

*Business Name : **Robiul Auto***

Presented at: **24th Yunus Centre Design Lab (8th Executive Session)**

Date: **18 August, 2014**

BRIEF BIO OF THE ENTREPRENEUR

Name	:	Md. Robiul Islam
Marital status	:	Unmarried
Age	:	22 years
Address	:	Vill: Khoddo Sherpur, Union: 5 no. Balarhat, Post: Balarhat Upazila : Mithapukur, District: Rangpur
Father Mother (Grameen Bank Borrower)	:	Fazlur Rahman Mos. Rajia Khatun Branch: Balarhat, Centre # 61/MO, Loan no.: 5858, Member since 2010 Existing Loan –18,000, Outstanding-5,328. (Loan is used by her husband's in business), Other loan: Nil.
GB loan payback	:	He will not provide loan installment from his business.
Proposed salary and Utilization	:	Salary, Tk. 5,000, will be used to meet his own & family expenses.
Education	:	Class Eight
Experience	:	5 years experience in the business of servicing motorbikes and selling its parts. The start up capital was BDT 20,000 and now it's value is about BDT 130,000.
Source	:	Grameen Krishi Foundation/GTT

Proposed Business Briefing

- Business Name : ***Robiul Auto***
- Shop location: Bottoli Bazaar, Mithapukur, Rangpur
- Total Investment: **BDT 200,000**

Financing:

- ❖ Self **BDT 130,000** (from existing business)
- ❖ Required Investment **BDT 70,000** (as equity)

➤ **Implementation:**

The business is planned to be scaled up by investment in existing motorbike parts. The targeting break even point is within the **first year** & pay back period is estimated to be **three years**.

Existing Business

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated product sales	200	6,000	72,000
Income from Servicing	400	12,000	144,000
Total Sales (A)	600	18,000	216,000
Calculation of Variable Cost:			
Less: Variable Cost:			
Estimated cost of sale	170	5,100	61,200
Est. cost of Servicing	60	1,800	21,600
Total Variable Cost (B)	230	6,900	82,800
Contribution Margin (CM) [C=(A-B)]	370	11,100	133,200
Less: Fixed Cost:			
Shop Rent		200	2,400
Electricity bill		250	3,000
Salary- own		5,000	60,000
Others		500	6,000
Depreciation Expenses		167	2,000
(D) Total Fixed Cost		6,117	73,400
(C-D)Net Profit:		4,983	59,800

Investment Breakdown

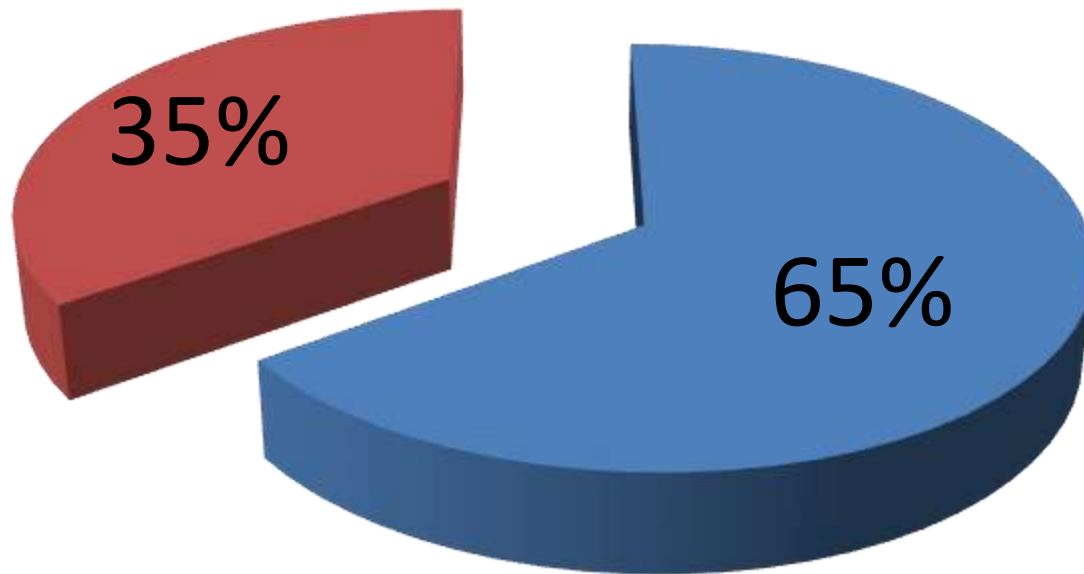
Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Motorbike Parts	110,000	20,000	130,000
Investment in Motorbike Battery	-	15,000	15,000
Investment in Motorbike Lubricant	-	20,000	20,000
Investment in Motorbike Tubs	-	15,000	15,000
Furniture, Fixtures & Decoration	3,500	-	3,500
Air Pressure Machine	13,000	-	13,000
Tools Box	3,500	-	3,500
Total Capital	130,000	70,000	200,000

Source of Finance

■ Entrepreneur's Contribution BDT 130,000

■ Investor's Investment BDT 70,000

■ Total Investment BDT 200,000



Key assumptions for forecasting

- Sales growth will be about 40% in 1st year and 10% in every year after introducing additional investment.
- Gross Profit on products is estimated to be 62% on an average.
- Depreciation has been charged on fixed assets at the rate of 10%.

Financial Projection

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
Estimated product sales	280	7,280	87,360	308	8,008	96,096	339	8,809	105,706
Income from Servicing	560	14,560	174,720	672	17,472	209,664	806	20,966	251,597
Total Sales (A)	840	21,840	262,080	980	25,480	305,760	1,145	29,775	357,302
Calculation of Variable Cost:									
Less: Variable Cost:									
Estimated cost of sale	238	6,188	74,256	262	6,807	81,682	288	7,487	89,850
Est. cost of Servicing	84	2,184	26,208	101	2,621	31,450	121	3,145	37,740
Total Variable Cost (B)	322	8,372	100,464	363	9,428	113,131	409	10,632	127,589
Contribution Margin (CM) [C=(A-B)]	518	13,468	161,616	617	16,052	192,629	736	19,143	229,713
Less: Fixed Cost:									
Shop Rent		200	2,400		200	2,400		200	2,400
Electricity bill		250	3,000		350	4,200		400	4,800
Salary- own		5,000	60,000		5,000	60,000		5,000	60,000
Others		600	7,200		650	7,800		700	8,400
Depreciation Expenses		167	2,000		167	2,000		167	2,000
Ownership Transfer Fees		-	-		500	6,000		667	8,000
(D) Total Fixed Cost		6,217	74,600		6,867	82,400		7,133	85,600
(C-D) Net Profit:		7,251	87,016		9,186	110,229		12,009	144,113
Cumulative Net Profit:			87,016			197,245			341,358

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	70,000	-	-
Net Profit (Ownership Tr. Fee added back)	87,016	116,229	152,113
Depreciation	2,000	2,000	2,000
Opening Balance of Cash Surplus	-	89,016	171,245
Total Cash Inflow	159,016	207,245	325,358
Cash Outflow			
Purchase of Product	70,000	-	-
Investment Pay Back (Including Ownership Tr. Fee)	-	36,000	48,000
Total Cash Outflow	70,000	36,000	48,000
Total Cash Surplus	89,016	171,245	277,358

Break Even Point analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	62%	62%
Break Even Point (BEP):	6,217	74,600
	62%	62%
Break Even Point (in Tk.)	10,081	120,973

SWOT Analysis

STRENGTH

- Employment-Self 1, family 0, Other 0
- Experience & Skill (5Y)
- Trade license & ownership in his own name
- Keeping books of records

WEAKNESS

- Can not provide parts as per demand

OPPORTUNITIES

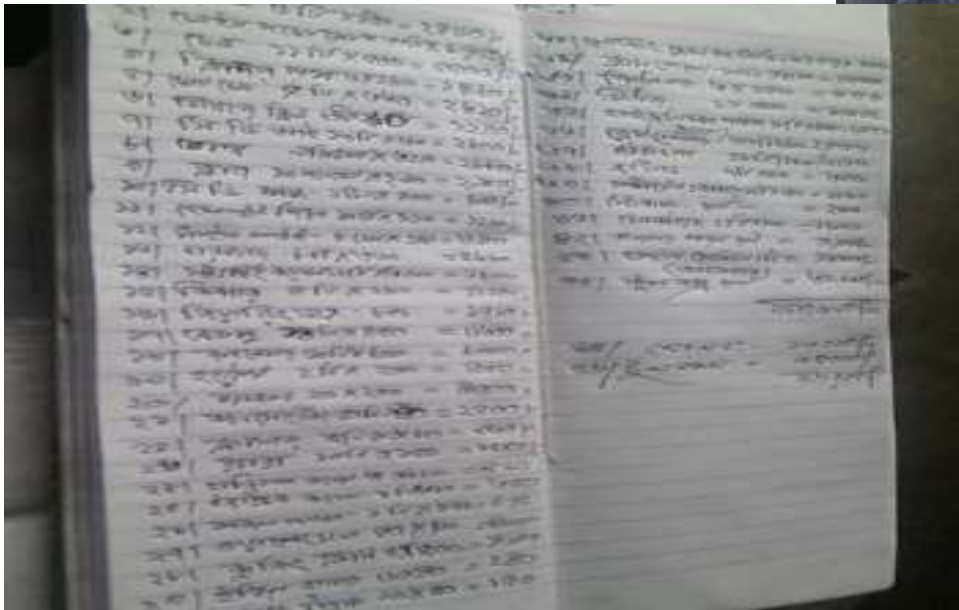
- Less competitors
- Located in bazaar place
- The capital of Entrepreneur will be Tk. 4,71,000 after 3 years.

THREATS

- Theft & fire

Pictures







Thank You