

*Sreeti Tailors*

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


Name	:	Nur Hossain
Age	:	23 years
Address	:	Vill: Rashidpur, Upazila: Mithapukur, District: Rangpur
Mother <i>(Grameen Bank Borrower)</i>	:	Mrs. Amena Mithapukur, Centre # 50/mo, Loan no.: 8475, Member since 1994 Existing Loan – BDT 35,000, Outstanding-28,500
Education	:	SSC
Experience	:	4 (Four) years experience in clothing and tailoring business. Entrepreneur started his business with BDT 13,000 and now it's value is BDT 2,90,000.

# BUSINESS Briefing


- Business Name: *Sreeti Tailors*
- Shop location: Rashidpur, Mithapukur, Rangpur
- Total Investment: **BDT 335,000**
  - ❖ Financing
    - ❖ Self BDT 135,000 (from existing business)
    - ❖ Required Investment BDT 200,000 (as equity)
- **Implementation:**

The business is going to be scaled up with different items of cloths specially pants, shirts etc. along with tailoring services 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 for especially for family members of Grameen Bank Borrowers ;
  - Provide quality goods to meet demand in the community;
  - Contribute in improving socio-economic condition.
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# Additional Information

- ▶ Salary will be used to meet his own & family expenses;
  - ▶ GB loan taken for his business;
  - ▶ He has to provide GB loan installment from his business;
  - ▶ Maintains regular records of business transactions;
  - ▶ He has trade license & ownership in his own name.
  - ▶ Eight people will be employed through this business;
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# *Investment Breakdown*

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Clothing	45,000	190,000	235,000
Sewing Machine (5000*9)	45,000	-	45,000
Advance for Shop	70,000	-	70,000
Furniture, Fixtures & Decoration	20,000	10,000	30,000
<b>Total Capital</b>	<b>180,000</b>	<b>200,000</b>	<b>380,000</b>

# Means of Finance

Particulars	Amount (Tk.)	%
Entrepreneur's Contribution	135,000	40%
Investor's Investment	200,000	60%
<b>Total</b>	<b>335,000</b>	<b>100%</b>

# Existing Business

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Revenue (Tailoring & Clothing)	2,200	57,200	686,400
<b>Total Sales (A)</b>	<b>2,200</b>	<b>57,200</b>	<b>686,400</b>
<b>Calculation of Variable Cost:</b>			
<i>Less: Variable Cost:</i>			
Estimated Cost (Tailoring & Clothing)	1,540	40,040	480,480
<b>Total Variable Cost (B)</b>	<b>1,540</b>	<b>40,040</b>	<b>480,480</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>660</b>	<b>17,160</b>	<b>205,920</b>
<i>Less: Fixed Cost:</i>			
Shop Rent		1,000	12,000
Electricity bill		1,200	14,400
Salary- own		10,000	120,000
Transport		600	7,200
Others		500	6,000
Depreciation Expenses		1,083	13,000
Ownership Transfer Fees		-	-
<b>(D) Total Fixed Cost</b>	<b>479</b>	<b>14,383</b>	<b>172,600</b>
<b>(C-D) Net Profit:</b>		<b>2,777</b>	<b>33,320</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 and tailoring on an average is estimated to be 30%.
- 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 Revenue (Tailoring & Clothing)	3,960	102,960	1,235,520	4,752	123,552	1,482,624	5,702	148,262	1,779,149	6,843	177,915	2,134,979
<b>Total Sales (A)</b>	<b>3,960</b>	<b>102,960</b>	<b>1,235,520</b>	<b>4,752</b>	<b>123,552</b>	<b>1,482,624</b>	<b>5,702</b>	<b>148,262</b>	<b>1,779,149</b>	<b>6,843</b>	<b>177,915</b>	<b>2,134,979</b>
<b>Calculation of Variable Cost:</b>												
<b>Less: Variable Cost:</b>												
Estimated Cost (Tailoring & Clothing)	2,772	72,072	864,864	3,326	86,486	1,037,837	3,992	103,784	1,245,404	4,790	124,540	1,494,485
<b>Total Variable Cost (B)</b>	<b>2,772</b>	<b>72,072</b>	<b>864,864</b>	<b>3,326</b>	<b>86,486</b>	<b>1,037,837</b>	<b>3,992</b>	<b>103,784</b>	<b>1,245,404</b>	<b>4,790</b>	<b>124,540</b>	<b>1,494,485</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>1,188</b>	<b>30,888</b>	<b>370,656</b>	<b>1,426</b>	<b>37,066</b>	<b>444,787</b>	<b>1,711</b>	<b>44,479</b>	<b>533,745</b>	<b>2,053</b>	<b>53,374</b>	<b>640,494</b>
<b>Less: Fixed Cost:</b>												
Shop Rent		1,000	12,000		1,100	13,200		1,200	14,400		1,300	15,600
Electricity bill		1,200	14,400		1,300	15,600		1,350	16,200		1,400	16,800
Salary- own		10,000	120,000		11,000	132,000		12,000	144,000		13,000	156,000
Transport		600	7,200		650	7,800		700	8,400		750	9,000
Others		500	6,000		500	6,000		500	6,000		500	6,000
Depreciation Expenses		1,250	15,000		1,250	15,000		1,250	15,000		1,250	15,000
Ownership Transfer Fees			-		833	10,000		1,250	15,000		1,250	15,000
<b>(D) Total Fixed Cost</b>		<b>14,550</b>	<b>174,600</b>		<b>16,633</b>	<b>199,600</b>		<b>18,250</b>	<b>219,000</b>		<b>19,450</b>	<b>233,400</b>
<b>(C-D) Net Profit:</b>		<b>16,338</b>	<b>196,056</b>		<b>20,432</b>	<b>245,187</b>		<b>26,229</b>	<b>314,745</b>		<b>33,924</b>	<b>407,094</b>
<b>Cumulative Net Profit:</b>	<b>196,056</b>			<b>441,243</b>			<b>755,988</b>			<b>1,163,081</b>		

# Break Even Point analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	30%	30%
Break Even Point (BEP):	14,550	174,600
	30%	30%
Break Even Point (in Tk.)	<b>48,500</b>	<b>582,000</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>					
Investment Infusion by Investor	-	200,000	-	-	-
Net Profit (ownership transfer fee added back)	33,320	196,056	255,187	329,745	422,094
Depreciation	13,000	15,000	15,000	15,000	15,000
Opening Balance of Cash Surplus	-	46,320	257,376	467,563	722,308
<b>Total Cash Inflow</b>	<b>46,320</b>	<b>457,376</b>	<b>527,563</b>	<b>812,308</b>	<b>1,159,401</b>
<b>Cash Outflow</b>					
Purchase of Product	-	190,000	-	-	-
Decoration (Fixtures and Fittings)	-	10,000	-	-	-
Investment Pay Back (including ownership transfer fee)	-	-	60,000	90,000	90,000
<b>Total Cash Outflow</b>	<b>-</b>	<b>200,000</b>	<b>60,000</b>	<b>90,000</b>	<b>90,000</b>
<b>Total Cash Surplus</b>	<b>46,320</b>	<b>257,376</b>	<b>467,563</b>	<b>722,308</b>	<b>1,069,401</b>


# Outcomes

- The business will start with BDT 380,000 and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT **13,43,000**.
- The business will serve the community by selling quality and in demand products and strive to improve every year.

# Risk Factors

- Theft
- Local competition
- Political Unrest
- Fire

# Risk Management

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









**Thank You**