

J.R Store



Brief Bio Data of the Entrepreneur

• Name	:	S.M Jamil Akter Rajan Age: 34 years
• Address	:	Vill: New R.K. Mission Road, Shankar Para (in front of the woman Madrasha), Sadar Upazila, Dist: Jessore
• Mother (Grameen Bank Borrower)	:	Mst. Rahima Akter Loan No: 8094 Center : 62/Mo Branch Name: Chachra Member since: 27/07/2005 Existing loan-BDT 47,000, Outstanding balance-BDT 46,000.
• Educational Qualification	:	H.S.C pass
• Experience	:	Entrepreneur has 09 (nine) years experience in food, beverage and stationary distribution business. Business started in 2005 with BDT 60,000.

BUSINESS BRIEFING

• Business Name	:	<i>J.R Store</i>
• Location	:	Own residence
• Total Investment	:	BDT 1,000,000/-
• Financing	:	➤ Entrepreneur BDT- 575,000/-(EB) ➤ Investor BDT- 425,000/-(As Equity)
• Implementation	:	
<p>The project is running with dealership from various group of companies with regards to food and beverage, paper and stationary items. It targets to break even point within first year & pay back period is estimated to be four (04) years.</p>		

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 for his family expenses;**
- **His mother has established a bakery business in partnership by using Grameen Bank (GB) loan;**
- **His mother also has a wooden fuel business ;**
- **Grameen Bank loan will not be paid from this business, it will be paid back from his mother's bakery business;**
- **Seven people will be employed in this business;**
- **Maintains regular records of business transactions;**
- **He has trade license & ownership in his own name**

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Dealership deposit money to BIG	40,000	-	40,000
Dealership deposit money to Global Food & Beverage Ltd.	200,000	-	200,000
Investment in J.R Food & Bakery-Tray Purposes	50,000	-	50,000
Papers Items	25,000	-	25,000
Chocolet Item	150,000	-	150,000
Dealership deposit money to Megna Group	50,000	400,000	450,000
Decoration	20,000	-	20,000
Rickshaw Van (Covered)	20,000	25,000	45,000
Showroom Advance	20,000	-	20,000
Total Capital	575,000	425,000	1,000,000

Means of finance

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	575,000	58%
Investor's Investment	425,000	43%
Total	1,000,000	100%

Existing Business

Particulars	EB (BDT)		
	Daily	Monthly	Yearly
Estimated Sales of Product	15,000	390,000	4,680,000
Estimated Sales of from J.R Food & Bakery	15,000	390,000	4,680,000
Total Sales (A)	30,000	780,000	9,360,000
<u>Less: Variable Cost:</u>			
Est. Cost of Product	14,100	366,600	4,399,200
Est. Cost of J.R Food & Bakery Product	13,800	358,800	4,305,600
Total Variable Cost (B)	27,900	725,400	8,704,800
Contribution Margin (CM) [C=(A-B)]	2,100	54,600	655,200
<u>Less: Fixed Cost:</u>			
Showroom Rent		1,000	12,000
Salary (Self)		12,000	144,000
Salary of Employees		19,500	234,000
Electricity bill		200	2,400
Entertainment Expenses		1,000	12,000
Ownership Transfer Fees		-	-
Depreciation Expenses		750	9,000
Bad Debt Expenses		3,900	46,800
Other Expenses		600	7,200
(D) Total Fixed Cost		38,950	467,400
(C-D)Net Profit:	602	15,650	187,800

Key Assumptions:

- Sales growth will be 60% in 1st year of injecting additional investment and 10% thereafter.
- Gross profit margin is calculated @ 7% on an average.
- Depreciation is charged @ 10% on Fixed Assets.
- 25% on credit sales.
- Bad debt estimated @ 2% on credit sales.

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	24,000	624,000	7,488,000	26,400	686,400	8,236,800	29,040	755,040	9,060,480	31,944	830,544	9,966,528
Estimated Sales of from J.R Food & Bakery	24,000	624,000	7,488,000	26,400	686,400	8,236,800	29,040	755,040	9,060,480	31,944	830,544	9,966,528
Total Sales (A)	48,000	1,248,000	14,976,000	52,800	1,372,800	16,473,600	58,080	1,510,080	18,120,960	63,888	1,661,088	19,933,056
Less: Variable Cost:												
Est. Cost of Product	22,560	586,560	7,038,720	24,816	645,216	7,742,592	27,298	709,738	8,516,851	30,027	780,711	9,368,536
Est. Cost of J.R Food & Bakery Product	22,080	574,080	6,888,960	24,288	631,488	7,577,856	26,717	694,637	8,335,642	29,388	764,100	9,169,206
Total Variable Cost (B)	44,640	1,160,640	13,927,680	49,104	1,276,704	15,320,448	54,014	1,404,374	16,852,493	59,416	1,544,812	18,537,742
Contribution Margin (CM) [C=(A-B)]	3,360	87,360	1,048,320	3,696	96,096	1,153,152	4,066	105,706	1,268,467	4,472	116,276	1,395,314
Less: Fixed Cost:												
Showroom Rent		1,000	12,000		1,500	18,000		1,500	18,000		1,500	18,000
Salary (Self)		12,000	144,000		13,000	156,000		14,000	168,000		15,000	180,000
Salary of Employees		33,000	396,000		34,000	408,000		35,000	420,000		36,000	432,000
Electricity bill		200	2,400		300	3,600		400	4,800		500	6,000
Entertainment Expenses		1,000	12,000		1,000	12,000		1,000	12,000		1,000	12,000
Ownership Transfer Fees		-	-		1,667	20,000		2,083	25,000		3,333	40,000
Depreciation Expenses		958	11,500		958	11,500		958	11,500		958	11,500
Bad Debt Expenses		6,240	74,880		6,864	82,368		7,550	90,605		8,305	99,665
Other Expenses		600	7,200		600	7,200		600	7,200		600	7,200
(D) Total Fixed Cost	-	54,998	659,980		59,889	718,668		63,092	757,105		67,197	806,365
(C-D)Net Profit:	1,245	32,362	388,340	1,393	36,207	434,484	1,639	42,614	511,362	1,888	49,079	588,949
Cumulative Net Profit:			388,340			822,824			1,334,186			1,923,135

Break even analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	7%	7%
Break Even Point (BEP):	54,998	659,980
	7%	7%
Break Even Point (BDT)	785,690	9,428,286

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 Infusion by Entrepreneur's	-	50,000	-	-	-
New Investment Infusion by Investor's	-	425,000	-	-	-
Net Profit (Share transfer fee added back)	187,800	388,340	454,484	536,362	628,949
Depreciation Expenses	9,000	11,500	11,500	11,500	11,500
Opening Balance of Cash Surplus	-	196,800	571,640	917,624	1,315,486
Total Cash Inflow	196,800	1,021,640	1,037,624	1,465,486	1,955,935
Cash Outflow					
Dealership deposit money to Meghna Group	-	450,000	-	-	-
Covered Van Purchase	-	-	-	-	-
Investment Pay Back (including share transfer fee)	-	-	120,000	150,000	240,000
Total Cash Outflow	-	450,000	120,000	150,000	240,000
Total Cash Surplus	196,800	571,640	917,624	1,315,486	1,715,935

Outcomes

- The business will start with **BDT 1,000,000** 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 2,498,000**.
- The business will serve the community by selling quality and in demand products and strive to improve every year.

Risk Factors

- Cash collection from credit customers
- Fire
- Theft
- Local competition

Risk Management

- Close monitoring regarding cash collection from Debtors
- Adequate precautions to be taken
- Proper security measures will be taken
- Close market watch to compete

Pictures







Thank You

