

# ***Shah Alam Confectionery***

# **BRIEF BIO OF THE ENTREPRENEUR**

Name	:	Shah Alam Mia
Marital status	:	Married, Child/ren: 1
Age	:	31 years
Address	:	Vill: Shib Deulpara, Union+Post: Deulpara, Upazila : Mithapukur, District: Rangpur
Father	:	Mohammad Ali
Mother	:	Mrs. Shahera Begum
<b>(Grameen Bank Borrower)</b>		Branch: Mirzapur, Centre # 04/MO, Loan no.: 1152, Member since 2000 Existing Loan –69,000 (loan used for lease of land), Outstanding-68,000. Other loan: Nil
GB loan payback	:	He will not have to provide GB 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	:	10 years experience in the business of selling confectionery products. The start up capital was <b>BDT 5,000</b> and now it's value is about <b>BDT 30,000.</b>
Source	:	Grameen Krishi Foundation/GTT

# Existing Business

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Sales Revenue	1,654	43,000	516,000
<b>Total Sales (A)</b>	<b>1,654</b>	<b>43,000</b>	<b>516,000</b>
<b>Calculation of Variable Cost:</b>			
<i>Less: Variable Cost:</i>			
Estimated cost of product	1,406	36,550	438,600
<b>Total Variable Cost (B)</b>	<b>1,406</b>	<b>36,550</b>	<b>438,600</b>
<b>Contribution Margin (CM) [C=(A-B)]</b>	<b>248</b>	<b>6,450</b>	<b>77,400</b>
<i>Less: Fixed Cost:</i>			
Electricity bill		250	3,000
Shop Rent		250	3,000
Salary-(self)		5,000	60,000
Others		100	1,200
Depreciation Expenses		83	1,000
Ownership Transfer Fees		-	-
<b>(D) Total Fixed Cost</b>		<b>5,683</b>	<b>68,200</b>
<b>(C-D)Net Profit:</b>		<b>767</b>	<b>9,200</b>

# Proposed Business Briefing

- Business Name : ***Shah Alam Confectionery***
- Shop location: Mirzapur Bazaar, Rangpur
- Total Investment: **BDT 80,000**

## Financing:

- ❖ Self **BDT 30,000** (from existing business)
- ❖ Required Investment **BDT 50,000** (as equity)

## ➤ **Implementation:**

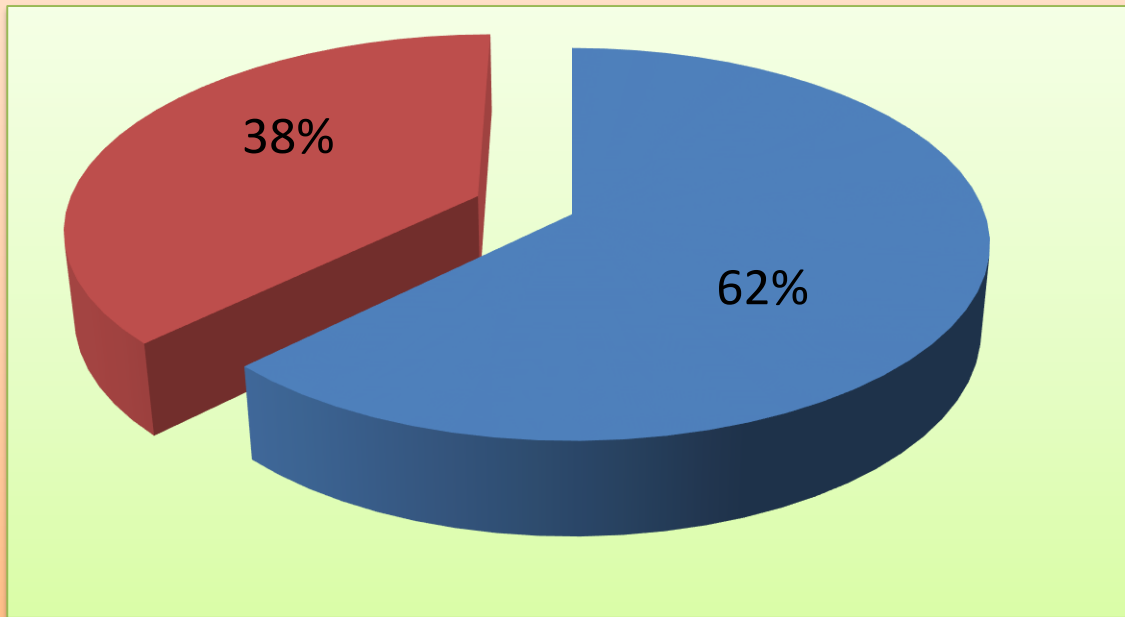
The business is planned to be scaled up by investment in existing confectionery products as well as few new products. The targeting break even point is within the **first year** & pay back period is estimated to be **three years**.

# *Investment Breakdown*

<b>Particulars</b>	<b>Existing Business (BDT)</b>	<b>Proposed (BDT)</b>	<b>Total (BDT)</b>
Investment in Goods-Bakery Items (Bread, Biscuit, cake, etc.)	20,000	22,000	42,000
Investment in Goods-Beverage (Juice, Energy drinks, Coke, Pepsi, 7up, etc.)	-	15,000	15,000
Furniture & Decoration	10,000	13,000	23,000
<b>Total Capital</b>	<b>30,000</b>	<b>50,000</b>	<b>80,000</b>

# Source of Finance

- Investor's Investment BDT 50,000
- Entrepreneur's Contribution BDT 30,000



# Key assumptions for forecasting

- Sales growth will be about 30% 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 10%.

# Financial Projection

Particulars	Year 1 (BDT)			Year 2 (BDT)			Year 3 (BDT)		
	Daily	Monthly	Yearly	Daily	Monthly	Yearly	Daily	Monthly	Yearly
Estimated Sales Revenue	2,150	55,900	670,800	2,365	61,490	737,880	2,602	67,639	811,668
<b>Total Sales (A)</b>	<b>2,150</b>	<b>55,900</b>	<b>670,800</b>	<b>2,365</b>	<b>61,490</b>	<b>737,880</b>	<b>2,602</b>	<b>67,639</b>	<b>811,668</b>
Calculation of Variable Cost:									
<i>Less: Variable Cost:</i>									
Estimated cost of product	1,828	47,515	570,180	2,010	52,267	627,198	2,211	57,493	689,918
<b>Total Variable Cost (B)</b>	<b>1,828</b>	<b>47,515</b>	<b>570,180</b>	<b>2,010</b>	<b>52,267</b>	<b>627,198</b>	<b>2,211</b>	<b>57,493</b>	<b>689,918</b>
<b>Contribution Margin (CM)</b>	<b>323</b>	<b>8,385</b>	<b>100,620</b>	<b>355</b>	<b>9,224</b>	<b>110,682</b>	<b>390</b>	<b>10,146</b>	<b>121,750</b>
<i>Less: Fixed Cost:</i>									
Electricity bill		250	3,000		300	3,600		350	4,200
Shop Rent		250	3,000		250	3,000		250	3,000
Salary (Self)		5,000	60,000		5,000	60,000		5,000	60,000
Others		100	1,200		100	1,200		100	1,200
Depreciation Expenses		192	2,300		192	2,300		192	2,300
Ownership Transfer Fees		-	-		417	5,000		417	5,000
<b>(D) Total Fixed Cost</b>		<b>5,792</b>	<b>69,500</b>		<b>6,258</b>	<b>75,100</b>		<b>6,308</b>	<b>75,700</b>
<b>(C-D) Net Profit:</b>		<b>2,593</b>	<b>31,120</b>		<b>2,965</b>	<b>35,582</b>		<b>3,838</b>	<b>46,050</b>
<b>Cumulative Net Profit:</b>			<b>31,120</b>			<b>66,702</b>			<b>112,752</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 Investor	50,000	-	-
Net Profit ( Ownership Tr. Fee added back)	31,120	40,582	51,050
Depreciation	2,300	2,300	2,300
Opening Balance of Cash Surplus	-	33,420	46,302
<b>Total Cash Inflow</b>	<b>83,420</b>	<b>76,302</b>	<b>99,652</b>
<b>Cash Outflow</b>			
Purchase of Product	37,000	-	-
Furniture & Decoration	13,000	-	-
Investment Pay Back (Including Ownership Tr. Fee)	-	30,000	30,000
<b>Total Cash Outflow</b>	<b>50,000</b>	<b>30,000</b>	<b>30,000</b>
<b>Total Cash Surplus</b>	<b>33,420</b>	<b>46,302</b>	<b>69,652</b>

# Break Even Point analysis

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	15%	15%
Break Even Point (BEP):	5,792	69,500
	15%	15%
<b>Break Even Point (in Tk.)</b>	<b>38,611</b>	<b>463,333</b>

# SWOT Analysis

## **S**TRENGTH

- Employment-Self 1, family 0, Other 0
- Experience & Skill (10Y)
- Trade license & ownership in his own name

## **W**EAKNESS

- Small size of shop

## **O**PPORTUNITIES

- Less competitors
- Near to four rice mills
- Near to Mirzapur bazaar
- The capital of Entrepreneur will be Tk. 1,42,000 after 3 years.

## **T**HREATS

- Theft

Pictures











**Thank You**