

# BUSINESS PLAN

## Background:


GTZ/BDS (now known as PROGRESS) initiated the startup of BS-Net to ensure the continuing improvement of service delivery and professionalism of Business Support Service Providers in Bangladesh. BS-Net acts as platform for the NGOs as well as the private sector enterprises to strengthen their performance as capable service providers for Micro Small and Medium Enterprises on a commercial basis. The strategic intent of BS-Net is to establish itself as a **Resource/Knowledge Center** for its members.

The startup process of BS-Net was facilitated in a participatory manner. Chief executives of all the initial member organizations (partners of GTZ/BDS Project) actively contributed to the establishment of BS-Net.

BS-Net assists its members to enhance their capacity through developing human resources, establishing market linkages, orienting them with the updated BDS issues and finally, enabling them to provide effective and efficient business support services, and so opening the door for MSMEs to make their mark and to reap the profits.

## BS-Net Approach:

- ♣ Facilitators for its members
- ♣ Demand oriented
- ♣ As efficient as possible
- ♣ Small in own structure but with wide reaching professional connections
- ♣ Non-profit but a self sustainable organization of highest possible quality standard

<b>BS-Net Service Portfolio</b> 	<p><i>Human Resources Development towards BDS for Members (Core Services)</i></p> <ol style="list-style-type: none"> <li>1. Trainers' Training on               <ol style="list-style-type: none"> <li>a. CEFE Entrepreneurship Development Programs</li> <li>b. Marketing Management; Basic Accounting, Loan Application Process; Small Enterprise Management and the like.</li> </ol> </li> <li>2. Workshops/Seminars on Contemporary BDS Issues</li> <li>3. CEFE Licensing and Quality Control System</li> <li>4. Facilitating Business Linkages (brokerage) between Buyers/Clients and BS-Net members through               <ol style="list-style-type: none"> <li>a. Showroom Facilities (internet based)</li> <li>b. Trade Fairs (at major cities of Bangladesh)</li> </ol> </li> <li>5. Information Collection and Dissemination through publishing Newsletter.</li> </ol>
	<p><i>Support Services for Members (non core services)</i></p> <ol style="list-style-type: none"> <li>1. Hostel facilities for the Chief Executives of the member organizations</li> <li>2. Sub-office (Business Center) Facilities for those who do not have offices in Dhaka</li> <li>3. Training/Workshop/Meeting Facilities for small groups (10-15 participants)</li> </ol>

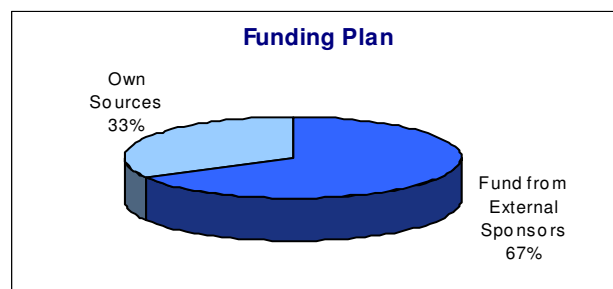
## Investment Plan:

A Low-Cost Approach was taken on for starting up BS-Net. In order to make the organization sustainable in the long run, the initiators of BS-Net adopted the strategy to set up a small and low cost structure to bring down the cost of services and eventually, making the services affordable to its members. Another major reason for adopting low cost approach is to attract only the NGOs and/or service providers, which are genuinely interested to get associated with an institution to build up their service provision capacity without getting influenced by seeing the presence of external sponsors.

SL	Description	Amount (\$)
<b>A.</b>	<b>Fixed Investment</b>	
	<b>i. Furniture and Fixture</b>	608.00
	<b>ii. Office Equipment</b>	1,550.00
	<b>Total</b>	<b>2,158.00</b>
<b>B.</b>	<b>Pre-operating Cost</b>	<b>417.00</b>
<b>C.</b>	<b>Working Capital</b> The working capital has been estimated on the basis of three months expenditure [605,250 – 25,250 = 580,000 / 12 X 3 months = 144,999]	<b>2,417.00</b>
	<b>Total Cost (A+B+C)</b>	<b>4,992.00</b>

## Sources of Fund for Start up:

SL	Description	Amount (\$)
1.	Fund from External Sponsors	3,334.00
2.	Own Sources	1,658.00
	<b>Total:</b>	<b>4,992.00</b>



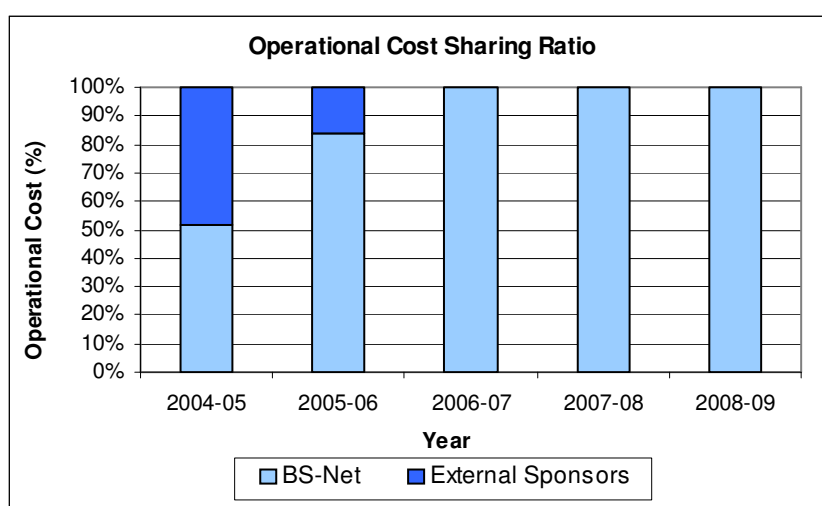
GTZ BDS Project provides fund (local subsidy) as development investment to BS-Net to facilitate the start up on the basis of the following criteria:

- Result Oriented Incentive Scheme: Co-financing based on results not expenditures
- Market Orientation: Stimulating BS-Net to offer more demanded services.

BS-Net receives fund from GTZ as incentive equivalent to membership & admission fees and participation fees raised from each participant/members for training/workshop/trade fairs etc.

## Income Statement:

Description	2004-05 (\$)	2005-06 (\$)	2006-07 (\$)	2007-08 (\$)	2008-09 (\$)
<b>Total Income/Revenues:</b>					
Income from different sources (Annex-1)	19,992	25,354	30,583	38,708	50,083
<b>Less: Cost of Services Sold</b>					
Cost of Core Services (Annex-2)	7,334	10,333	10,750	11,667	14,484
Cost of Support Services (Annex-2)	700	1,250	1,583	2,667	2,833
<b>Total Cost of Services Sold</b>	<b>8,034</b>	<b>11,583</b>	<b>12,333</b>	<b>14,334</b>	<b>17,317</b>
<b>Gross Profit</b>	<b>11,958</b>	<b>12,771</b>	<b>18,250</b>	<b>24,374</b>	<b>32,766</b>
<b>Less: Office, Administrative &amp; Marketing Expenses</b>					
Salary	4,000	4,600	6,000	10,200	12,400
Office and Admin. Expenses	6,088	6,614	7,193	7,828	8,525
Marketing Expenses	1,166	1,000	833	667	417
<b>Total Office, Admin. &amp; Marketing Expenses:</b>	<b>11,254</b>	<b>12,214</b>	<b>14,026</b>	<b>18,695</b>	<b>21,342</b>
<b>Net Income:</b>	<b>704</b>	<b>1,557</b>	<b>4,224</b>	<b>5,679</b>	<b>11,425</b>



In the first year (2004-2005), 48% of the total operational cost mainly the cost of organizing core services such as training, workshops and trade fairs will be financed from external sources. In 2nd year, the contribution from the external source will come down to less than 20%. From 3<sup>rd</sup> year, the entire operation/functional cost of BS-Net will be financed out of the revenue to be generated from its activities.