

BHAI BHAI SUPARI AROTH

BRIEF BIO OF THE ENTREPRENEUR

Name	:	Shefaul Islam
Age	:	33 years
Address	:	Village: Chitli Rampura, Upazila: Mithapukur, District: Rangpur
Mother (<i>Grameen Bank Borrower</i>)	:	Mrs. Shefali Begum, Branch Name: Shotibari, Centre # 6Mo, Loan no.: 7383, Member since 2000 Existing Loan – NIL
Education	:	Class Five
Experience	:	12 years experience in the business of whole selling Supari (Areca Nut). Entrepreneur started his business with BDT 250,000 and now it's value is BDT 550,000.

BUSINESS BRIEFING

- Business Name: *Bhai Bhai Supari Aroth*
- Shop location: Chitli Rampura, Mithapukur, Rangpur
- Total Investment: **BDT 850,000**
 - ❖ Financing
 - ❖ Self BDT 550,000 (from existing business)
 - ❖ Required Investment BDT 300,000 (as equity)
- **Implementation:**

The business is going to be scaled up with whole selling Supari (Areca Nut) targeting break even point within the **first year** & pay back period is estimated to be **four years**.

OBJECTIVES

- Become a Prominent Nobin Udyokta;
- Well establishing as an 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.

ADDITIONAL INFORMATION

- ✘ Salary will be used to meet his own & family expenses;
- ✘ Product is purchased mainly from Khulna.
- ✘ At present he has no GB loan
- ✘ Maintains regular records of business transactions
- ✘ He has trade license & ownership in his own name.

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Goods	55,000	300,000	355,000
Stock of Goods- Supari	400,000	-	400,000
Furniture, Fixtures & Decoration	15,000	-	15,000
Advance for Shop	80,000	-	80,000
Total Capital	550,000	300,000	850,000

MEANS OF FINANCE

Particulars	Amount (Tk.)	%
Entrepreneur's Contribution	550,000	65%
Investor's Investment	300,000	35%
Total	850,000	100%

EXISTING BUSINESS

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Revenue	35,000	910,000	10,920,000
Total Sales (A)	35,000	910,000	10,920,000
Less: Variable Cost:			
Estimated Cost of Sale	32,550	846,300	10,155,600
Total Variable Cost (B)	32,550	846,300	10,155,600
Contribution Margin (CM) [C=(A-B)]	2,450	63,700	764,400
Less: Fixed Cost:			
Shop Rent		600	7,200
Electricity bill		300	3,600
Salary- own		12,000	144,000
Transport		2,000	24,000
Others		500	6,000
Depreciation Expenses		250	3,000
Ownership Transfer Fees		-	-
(D) Total Fixed Cost	512	15,350	184,200
(C-D)Net Profit:		48,350	580,200

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 on an average is estimated to be 7%.
- Depreciation has been charged on fixed assets at the rate of 20%.

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 Revenue	49,000	1,274,000	15,288,000	53,900	1,401,400	16,816,800	59,290	1,541,540	18,498,480	65,219	1,695,694	20,348,328
Total Sales (A)	49,000	1,274,000	15,288,000	53,900	1,401,400	16,816,800	59,290	1,541,540	18,498,480	65,219	1,695,694	20,348,328
<i>Less: Variable Cost:</i>												
Estimated Cost of Sale	45,570	1,184,820	14,217,840	50,127	1,303,302	15,639,624	55,140	1,433,632	17,203,586	60,654	1,576,995	18,923,945
Total Variable Cost (B)	45,570	1,184,820	14,217,840	50,127	1,303,302	15,639,624	55,140	1,433,632	17,203,586	60,654	1,576,995	18,923,945
Contribution Margin (CM) [C=(A-B)]	3,430	89,180	1,070,160	3,773	98,098	1,177,176	4,150	107,908	1,294,894	4,565	118,699	1,424,383
<i>Less: Fixed Cost:</i>												
Shop Rent		600	7,200		600	7,200		600	7,200		600	7,200
Electricity bill		300	3,600		300	3,600		350	4,200		350	4,200
Salary- own		13,000	156,000		14,000	168,000		15,000	180,000		16,000	192,000
Transport		2,500	30,000		3,500	42,000		4,500	54,000		5,500	66,000
Others		500	6,000		500	6,000		500	6,000		500	6,000
Depreciation Expenses		250	3,000		250	3,000		250	3,000		250	3,000
Ownership Transfer Fees		-	-		1,250	15,000		1,667	20,000		2,083	25,000
(D) Total Fixed Cost		17,150	205,800		20,400	244,800		22,867	274,400		25,283	303,400
(C-D)Net Profit:		72,030	864,360		77,698	932,376		85,041	1,020,494		93,415	1,120,983
Cumulative Net Profit:	864,360			1,796,736			2,817,230			3,938,213		

BREAK EVEN POINT ANALYSIS

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Sales)	7%	7%
Break Even Point (BEP):	17,150	205,800
	7%	7%
Break Even Point (in Tk.)	245,000	2,940,000

CASH FLOW (REC. & PAY.)

<i>Particulars</i>	<i>Existing Business(BDT)</i>	<i>Year 1 (BDT)</i>	<i>Year 2 (BDT)</i>	<i>Year 3 (BDT)</i>	<i>Year 4 (BDT)</i>
Cash Inflow					
New Investment Infusion by Investor's	-	300,000	-	-	-
Net Profit and (added back ownership transfer fee)	576,600	864,360	947,376	1,040,494	1,145,983
Depreciation	3,000	3,000	3,000	3,000	3,000
Opening Balance of Cash Surplus	-	579,600	1,446,960	2,307,336	3,230,830
Total Cash Inflow	579,600	1,746,960	2,397,336	3,350,830	4,379,813
Cash Outflow					
Purchase of Product	-	300,000	-	-	-
Investment Pay Back (ownership transfer fee included)	-	-	90,000	120,000	150,000
Total Cash Outflow	-	300,000	90,000	120,000	150,000
Total Cash Surplus	579,600	1,446,960	2,307,336	3,230,830	4,229,813

OUTCOMES

- The business will start with BDT 850,000 and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT **45,00,000**.
- 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

- Night guard deployment;
- Keeping adequate sand and ensure source of water;
- Close market watch to compete.

PICTURE





Thank You