

# *Hamza Variety Store*



# Brief Bio of the Entrepreneur

Name	:	Md. Amir Hamza
Age:	:	27 years
Marital status:	:	Unmarried
Address	:	Vill: Arpara, Post: New Town, Union: Nowapara, Upazila: Kotwali, Dist: Jessore.
Mother <b>(Grameen Bank Borrower)</b>	:	Mst. Rowshon Ara Begum Loan ID: 1884/1, Center : 12/Mo, Branch Name: Nowapara Member since: 23/05/2007 GB loan-nil Outstanding balance-nil. Others Loan-nil.
Utilization of salary	:	Salary will be used to meet his own & family expenses.
Educational	:	Eight pass (Madrasha)
Experience	:	Entrepreneur has 03 (three) years experience in general retail business. Business started in 2011 with BDT 100,000. Now its value BDT 140,000.
Source	:	Grameen Telecom Trust (GTT).

# Existing Business

Particulars	EB (BDT)		
	Daily	Monthly	Yearly
Estimated Sales of Product	3,000	78,000	936,000
<b>Total Sales (A)</b>	<b>3,000</b>	<b>78,000</b>	<b>936,000</b>
<b>Less: Variable Cost:</b>			
Est. Cost of Product	2,640	68,640	823,680
<b>Total Variable Cost (B)</b>	<b>2,640</b>	<b>68,640</b>	<b>823,680</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>360</b>	<b>9,360</b>	<b>112,320</b>
<b>Less: Fixed Cost:</b>			
Shop Rent		700	8,400
Salary (Self)		4,500	54,000
Electricity bill		600	7,200
Depreciation Expenses		875	10,500
Night Guard bill		100	1,200
Other Expenses		600	7,200
<b>(D) Total Fixed Cost</b>		<b>7,375</b>	<b>88,500</b>
<b>(C-D) Net Profit:</b>		<b>1,985</b>	<b>23,820</b>

# Proposed Business Briefing

• Business Name	:	<i><b>Hamza Variety Store</b></i>
• Location	:	Bahadurpur bazar, Bahadurpur school more, Magura Road, Kotwali, Jessore.
• Total Investment	:	<b>BDT 290,000/-</b>
• Financing	:	<ul style="list-style-type: none"> <li>➤ Entrepreneur BDT- 140,000/-(EB)</li> <li>➤ Investor BDT- 150,000/-(As Equity)</li> </ul>
• <b>Implementation</b>	:	

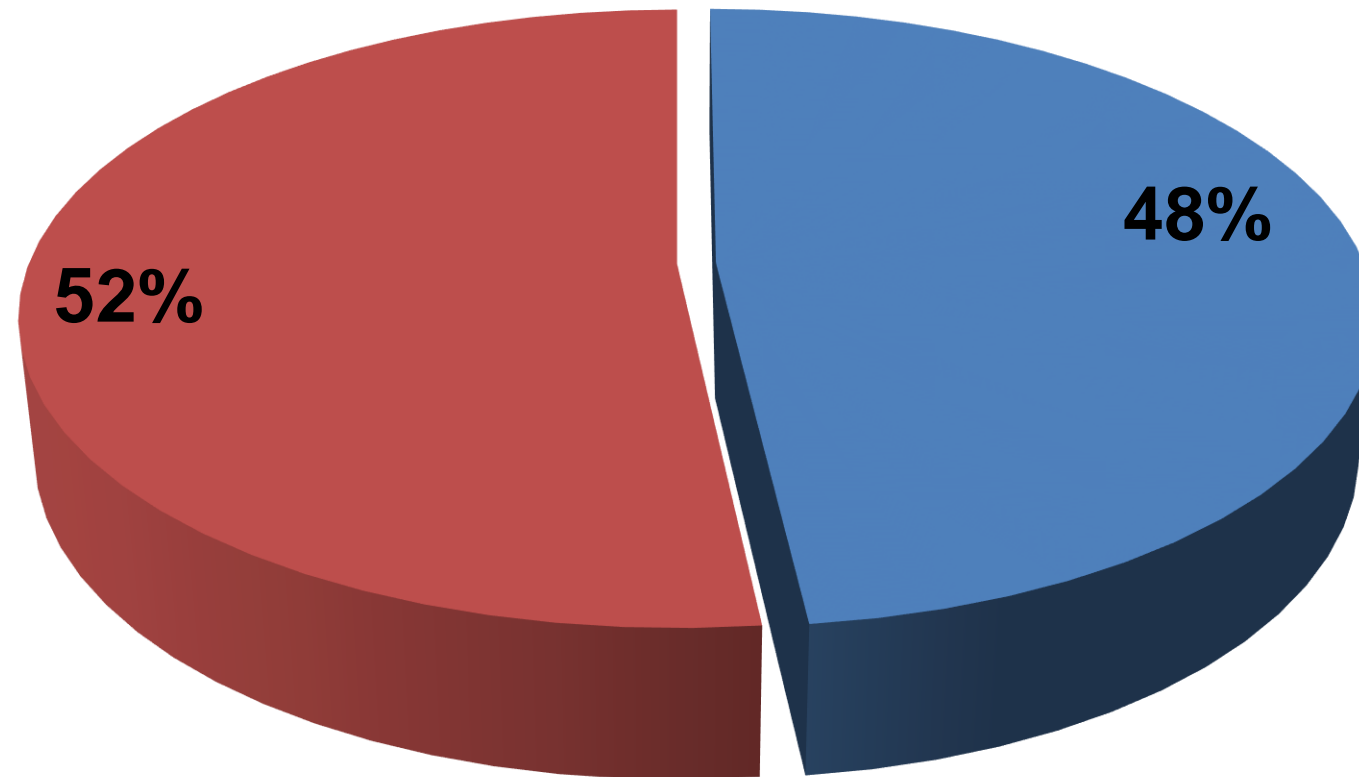
The business will scale up with different items such as oil, rice, sugar, salt, spices, soap & detergent, soft drinks and cosmetics products etc. It targets to break even point within first year and pay back period is estimated to be three (03) years.

# INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Products	37,500	150,000	187,500
Advance Shop Rent	30,000	-	30,000
Refrigerator	32,500		32,500
Decoration	40,000	-	40,000
<b>Total Capital</b>	<b>140,000</b>	<b>150,000</b>	<b>290,000</b>

# Source of Finance

■ Entrepreneur's Contribution BDT 140,000 ■ Investor's Investment BDT 150,000



# Key Assumptions:

- Sales growth will be 70% in 1<sup>st</sup> year of injecting additional investment and 10% thereafter.
- Gross profit margin is calculated @ 12% on an average.
- Depreciation has been charged @ 10% and 20% on decoration and refrigerator.

# Financial Projection

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
Estimated Sales of Product	5,100	132,600	1,591,200	5,610	145,860	1,750,320	6,171	160,446	1,925,352
<b>Total Sales (A)</b>	<b>5,100</b>	<b>132,600</b>	<b>1,591,200</b>	<b>5,610</b>	<b>145,860</b>	<b>1,750,320</b>	<b>6,171</b>	<b>160,446</b>	<b>1,925,352</b>
<b>Less: Variable Cost:</b>									
Est. Cost of Product	4,488	116,688	1,400,256	4,937	128,357	1,540,282	5,430	141,192	1,694,310
<b>Total Variable Cost (B)</b>	<b>4,488</b>	<b>116,688</b>	<b>1,400,256</b>	<b>4,937</b>	<b>128,357</b>	<b>1,540,282</b>	<b>5,430</b>	<b>141,192</b>	<b>1,694,310</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>612</b>	<b>15,912</b>	<b>190,944</b>	<b>673</b>	<b>17,503</b>	<b>210,038</b>	<b>741</b>	<b>19,254</b>	<b>231,042</b>
<b>Less: Fixed Cost:</b>									
Shop Rent		700	8,400		700	8,400		700	8,400
Salary (Self)		6,000	72,000		6,000	72,000		7,000	84,000
Electricity bill		900	10,800		950	11,400		1,000	12,000
Ownership Transfer Fee		-	-		1,167	14,000		1,333	16,000
Depreciation Expenses		875	10,500		875	10,500		875	10,500
Night Guard bill		200	2,400		200	2,400		200	2,400
Other Expenses		600	7,200		700	8,400		800	9,600
<b>(D) Total Fixed Cost</b>	<b>-</b>	<b>9,275</b>	<b>111,300</b>	<b>-</b>	<b>10,592</b>	<b>127,100</b>	<b>-</b>	<b>11,908</b>	<b>142,900</b>
<b>(C-D)Net Profit:</b>		<b>6,637</b>	<b>79,644</b>		<b>6,912</b>	<b>82,938</b>		<b>7,345</b>	<b>88,142</b>
<b>Cumulative Net Profit:</b>			<b>79,644</b>			<b>162,582</b>			<b>250,725</b>



# Cash flow (Rec. & Pay.)

<i>Particulars</i>	<i>Year 1 (BDT)</i>	<i>Year 2 (BDT)</i>	<i>Year 3 (BDT)</i>
<b>Cash Inflow</b>			
Investment Infusion by Entrepreneur	-	-	-
Investment Infusion by Investor's	150,000	-	-
Net Profit (ownership transfer fee added back)	79,644	96,938	104,142
Depreciation Expenses	10,500	10,500	10,500
Opening Balance of Cash Surplus	-	90,144	113,582
<b>Total Cash Inflow</b>	<b>240,144</b>	<b>197,582</b>	<b>228,225</b>
<b>Cash Outflow</b>			
Payment for grocery products (working capital)	150,000	-	-
Payback to Grameen Bank Outstanding Loan	nil	-	-
Investment Pay Back including ownership transfer fee	-	84,000	96,000
<b>Total Cash Outflow</b>	<b>150,000</b>	<b>84,000</b>	<b>96,000</b>
<b>Total Cash Surplus</b>	<b>90,144</b>	<b>113,582</b>	<b>132,225</b>

# Break even analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	12%	12%
Break Even Point (BEP):	9,275	111,300
	12%	12%
Break Even Point (BDT)	77,292	927,500

# SWOT Analysis

## Strength:

1. Employment: self (1)+family (0)+ others (0)=1 person;
2. Skill and experience;
3. Trade license & ownership in own name.
4. Quality products.

## Weakness:

1. Credit Sales.

## Opportunity:

1. Location of shop;
2. Demand of products;
3. Regular customer;
4. Capital of Entrepreneur will be Tk. 390,725 after 4 years.

## Threat:

1. Local competitors;
2. Fire.

*Pictures*



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*Thank You*

