



Mojnu Store

BRIEF BIO OF THE ENTREPRENEUR

Name	:	Obaidul Islam
Marital status	:	Unmarried
Age	:	20 years,
Address	:	Vill: Hatimpur, Union: 7 no. Latifpur, Post: Mithapukur Upazila : Mithapukur, District: Rangpur
Father <i>(Grameen Bank Borrower)</i>	:	Mr. Mojnu Miya Shotibari, Centre # 48/Po, Loan no.: 4404, Member since 2001 Existing Loan –80,000 and Outstanding- 49,000
Education	:	Class Five
Experience	:	4 years experience in the business of grocery. He started business with his father (retired) and now he has become owner of the business. The start up capital was BDT 10,000 and now it's value is about BDT 85,000.

BUSINESS Briefing

Business Name	<i>Mojnu Store</i>
Shop location	Shotibari Bazar, Mithapukur, Rangpur
Total Investment:	BDT 185,000 <input type="checkbox"/> Self BDT 85,000 (from existing business) <input type="checkbox"/> Required Investment BDT 100,000 (as equity)
Implementation:	
<p>The business is planned to be scaled up by retailing grocery item targeting break even point within the first year & pay back period is estimated to be three years.</p>	

Objectives

- Become a prominent Nobin Udyokta;
- Well establishing as an 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 for his family expenses;
- He has to provide GB loan from his running business income;
- He has trade license & ownership in his own name;
- Maintains regular records of business transactions

Investment Breakdown

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Goods	60,000	90,000	150,000
Furniture, Fixtures & Decoration	25,000	10,000	35,000
Total Capital	85,000	100,000	185,000

Means of Finance

Particulars	Amount (Tk.)	%
Entrepreneur's Contribution	85,000	46%
Investor's Investment	100,000	54%
Total	185,000	100%

Existing Business

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated sales revenue	1,615	42,000	504,000
Total Sales (A)	1,615	42,000	504,000
Calculation of Variable Cost:			
Less: Variable Cost:			
Estimated cost of sale	1,373	35,700	428,400
Total Variable Cost (B)	1,373	35,700	428,400
Contribution Margin (CM) [C=(A-B)]	242	6,300	75,600
Less: Fixed Cost:			
Electricity bill		300	3,600
Shop Rent-		80	960
Salary- own		3,000	36,000
Generator Bill		100	1,200
Entertainment		100	1,200
Others		200	2,400
Depreciation Expenses		417	5,000
Ownership Transfer Fees		-	-
(D) Total Fixed Cost	140	4,197	50,360
(C-D)Net Profit:		2,103	25,240

Key assumptions for forecasting

- Sales growth will be 40% in 1st year and 10% in every year after introducing additional investment.
- Gross Profit on products is estimated to be 15% on an average.
- Depreciation has been charged on fixed assets at the rate of 20%.

Financial Projection

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
Estimated sales revenue	2,262	58,800	705,600	2,488	64,680	776,160	2,736	71,148	853,776
Total Sales (A)	2,262	58,800	705,600	2,488	64,680	776,160	2,736	71,148	853,776
Calculation of Variable Cost:									
<i>Less: Variable Cost:</i>									
Estimated cost of sale	1,922	49,980	599,760	2,115	54,978	659,736	2,326	60,476	725,710
Total Variable Cost (B)	1,922	49,980	599,760	2,115	54,978	659,736	2,326	60,476	725,710
Contribution Margin (CM) [A-B]	339	8,820	105,840	373	9,702	116,424	410	10,672	128,066
<i>Less: Fixed Cost:</i>									
Electricity bill		300	3,600		350	4,200		400	4,800
Shop Rent-		80	960		80	960		80	960
Salary- own		4,000	48,000		4,000	48,000		4,000	48,000
Generator Bill		100	1,200		100	1,200		150	1,800
Entertainment		100	1,200		200	2,400		250	3,000
Others		200	2,400		200	2,400		200	2,400
Depreciation Expenses		583	7,000		583	7,000		583	7,000
Ownership Transfer Fees		-	-		667	8,000		1,000	12,000
(D) Total Fixed Cost		5,363	64,360		6,180	74,160		6,663	79,960
(C-D) Net Profit:		3,457	41,480		3,522	42,264		4,009	48,106
Cumulative Net Profit:			41,480			83,744			131,850

Break Even Point analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	15%	15%
Break Even Point (BEP):	5,363	64,360
	15%	15%
Break Even Point (in Tk.)	35,756	429,067

Cash Flow (Rec. & Pay.)

<i>Particulars</i>	<i>Year 1 (BDT)</i>	<i>Year 2 (BDT)</i>	<i>Year 3 (BDT)</i>
Cash Inflow			
Investment Infusion by Investor	100,000	-	-
Net Profit (Ownership Tr. Fee added back)	41,480	50,264	60,106
Depreciation	7,000	7,000	7,000
Opening Balance of Cash Surplus	-	9,480	18,744
Total Cash Inflow	148,480	66,744	85,850
Cash Outflow			
Purchase of Product	90,000	-	-
Payment of Grameen Bank Loan	49,000		
Investment Pay Back (Including Ownership Tr. Fee)	-	48,000	72,000
Total Cash Outflow	139,000	48,000	72,000
Total Cash Surplus	9,480	18,744	13,850

Outcomes

- The business will start with BDT **185,000** and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be about BDT **2,17,000**.
- The business will serve the community by selling quality and in demand products and strive to improve every year.

Risk Factors



Theft

➤ Local competition

➤ Fire

➤ Political unrest

Risk Management

- Adequate precautions to be taken
- Close market watch to compete
- Arranging sand and water

Pictures









Thank You