b>	<b>2,205</b>	<b>57,330</b>	<b>687,960</b>	<b>2,315</b>	<b>60,197</b>	<b>722,358</b>
<b>Less: Fixed Cost:</b>										
	Shop Rent	-	8,000	96,000	-	8,000	96,000	-	8,000	96,000
	Electricity	-	800	9,600	-	900	10,800	-	1,000	12,000
	Generator bill		150	1,800		200	2,400		200	2,400
	Salary (Self)	-	8,000	96,000	-	8,500	102,000	-	9,000	108,000
	Salary-Assistant		3,000	36,000		3,500	42,000		3,500	42,000
	Entertainment		1,000	12,000		1,000	12,000		1,100	13,200
	Others expenses		800	9,600		900	10,800		950	11,400
	Night Guard		30	360		80	960		100	1,200
	Depreciation	-	500	6,000	-	500	6,000	-	500	6,000
	Ownership Transfer Fee	-	-	-	-	1,667	20,000	-	1,667	20,000
<b>Total Fixed Cost (D)</b>		<b>-</b>	<b>22,280</b>	<b>267,360</b>	<b>-</b>	<b>25,247</b>	<b>302,960</b>	<b>-</b>	<b>26,017</b>	<b>312,200</b>
<b>Net Profit (C-D)</b>		<b>2,100</b>	<b>32,320</b>	<b>387,840</b>	<b>2,205</b>	<b>32,083</b>	<b>385,000</b>	<b>2,315</b>	<b>34,180</b>	<b>410,158</b>
<b>Cumulative Net Profit:</b>				<b>387,840</b>			<b>772,840</b>			<b>1,182,998</b>

# BREAK EVEN POINT ANALYSIS

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Particulars	Monthly	Yearly
<b>Contribution Margin Ratio: (CM/Rev)</b>	20%	
<b>Break Even Point (BEP):</b>	22,280	267,360
	20%	20%
<b>Break Even Point on sales (in BDT)</b>	<b>111,400</b>	<b>1,336,800</b>

# CASH FLOW (REC. & PAY.)

<i>Particulars</i>	<i>Existing Business</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 (Ownership transfer fee added back)	169440	387,840	405,000	430,158
Depreciation	6000	6,000	6,000	6,000
Opening Balance		175,440	309,280	600,280
<b>Total Cash Inflow</b>	<b>175440</b>	<b>769,280</b>	<b>720,280</b>	<b>1,036,438</b>
<b>Cash Outflow:</b>				
Purchases of products	-	350,000	-	-
Fixtures & Fittings	-	60,000		
Security Deposit	-	50,000		
Investment Pay Back (including ownership transfer fee)	-	-	120,000	120,000
<b>Total Cash Outflow</b>	<b>-</b>	<b>460,000</b>	<b>120,000</b>	<b>120,000</b>
<b>Total Cash Surplus</b>	<b>175 440</b>	<b>309 280</b>	<b>600 280</b>	<b>916 438</b>

# OUTCOMES

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- The business will start with BDT **460,000** and it is expected that by the end of three years after payback of investor's money the entrepreneur's capital will be BDT **1,442,998**
- 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
- Fire

# RISK MANAGEMENT

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











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**Thank You**