

ABUL TAILORING AND GROCERY STORE



BRIEF BIO OF THE ENTREPRENEUR

Name	:	Md. Kamrul Hasan
Age	:	25 years
Address	:	Vill: Khamar Dhanarua, Post: Khamar Dhanarua, Upazilla: Shaghata, District: Gaibandha.
Mother (<i>Grameen Bank Borrower</i>)	:	Mrs. Aklima Begum, Shaghata, Gaibandha, Centre # 47/4, Loan no.: 5205, Group: 04 Member since 2004 Existing Loan – BDT 11,000 Outstanding- 9,790
Education	:	HSC Pass
Experience	:	04 (four) years experience in grocery and tailoring business. Entrepreneur started his business with BDT 10,000 (Ten thousand) and now it's value is BDT 2,05,884 (Two lac five thousand eight hundred eighty four)

BUSINESS BRIEFING

- Proposed Business : Abul Tailoring and Grocery Store
- Shop location: Khamar Dhanarua
- Total Investment: **BDT 170,000**

Financing:

- ❖ Self BDT 45,000 (from existing business)
- ❖ Required Investment BDT 125,000 (as equity)

➤ **Implementation:**

The business will start with different items and services such as grocery and clothing products and tailoring services targeting break even point within the **first year** & pay back period is estimated to be within **four year**.

OBJECTIVES

- Self employment for the entrepreneur;
- 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 & service to meet demand in the community;
- Contribute in improving socio-economic condition.

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Cloths	15,000	50,000	65,000
Investment in Grocery Product	9,000	32,000	41,000
Furniture, Fixtures & Decoration	5,000	5,000	10,000
Sewing Machine	6,000	8,000	14,000
Shop	10,000	30,000	40,000
Total Capital	45,000	125,000	170,000

MEANS OF FINANCE

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	45,000	26%
Investor's Investment	125,000	74%
Total	170,000	100%

EXISTING BUSINESS

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Sales Revenue-Cloth	200	5,600	67,200
Estimated Sales Revenue-Grocery	200	5,600	67,200
Estimated Sales Revenue-Tailoring	150	4,200	50,400
Total Sales (A)	550	15,400	184,800
Calculation of Variable Cost:			
Less: Variable Cost:			
Estimated Cost of cloth	170	4,760	57,120
Estimated Cost of Grocery	180	5,040	60,480
Labour cost	-	-	-
Total Variable Cost (B)	350	9,800	117,600
Contribution Margin (CM) [C=(A-B)]	200	5,600	67,200
Less: Fixed Cost:			
Shop Rent		-	-
Electricity bill		150	1,800
Salary		3,500	42,000
Depreciation Expenses		200	2,400
Ownership Transfer Fees		-	-
(D) Total Fixed Cost		3,850	46,200
(C-D)Net Profit:		1,750	21,000

KEY ASSUMPTIONS (I/S)

- Sales growth will be 100% in the 1st year of additional capital injection and 20% every year thereafter.
- Gross Profit margin on products (Cloth & Grocery) on an average is 28%.
- Salary of entrepreneur will be increased every year within the range of 10% to 15%.
- Depreciation has been charged on fixed assets 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-Cloth	400	11,200	134,400	480	13,440	161,280	528	14,784	177,408	581	16,262	195,149
Estimated Sales Revenue-Grocery	400	11,200	134,400	480	13,440	161,280	528	14,784	177,408	581	16,262	195,149
Estimated Sales Revenue-Tailoring	300	8,400	100,800	360	10,080	120,960	396	11,088	133,056	436	12,197	146,362
Total Sales (A)	1,100	30,800	369,600	1,320	36,960	443,520	1,452	40,656	487,872	1,597	44,722	536,659
Calculation of Variable Cost:												
<i>Less: Variable Cost:</i>												
Estimated Cost of cloth	340	9,520	114,240	408	11,424	137,088	449	12,566	150,797	494	13,823	165,876
Estimated Cost of Grocery	360	10,080	120,960	432	12,096	145,152	475	13,306	159,667	523	14,636	175,634
Labour cost	90	2,520	30,240	108	3,024	36,288	119	3,326	39,917	131	3,659	43,908
Total Variable Cost (B)	790	22,120	265,440	948	26,544	318,528	1,043	29,198	350,381	1,147	32,118	385,419
Contribution Margin (CM) [C=(A-B)]	310	8,680	104,160	372	10,416	124,992	409	11,458	137,491	450	12,603	151,240
<i>Less: Fixed Cost:</i>												
Shop Rent		400	4,800		500	6,000		600	7,200		700	8,400
Electricity bill		250	3,000		300	3,600		400	4,800		400	4,800
Salary		4,000	48,000		4,500	54,000		4,500	54,000		5,000	60,000
Depreciation Expenses		592	7,100		592	7,100		592	7,100		592	7,100
Ownership Transfer Fees		-	-		417	5,000		833	10,000		833	10,000
(D) Total Fixed Cost		5,242	62,900		6,308	75,700		6,925	83,100		7,525	90,300
(C-D)Net Profit:		3,438	41,260		4,108	49,292		4,533	54,391		5,078	60,940
Cumulative Net Profit:			41,260			90,552			144,943			205,884

BREAK EVEN POINT ANALYSIS

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Seles)	28%	28%
Break Even Point (BEP):	5,242	62,900
	28%	28%
Break Even Point (in Sales)	18,599	223,194

CASH FLOW (REC. & PAY.)

Particulars	Existing Business(BDT)	Year 1 (BDT)	Year 2 (BDT)	Year 3 (BDT)	Year 4 (BDT)
Cash Inflow					
New Investment Infusion by Investor's	-	125,000	-	-	-
Net Profit	21,000	41,260	54,292	64,391	70,940
Depreciation	2,400	7,100	7,100	7,100	7,100
Opening Balance of Cash Surplus	-	23,400	71,760	108,152	139,643
Total Cash Inflow	23,400	196,760	133,152	179,643	217,684
Cash Outflow					
Purchase of Product	-	82,000	-	-	-
Decoration (Fixtures and Fittings)	-	43,000	-	-	-
Investment Pay Back	-	-	25,000	40,000	60,000
Total Cash Outflow	-	125,000	25,000	40,000	60,000
Total Cash Surplus	23,400	71,760	108,152	139,643	157,684

OUTCOMES

- The business will start with BDT 170,000 and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT **439,588**.
- 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

- Adequate precautions to be taken to prevent fire and theft
- Proper security measures will be taken
- Close market watch to compete

**PHOTO
EXHIBITION**









Thank You