

SHEJUTI COSMETICS



BRIEF BIO DATA OF THE ENTREPRENEUR

Name	:	Suborna Rani
Age	:	26 years
Address	:	Vill: Mirzapur, Post: Mithapukur, Upazila: Mithapukur, District: Rangpur
Mother <i>(Grameen Bank Borrower)</i>	:	Chondona Rani Sarkar Centre name: Mithapukur, Rangpur, Centre # 24/Mo, Loan no.: 4916 Member since November 30, 1991 Existing Loan – BDT 50,000 Outstanding- 4,420
Education	:	Passed: SSC
Experience	:	5 (five) years experience in general retail business. Entrepreneur started her business with BDT 10,000 (ten thousand) and now it's value is BDT 340,000 (three lacs forty thousand) .

BUSINESS BRIEFING

- Proposed Business : *Shejuti Cosmetics*
- Shop location: Mohila Market, Mithapukur, Rangpur
- Total Investment: **BDT 590,000**
 - ❖ Financing
 - ❖ Self BDT 340,000 (from existing business)
 - ❖ Required Investment BDT **250,000** (as equity)
- **Implementation:**

The business will start with different items of cosmetics and various designs of bag etc. 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 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 to meet her own & family expenses;
- GB loan taken for her business;
- She has to provide GB loan installment from her business;
- Credit sales are limited and they are realized in a timely manner;
- Maintains regular records of business transactions;
- She has trade license & ownership in her own name.

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Products	300,000	210,000	510,000
Furniture Fixture & Decoration	40,000	40,000	80,000
Total Capital	340,000	250,000	590,000

MEANS OF FINANCE

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	340,000	58%
Investor's Investment	250,000	42%
Total	590,000	100%

EXISTING BUSINESS

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Sales Revenue	6,000	156,000	1,872,000
Total Sales (A)	6,000	156,000	1,872,000
Less: Variable Cost:			
Estimated Variable Cost of Products	5,400	140,400	1,684,800
Total Variable Cost (B)	5,400	140,400	1,684,800
Contribution Margin [C=(A-B)]	600	15,600	187,200
Less: Fixed Cost:			
Electricity bill		500	6,000
Generator bill		150	1,800
Shop Rent		100	1,200
<i>Salary-Self</i>		8,000	96,000
<i>Salary-Assistant</i>		3,000	36,000
<i>Entertainment</i>		200	2,400
<i>Night Guard</i>		100	1,200
<i>Depreciation Expenses</i>		333	4,000
Other Expenses		300	3,600
(D) Total Fixed Cost		12,683	152,200
(C-D)Net Profit:		2,917	35,000
Cumulative Net Profit:			35,000

KEY ASSUMPTIONS (I/S)

- Sales growth will be 40% in the 1st year of capital injection and 05% in every year thereafter.
- Gross Profit on products on an average is 10%.
- Salary of entrepreneur will be increased every year in the range of 10% to 15%.
- Depreciation has been charged on furniture at the rate of 10%.

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	8,400	218,400	2,620,800	8,820	229,320	2,751,840	9,261	240,786	2,889,432	9,724	252,825	3,033,904
Total Sales (A)	8,400	218,400	2,620,800	8,820	229,320	2,751,840	9,261	240,786	2,889,432	9,724	252,825	3,033,904
Less: Variable Cost:												
Estimated Variable Cost of Products	7,560	196,560	2,358,720	7,938	206,388	2,476,656	8,335	216,707	2,600,489	8,752	227,543	2,730,513
Total Variable Cost (B)	7,560	196,560	2,358,720	7,938	206,388	2,476,656	8,335	216,707	2,600,489	8,752	227,543	2,730,513
Contribution Margin [C=(A-B)]	840	21,840	262,080	882	22,932	275,184	926	24,079	288,943	972	25,283	303,390
Less: Fixed Cost:												
Electricity bill		550	6,600		600	7,200		650	7,800		700	8,400
Generator bill		150	1,800		170	2,040		170	2,040		190	2,280
Shop Rent		100	1,200		100	1,200		100	1,200		100	1,200
Salary-Self		8,500	102,000		9,500	114,000		10,000	120,000		10,500	126,000
Salary-Assistant		3,000	36,000		3,500	42,000		4,000	48,000		4,000	48,000
Entertainment		200	2,400		250	3,000		300	3,600		300	3,600
Night Guard		120	1,440		120	1,440		150	1,800		150	1,800
Depreciation Expenses		667	8,000		667	8,000		667	8,000		667	8,000
Ownership Transfer Fees		-	-		1,389	16,667		1,389	16,667		1,389	16,667
Other Expenses		400	4,800		500	6,000		600	7,200		700	8,400
(D) Total Fixed Cost		13,687	164,240		16,796	201,547		18,026	216,307		18,696	224,347
(C-D)Net Profit:		8,153	97,840		6,136	73,637		6,053	72,637		6,587	79,044
Cumulative Net Profit:			97,840			171,477			244,114			323,158

BREAK EVEN POINT ANALYSIS

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Seles)	10%	10%
Break Even Point (BEP):	13,687	164,240
	10%	10%
Break Even Point (in BDT)	136,867	1,642,400

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 Inflation by Investor's	-	250,000	-	-	-
Net Profit (Ownership transfer fee added back)	35,000	97,840	90,304	89,303	95,710
Depreciation	4,000	8,000	8,000	8,000	8,000
Opening Balance of Cash Surplus	-	39,000	144,840	143,144	140,447
Total Cash Inflow	39,000	394,840	243,144	240,447	244,158
Cash Outflow					
Purchase of Product	-	210,000	-	-	-
Decoration (Fixtures and Fittings)	-	40,000	-	-	-
Investment Pay Back (Ownership transfer fee included)	-	-	100,000	100,000	100,000
Total Cash Outflow	-	250,000	100,000	100,000	100,000
Total Cash Surplus	39,000	144,840	143,144	140,447	144,158

OUTCOMES

- The business will start with BDT 590,000 and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT 663,158
- 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
- Natural disaster

RISK MANAGEMENT

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





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Thank You