

# *Lamia Cosmetic & Stationary* *Store*



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

Name	:	Lebu Mondol
Age	:	31 years
Address	:	Vill: Horinathpur, Post: Shotibari, Upazila Mithapukur, District: Rangpur
Father <i>(Grameen Bank Borrower)</i>	:	Mr. Taslim Uddin Branch name: Horinathpur, Centre # 50/Po, Loan no.: 1264, Member since 1984 Existing Loan – BDT 6,000 Outstanding- 3,000
Education	:	HSC
Experience	:	5 years experience in general retail business (sale of stationary). He started business with BDT 70,000 as capital and now it's value is about BDT 200,000.

# BUSINESS Briefing

- Business Name : *Lamia Cosmetic & Stationary Store*
- Shop location: Horinathpur, Shotibari, Mithapukur, Rangpur
- Total Investment: **BDT 500,000**

## Financing:

- ❖ Self BDT 200,000 (from existing business)
- ❖ Required Investment BDT 300,000 (as equity)
- **Implementation:**

The business is going to be scaled up with sale of stationary products as well as cosmetic products targeting break even point within the **first year** & pay back period is estimated to be **four years**.

# Objectives



- Become a prominent Nobin Udyokta;
- Well establishing as an 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 for his family (5 person) expenses;
- He has a coaching center;
- He has trade license & ownership in his own name;
- Maintains regular records of business transactions

# *Investment Breakdown*



<b>Particulars</b>	<b>Existing Business (BDT)</b>	<b>Proposed (BDT)</b>	<b>Total (BDT)</b>
Investment in Goods	50,000	280,000	330,000
Furniture, Fixtures & Decoration	50,000	20,000	70,000
Advance for Shop	100,000	-	100,000
<b>Total Capital</b>	<b>200,000</b>	<b>300,000</b>	<b>500,000</b>

# Means of Finance

Particulars		
Entrepreneur's Contribution		
Investor's Investment		

# Existing Business



Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Sales revenue	1,769	46,000	552,000
<b>Total Sales (A)</b>	<b>1,769</b>	<b>46,000</b>	<b>552,000</b>
<b>Calculation of Variable Cost:</b>			
<i>Less: Variable Cost:</i>			
Estimated Cost of sale	1,327	34,500	414,000
<b>Total Variable Cost (B)</b>	<b>1,327</b>	<b>34,500</b>	<b>414,000</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>442</b>	<b>11,500</b>	<b>138,000</b>
<i>Less: Fixed Cost:</i>			
Electricity bill		500	6,000
Salary- own		6,000	72,000
Transport		500	6,000
Others		200	2,400
Depreciation Expenses		833	10,000
Ownership Transfer Fees		-	-
<b>(D) Total Fixed Cost</b>	<b>268</b>	<b>8,033</b>	<b>96,400</b>
<b>(C-D)Net Profit:</b>		<b>3,467</b>	<b>41,600</b>



# Key assumptions for forecasting



- Sales growth will be 80% in 1st year and 20% in every year after introducing additional investment.
- Gross Profit on products is estimated to be 25% on an average.
- 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 sales revenue	3,185	82,800	993,600	3,822	99,360	1,192,320	4,586	119,232	1,430,784	5,503	143,078	1,716,941
<b>Total Sales (A)</b>	<b>3,185</b>	<b>82,800</b>	<b>993,600</b>	<b>3,822</b>	<b>99,360</b>	<b>1,192,320</b>	<b>4,586</b>	<b>119,232</b>	<b>1,430,784</b>	<b>5,503</b>	<b>143,078</b>	<b>1,716,941</b>
<b>Calculation of Variable Cost:</b>												
<i>Less: Variable Cost:</i>												
Estimated cost of sale	2,388	62,100	745,200	2,866	74,520	894,240	3,439	89,424	1,073,088	4,127	107,309	1,287,706
<b>Total Variable Cost (B)</b>	<b>2,388</b>	<b>62,100</b>	<b>745,200</b>	<b>2,866</b>	<b>74,520</b>	<b>894,240</b>	<b>3,439</b>	<b>89,424</b>	<b>1,073,088</b>	<b>4,127</b>	<b>107,309</b>	<b>1,287,706</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>796</b>	<b>20,700</b>	<b>248,400</b>	<b>955</b>	<b>24,840</b>	<b>298,080</b>	<b>1,146</b>	<b>29,808</b>	<b>357,696</b>	<b>1,376</b>	<b>35,770</b>	<b>429,235</b>
<i>Less: Fixed Cost:</i>												
Electricity bill		500	6,000		600	7,200		650	7,800		700	8,400
Salary- own		6,000	72,000		7,000	84,000		8,000	96,000		9,000	108,000
Transport		500	6,000		600	7,200		650	7,800		700	8,400
Others		200	2,400		200	2,400		200	2,400		200	2,400
Depreciation Expenses		1,167	14,000		1,167	14,000		1,167	14,000		1,167	14,000
Ownership Transfer Fees		-	-		1,333	16,000		1,667	20,000		2,000	24,000
<b>(D) Total Fixed Cost</b>		<b>8,367</b>	<b>100,400</b>		<b>10,900</b>	<b>130,800</b>		<b>12,333</b>	<b>148,000</b>		<b>13,767</b>	<b>165,200</b>
<b>(C-D) Net Profit:</b>		<b>12,333</b>	<b>148,000</b>		<b>13,940</b>	<b>167,280</b>		<b>17,475</b>	<b>209,696</b>		<b>22,003</b>	<b>264,035</b>
<b>Cumulative Net Profit:</b>			<b>148,000</b>			<b>315,280</b>			<b>524,976</b>			<b>789,011</b>

# Break Even Point analysis



<b>Particulars</b>	<b>Monthly</b>	<b>Yearly</b>
Contribution Margin Ratio: (CM/Sales)	25%	25%
Break Even Point (BEP):	8,367	100,400
	25%	25%
<b>Break Even Point (in Tk.)</b>	<b>33,467</b>	<b>401,600</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>	<i>Year 4 (BDT)</i>
<b>Cash Inflow</b>					
New Investment Infusion by Investor's	-	300,000	-	-	-
Net Profit (ownership transfer fee added back)	41,600	148,000	183,280	229,696	288,035
Depreciation	10,000	14,000	14,000	14,000	14,000
Opening Balance of Cash Surplus	-	51,600	213,600	314,880	438,576
<b>Total Cash Inflow</b>	<b>51,600</b>	<b>513,600</b>	<b>410,880</b>	<b>558,576</b>	<b>740,611</b>
<b>Cash Outflow</b>					
Purchase of Product	-	280,000	-	-	-
Furniture, Fixtures & Decoration	-	20,000	-	-	-
Investment Pay Back (ownership transfer fee included)	-	-	96,000	120,000	144,000
<b>Total Cash Outflow</b>	<b>-</b>	<b>300,000</b>	<b>96,000</b>	<b>120,000</b>	<b>144,000</b>
<b>Total Cash Surplus</b>	<b>51,600</b>	<b>213,600</b>	<b>314,880</b>	<b>438,576</b>	<b>596,611</b>

# Outcomes



- The business will start with BDT **500,000** and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT **989,000**.
- The business will serve the community by selling quality and in demand products and strive to improve every year.

# Risk Factors



- Theft
- Local competition
- Fire
- Political unrest

# Risk Management



- Adequate precautions to be taken
- Arranging fire extinguisher (if possible), sand and water.
- Close market watch to compete

Pictures













**Thank You**