

BABU STORE



BRIEF BIO DATA OF THE ENTREPRENEUR

Name	:	Md. Shamim Kabir (Babu)
Age	:	35 years
Address	:	Vill: Kisamotnowapara, Post: Noton uposhohor, Upazila: Kotwali, District: Jessore
Mother (Grameen Bank Borrower)	:	Mrs. Rokeya Begum Centre name: Nowapara, Centre # 55/Mo, Group no.07, Loan no.: 7344 Member since June 27, 2006 Existing Loan – BDT 250,000 Outstanding- 30,000
Education	:	SSC Pass
Experience	:	08 (Eight) years experience in general retail & wholesale business. Entrepreneur started his business with BDT 10,000 (ten thousand) and now it's value is BDT 1,14,800 (One lac fourteen thousand eight hundred). Now he is interested to scale up her running business.

BUSINESS BRIEFING

- Proposed Business : **Babu Store**
- Shop location: kismotnowapara, Khajora road, Jessore
- Total Investment: **BDT 514,800**

- ❖ Financing

- ❖ Self BDT **114,800** (from existing business)
- ❖ Required Investment BDT **400,000** (as equity)

- **Implementation:**

The business is running with different items and services such as grocery products, cosmetic items, stationary, food items (for children) etc. targeting break even point within the **first year** & pay back period is estimated to be within **four year**.

OBJECTIVES

- Become a Prominent Nobin Udyokta;
- Self employment for the entrepreneur;
- Create employment opportunities for especially for family members of Grameen Bank Borrowers ;
- Provide quality goods to meet demand in the community;
- Contribute in improving socio-economic condition.

INVESTMENT BREAKDOWN

Particulars	Existing Business (BDT)	Proposed (BDT)	Total (BDT)
Investment in Grocery Products	34,800	325,000	359,800
Refrigerator	40,000	45,000	85,000
Furniture Fixture & Decoration	40,000	30,000	70,000
Total Capital	114,800	400,000	514,800

MEANS OF FINANCE

Particulars	Amount (BDT)	%
Entrepreneur's Contribution	114,800	22%
Investor's Investment	400,000	78%
Total	514,800	100%

EXISTING BUSINESS

Particulars	Existing Business (BDT)		
	Daily	Monthly	Yearly
Estimated Sales Revenue (Retail & Whole)	6,000	156,000	1,872,000
Total Sales (A)	6,000	156,000	1,872,000
Less: Variable Cost:			
Estimated Variable Cost of Product	5,400	140,400	1,684,800
Total Variable Cost (B)	5,400	140,400	1,684,800
<i>Contribution Margin [C=(A-B)]</i>	600	15,600	187,200
Less: Fixed Cost:			
Electricity bill		1,000	12,000
<i>Salary-Self</i>		5,000	60,000
Salary-Assistant		4,000	48,000
<i>Depreciation Expenses</i>		1,000	12,000
Other Expenses		1,000	12,000
<i>(D) Total Fixed Cost</i>		12,000	144,000
(C-D)Net Profit:		3,600	43,200

KEY ASSUMPTIONS (I/S)

- Sales growth will be 150% in the 1st year of capital injection and 10% every year thereafter.
- Gross Profit on products on an average is estimated to be 8%.
- Salary of entrepreneur will increase every year in the range of 08% to 10%.
- Depreciation charged on furniture @ 10% and refrigerator @ 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 Sales Revenue (Retail & Whole)	15,000	390,000	4,680,000	16,500	429,000	5,148,000	18,150	471,900	5,662,800	19,965	519,090	6,229,080
Total Sales (A)	15,000	390,000	4,680,000	16,500	429,000	5,148,000	18,150	471,900	5,662,800	19,965	519,090	6,229,080
Less: Variable Cost:												
Estimated Variable Cost of Product	13,800	358,800	4,305,600	15,180	394,680	4,736,160	16,698	434,148	5,209,776	18,368	477,563	5,730,754
Total Variable Cost (B)	13,800	358,800	4,305,600	15,180	394,680	4,736,160	16,698	434,148	5,209,776	18,368	477,563	5,730,754
Contribution Margin [C=(A-B)]	1,200	31,200	374,400	1,320	34,320	411,840	1,452	37,752	453,024	1,597	41,527	498,326
Less: Fixed Cost:												
Electricity bill		1,100	13,200		1,150	13,800		1,150	13,800		1,150	13,800
Salary-Self		5,500	66,000		6,500	78,000		7,500	90,000		8,500	102,000
Salary-Assistant		4,100	49,200		4,200	50,400		4,300	51,600		4,400	52,800
Depreciation Expenses		2,000	24,000		2,000	24,000		2,000	24,000		2,000	24,000
Ownership Transfer Fees		-	-		1,389	16,667		2,500	30,000		2,778	33,333
Other Expenses		1,100	13,200		1,200	14,400		1,300	15,600		1,400	16,800
(D) Total Fixed Cost		13,800	165,600		16,439	197,267		18,750	225,000		20,228	242,733
(C-D)Net Profit:		17,400	208,800		17,881	214,573		19,002	228,024		21,299	255,593
Cumulative Net Profit:			208,800			423,373			651,397			906,990

BREAK EVEN POINT ANALYSIS

Particulars	Monthly	Yearly
Contribution Margin Ratio: (CM/Seles)	8%	8%
Break Even Point (BEP):	13,800	165,600
	8%	8%
Break Even Point (in BDT)	172,500	2,070,000

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	-	400,000	-	-	-
Net Profit (share transfer fee added back)	43,200	208,800	231,240	258,024	288,926
Depreciation	12,000	24,000	24,000	24,000	24,000
Opening Balance of Cash Surplus	-	55,200	288,000	443,240	545,264
Total Cash Inflow	55,200	688,000	543,240	725,264	858,190
Cash Outflow					
Purchase of Grocery Product	-	325,000	-	-	-
Refrigerator	-	45,000	-	-	-
Decoration (Fixtures and Fittings)	-	30,000	-	-	-
Investment Pay Back (including share transfer fee)	-	-	100,000	180,000	200,000
Total Cash Outflow	-	400,000	100,000	180,000	200,000
Total Cash Surplus	55,200	288,000	443,240	545,264	658,190

OUTCOMES

- The business will start with BDT **514,800** and it is expected that by the end of four years after payback of investor's money the entrepreneur's capital will be BDT **1,021,790**.
- The business will serve the community by selling quality and in demand products and strive to improve every year.

RISK FACTORS

- Theft
- Local competition
- Political Unrest
- Fire

RISK MANAGEMENT

- Adequate precautions to be taken
- Proper security measures will be taken
- Close market watch to compete



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