

# *RABIUL CLOTH STORE*



# Brief Bio Data of the Entrepreneur

• Name	:	Rabiul Islam Age: 18 years
• Address	:	Vill: Binodpur , Upazila: Mithapukur, Dist: Rangpur
• <b>Mother (Grameen Bank Borrower)</b>	:	Mst. Lutfur Nahar Loan No: 4634 Center : 63/Mo Branch Name: Binothpur Member since: 1995 Existing loan-BDT 25,000. Outstanding balance-BDT 21,995.
• Educational Qualification	:	S.S.C pass
• Experience	:	Entrepreneur has 03 (three) years experience in cloth and tailoring business. Business has started in 2011 with BDT 60,000.

# BUSINESS BRIEFING

• Proposed Business	:	<i>Rabiul Cloth Store</i>
• Location	:	Mondol Bazar, Shaati Bari, Mithapukur, Rangpur.
• Total Investment	:	BDT 200,000/-
• Financing	:	<ul style="list-style-type: none"><li>➤ Entrepreneur BDT- 100,000/-(Existing Business)</li><li>➤ Investor BDT- 100,000/-(As Equity)</li></ul>
• <b>Implementation</b>	:	

The clothing & tailoring shop will scale up with different items of cloth & tailored products and services targeting break even within first year & pay back period is estimated to be four (04) years.

# Objectives

- Enhancement of entrepreneurial skills
- Employment opportunities for others
- Improving livelihood of the entrepreneur
- Become a prominent Nobin Udyokta

## **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;**
- **No credit sales;**
- **He has trade license & ownership in his own name;**

# INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Clothing Product	50,000	100,000	150,000
Decoration	15,000	-	15,000
Tin Shed Shop	30,000	-	30,000
Sewing Machine	5,000	-	5,000
<b>Total Capital</b>	<b>100,000</b>	<b>100,000</b>	<b>200,000</b>

# Means of finance

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	100,000	50%
Investor's Investment	100,000	50%
<b>Total</b>	<b>200,000</b>	<b>100%</b>

# Existing Business

Particulars	EB (BDT)		
	Daily	Monthly	Yearly
Estimated Sales of Product	2,000	52,000	624,000
Estimated Sales of Making charge	300	7,800	93,600
<b>Total Sales (A)</b>	<b>2,300</b>	<b>59,800</b>	<b>717,600</b>
<b>Less: Variable Cost:</b>			
Est. Cost of Product	1,700	44,200	530,400
Est. Cost of Cloth Making (Labor Cost & Material Cost)	60	1,560	18,720
<b>Total Variable Cost (B)</b>	<b>1,760</b>	<b>45,760</b>	<b>549,120</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>540</b>	<b>14,040</b>	<b>168,480</b>
<b>Less: Fixed Cost:</b>			
Shop Rent		-	-
Salary (Self)		5,000	60,000
Electricity bill		100	1,200
Entertainment Expenses		600	7,200
Ownership Transfer Fees		-	-
Depreciation Expenses		417	5,000
Conveyance bill		1,000	12,000
Night Guard bill		100	1,200
Other Expenses		600	7,200
<b>(D) Total Fixed Cost</b>		<b>7,817</b>	<b>93,800</b>
<b>(C-D) Net Profit:</b>	<b>239</b>	<b>6,223</b>	<b>74,680</b>



# Key Assumptions:

- Sales and Servicing revenue growth will be 60% in 1<sup>st</sup> year of injecting additional investment and 10% thereafter.
- Gross profit margin is calculated @ 23% on an average.
- Depreciation is charged @ 10% on Fixtures & Fittings.
- Shop rent is not charged because of ownership of shop under him.

# 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 of Product	3,200	83,200	998,400	3,520	91,520	1,098,240	3,872	100,672	1,208,064	4,259	110,739	1,328,870
Estimated Income from tailoring services	480	12,480	149,760	528	13,728	164,736	581	15,101	181,210	639	16,611	199,331
<b>Total Sales (A)</b>	<b>3,680</b>	<b>95,680</b>	<b>1,148,160</b>	<b>4,048</b>	<b>105,248</b>	<b>1,262,976</b>	<b>4,453</b>	<b>115,773</b>	<b>1,389,274</b>	<b>4,898</b>	<b>127,350</b>	<b>1,528,201</b>
<b>Less: Variable Cost:</b>												
Est. Cost of Product	2,720	70,720	848,640	2,992	77,792	933,504	3,291	85,571	1,026,854	3,620	94,128	1,129,540
Est. Cost of Cloth Making (Labor Cost & Material Cost)	96	2,496	29,952	106	2,746	32,947	116	3,020	36,242	128	3,322	39,866
<b>Total Variable Cost (B)</b>	<b>2,816</b>	<b>73,216</b>	<b>878,592</b>	<b>3,098</b>	<b>80,538</b>	<b>966,451</b>	<b>3,407</b>	<b>88,591</b>	<b>1,063,096</b>	<b>3,748</b>	<b>97,450</b>	<b>1,169,406</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>864</b>	<b>22,464</b>	<b>269,568</b>	<b>950</b>	<b>24,710</b>	<b>296,525</b>	<b>1,045</b>	<b>27,181</b>	<b>326,177</b>	<b>1,150</b>	<b>29,900</b>	<b>358,795</b>
<b>Less: Fixed Cost:</b>												
Shop Rent		-	-		-	-		-	-		-	-
Salary (Self)		5,000	60,000		5,500	66,000		6,500	78,000		7,500	90,000
Electricity bill		150	1,800		200	2,400		250	3,000		300	3,600
Entertainment Expenses		700	8,400		800	9,600		900	10,800		1,000	12,000
Ownership Transfer Fees		-	-		500	6,000		500	6,000		667	8,000
Depreciation Expenses		417	5,000		417	5,000		417	5,000		417	5,000
Conveyance bill		1,000	12,000		1,200	14,400		1,400	16,800		1,600	19,200
Night Guard bill		100	1,200		100	1,200		100	1,200		100	1,200
Other Expenses		600	7,200		700	8,400		800	9,600		900	10,800
<b>(D) Total Fixed Cost</b>	<b>-</b>	<b>7,967</b>	<b>95,600</b>	<b>-</b>	<b>9,417</b>	<b>113,000</b>	<b>-</b>	<b>10,867</b>	<b>130,400</b>	<b>-</b>	<b>12,484</b>	<b>149,800</b>
<b>(C-D)Net Profit:</b>	<b>558</b>	<b>14,497</b>	<b>173,968</b>	<b>588</b>	<b>15,293</b>	<b>183,525</b>	<b>627</b>	<b>16,314</b>	<b>195,777</b>	<b>670</b>	<b>17,416</b>	<b>208,995</b>
<b>Cumulative Net Profit:</b>			<b>173,968</b>			<b>357,493</b>			<b>553,270</b>			<b>762,265</b>

# Break even analysis

Particulars	Monthly	Yearly
<b>Contribution Margin Ratio: (CM/Sales)</b>	23%	23%
<b>Break Even Point (BEP):</b>	7,967	95,600
	23%	23%
<b>Break Even Point (BDT)</b>	<b>33,934</b>	<b>407,185</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 Entrepreneur's	-	-	-	-	-
New Investment Infusion by Investor's	-	100,000	-	-	-
Net Profit (Share transfer fee added back)	74,680	173,968	189,525	201,777	216,995
Depreciation Expenses	5,000	5,000	5,000	5,000	5,000
Opening Balance of Cash Surplus	-	79,680	258,648	417,173	587,950
<b>Total Cash Inflow</b>	<b>79,680</b>	<b>358,648</b>	<b>453,173</b>	<b>623,950</b>	<b>809,945</b>
<b>Cash Outflow</b>					
Payment for cloth purchase	-	100,000	-	-	-
Investment Pay Back (including share transfer fee)	-	-	36,000	36,000	48,000
<b>Total Cash Outflow</b>	<b>-</b>	<b>100,000</b>	<b>36,000</b>	<b>36,000</b>	<b>48,000</b>
<b>Total Cash Surplus</b>	<b>79,680</b>	<b>258,648</b>	<b>417,173</b>	<b>587,950</b>	<b>761,945</b>

# Outcomes

- The business will scale up with **BDT 200,000** and it is expected that by the end of four (04) years after payback of investor's money the entrepreneur's capital will be **BDT 862,000**.
- The business will serve the community by selling quality and in demand products and strive to improve every year.

# Risk Factors

- Fire
- Theft
- Local competition

# Risk Management

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

*Pictures*





*Thank You*

