

**Project On
TONME ENTERPRISE**

**Prepared For
MOHAMMAD SHIBLI SHAHRIAR
Associate Professor and Head
Department of Innovation & Entrepreneurship**

**Prepared By
TAHARIMA KABIR TONME
ID: 153-45-126
Batch: 3RD
Department of Innovation & Entrepreneurship**

**Program: Bachelor of Innovation & Entrepreneurship
Faculty of Business and Entrepreneurship
Daffodil International University**

Submission Date: 01/12/2019



Letter of Transmission

01.12.2019

Mohammad Shibli Shahriar

Associate Professor and Head

Department of Innovation & Entrepreneurship

Daffodil International University

Subject: Submission of Project Report.

Dear Sir:

With due respect, I beg to state that it is my outmost pleasure to submit my Project Report for the Project Work on “TONME ENTERPRISE” to you. I have truly enjoyed the attachment in preparing this report and learned a lot of from this. There might be some errors through oversight in the Project Report. I would be grateful if you kindly consider if I have mistaken. I acknowledge with thanks and the whole hearted support and kind guidance received from you for this report.

So I hope that you would be kind enough to accept my Project Report and Oblige Thereby.

Thanking You

Sincerely

.....
TAHARIMA KABIR TONME
ID: 153-45-126
Department of Innovation & Entrepreneurship

CERTIFICATE OF APPROVAL

This is to certify that this project report title “TONME ENTERPRISE” is done by TAHARIMA KABIR TONME, carried out the research under my supervision.

It is certified further that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.



.....
Supervisor

Mohammad Shibli Shahriar

Associate Professor and Head

Department of Innovation & Entrepreneurship

Faculty of Business and Entrepreneurship

Daffodil International University

DISCLAIMER

I am TAHARIMA KABIR TONME, hereby declare that the presented Project Report titled ‘TONME ENTERPRISE’ is prepared by me during preparing the business plan.

I also confirm that, the report prepared is only for my academic requirement not for any other purpose. It might not be used with the interest of opposite party of the organization.

.....
TAHARIMA KABIR TONME
ID: 153-45-126
Bachelor Program
Department of Innovation & Entrepreneurship
Faculty of Business & Entrepreneurship
Daffodil International University

Acknowledgement

At first I am grateful to Almighty ALLAH for his blessing throughout the preparing of this Project Report.

Writing this Project report, I am indebted to Mr. Shibli Shahriar, Associate Professor and Head, Department of Entrepreneurship for his contributions, support and encouragement in making this Project Work successfully.

I will like to use this opportunity to express my sincere thanks to comfort me for my hard work, moral and support through this program.

My profound gratitude goes to my supervisor Shibli Shahriar sir who despite his crowded schedule, sacrificed time to read through the manuscript without which this project would not have seen the light of the day.

Lastly, my special thanks also go to beloved Shibli Shahriar sir for his advice, encouragement and assistance. This project would not have been possible without the help of Shibli Shahriar sir.

Executive Summery

TONME ENTERPRISE is a service business which is operated in a traditional way and the traditional informal market to gain benefits for their single owner, Taharima Kabir Tonme. The company's goal is to enter the transport service market in a new way with new route on January 1, 2021 at its place, located in the city of Mymensingh, Bangladesh.

The mission of the company is to give high quality transport service for its customers. Over the next 10 years, it will be the largest Transport service company and market leader in terms of competitiveness.

The favorable geographical position of the transport industry and the large discrepancy between the service and demand of transportation in the formal and informal market of the local market has given TONME ENTERPRISE companies a great opportunity. The continued growth in demand has also shown a promising future for operations. In the real scenario, there is currently no competition in the Transport service market and the reference between markets is close away from the company.

TONME ENTERPRISE had already started its operation with 10 Busses 30 years back and the number will be increased from year to year by keeping old busses and raising new Busses. In the future they can grow up to 100 Busses. The company will be in their land and in their own Garage. Materials and other instruments are sourced from external suppliers.

There are 20 full-time employees, 10 part-time workers, 2 Managers and the owner who are caring out the daily activities of this Transport Business.

The company will start in its new way with new busses which will need BDT 100,000,000 in initial capital to start its new operations. The main cost targets are 10 new busses, Garage, land and other equipment used in a Transport business. The capital will come, for example, from three different sources: the owner's capital is BDT 60,000,000, the private investor's investment will be BDT 20,000,000, and the rest of BDT 20,000,000 will be taken up by the commercial bank.

Sales forecasts show that the business will achieve sales of 4,099,708 BDT and a net profit of 3,019,000 BDT in the first year. Sales volume in the second and third years will increase with increasing Busses and services. The second and third annual income will be BDT 4,921,520 and 7,163,476 and the net profit for those years will be BDT 1,074,061 and BDT 1,887,329.

The budget forecasts show that the company's assets will be at the end of the first year: BDT 7,038,904, BDT 7,904,179 (2nd year) and BDT 10,957,838 (3rd year). Activities will increase due to the increasing size of the company, and all loans will be repaid starting from the fourth year.

The cash flow forecast showed that the business can still pay its current debts. The river will always be positive.

TABLE OF CONTENTS

Letter of transmission..... ii
Certificate of approval..... iii
Disclaimer..... iv
Acknowledgement..... v
Executive summery.....vi

CHAPTER 1.....1-2

INTRODUCTION

1.0 Background.....1
1.1 Purpose.....1
1.2 Objective.....1
1.3 Limitation of this project.....2

CHAPTER 2.....3-4

EMPERICAL FRAMEWORK

2.0 Introduction.....3
2.1 General description of the company.....3
2.2 Mission3
2.3 Vision3
2.4 Geographic Market.....4
2.5 Business Style in the market.....4
2.6 Basic skill.....4

CHAPTER 3.....5-9

ANALYSIS

3.0 Strategic analysis.....5
3.1 Industry analysis.....5

3.2 Market analysis.	8
3.3 Analysis of competitors	9
CHAPTER 4.....	10-12
<u>OPERATION</u>	
4.0 Procedure to start the activity.....	10
4.1 Location of the company.....	10
4.2 Logistic plan.....	10
4.3 Service Providing	11
4.4 Fill the business	12
4.5 Control of critical risks.....	12
 Chapter 5.....	 13-15
<u>FINANCIAL REPORT</u>	
5.0 Financial plan	13
5.1 Goodwill and capitalization costs.....	13
5.2 Income statement	14
5.3 Cash flow.....	15
 Chapter 6.....	 16-17
<u>IMPLEMENTATION OF THE INVESTIGATION</u>	
6.0 Research Methods	16
6.1 Implementation	16
6.2 Conclusion.....	17

CHAPTER 1

Introduction

1.0 Background

Motorized vehicles are dominating both the public and private transportation system. Vehicles like Bus, mini Bus, taxi, etc are most commonly seen in Bangladesh but non motorized vehicles are playing a vital role in meeting demand for door to door transport service. Among them non motorized vehicles rickshaw contributes the highest volume in the context of Bangladesh. Easy bike is a newly introduced motorized vehicle in Bangladesh. The technology came from china. Its intensity of use is increasing day by day. In Mymensingh it is increasing very rapidly. It was first introduced at the end of 2009 and now approximately 25000 easy bikes are running in Mymensingh. Here about 40 Town service bus, 200 CNG, & 350 Mahindra are running through around the Mymensingh area.

1.1 Purpose

The main purpose of this project is to create a business plan for my company TONME ENTERPRISE in my hometown of Bangladesh. This service business is probably my present business. After researching and analyzing the market, this well-written business plan is developed. After following the instructions, I will develop this service based business on this project. I will be the entrepreneur and manager of my Transport service business. After years of being on the right track, my day-to-day operations will likely remain in the hands of my business partners, but they will continue to be strategic planners in the Transport sector.

1.2 Objective

The objective of the study is to prepare a business plan of a suitable Transport business.

- a) What are the elements of this Transport Business Plan?
- b) How do I write a business plan based on this Business?
- c) What are the services of this business?

- d) What are the reference market and its size?
- e) How did the business started?
- f) How much capital is needed?
- g) Who invests to start the business?
- h) How do I use the daily operation?
- i) What are the company's financial projections?

1.3 Limitations of the project.

Like any other project, this project has many limitations. Several parts of a business plan, such as legal issues related to opening a business plan, marketing, sales promotion, pricing, supply chain management and management teams, will not be addressed in this project. The geographic market for the Transport sector will only be for the Sylhet and Mymensingh region, although market size, trends and analysis will be fully analyzed. Supply and demand of this route prices are considered regionally as the value of neighboring sectors of society. All costs, operations and resources are also defined in the national context.

CHAPTER 2

EMPERICAL FRAMEWORK: Business Plan for TONME ENTERPRICE & SERVICES

2.0 Introduction

The business plan of Tonme Enterprise describes the company, which is initially followed by a manager. Afterwards, an overview of the Transport service market and a strategic analysis will be presented. The company's business is analyzed to clarify how transport business are operated and managed. The most important part of the financial plan will be demonstrative in all the above sections, and will finally analyze the critical risk and identify alternative measures to manage the risks.

2.1 General description of the company.

The Business Tonme Enterprise had gone into the service at the year 1998. The company was named as the name of the Shahjalal Paribahan, which is located in the town Mymensingh. The name is registered to protect our company from misuse of the name of my company TONME ENTERPRISE throughout the country. This is the exclusive property of the founder, Jahangir Kabir and Future owner Taharima Kabir Tonme. There, the bus service will grow to give transport service, which is the company's main service that will be provided to customer. Busses is the company's main product that gives service from Mymensingh to Sylhet. Almost half of the initial capital will consist of own loans and private loans, the rest will be collected by the bank.

2.2 Mission

The reason are that Tonme Enterprise is an inspirational company in Mymensingh city, not because it was the first district wise ride sharing company in Mymensingh, but rather because the company was founded on a grand vision of bringing people together and connecting cities and district. Its mission statement is make transportation as reliable as running water, everywhere, for everyone.

2.3 Vision

Tonme Enterprise vision is to make transport service reliable, where people and things move around efficiently and seamlessly. No getting stuck in Bus stand for a long time, no excessively waiting for the passengers. No need to think about how you are going to get to that meeting

across town. We think about transportation and logistics, but hopefully someday that can be abstracted away.

2.4 Geographic market

The target customer of TONME ENTERPRISE is located within 600 km from the company headquarters. SHAMIM ENTERPRISE and SHAHJALAL PARIBAHAN are processing this service business, the largest service provider of transport business in the Mymensingh City and on the market, are located in the district where TONME ENTERPRISE has been built. ENA Paribahan, ALAM Paribahan, and LONDON Express can also be found in adjacent areas. Another large market is the local market, which service is giving by local transport owners to the city center, which is just 3 km from the Company.

2.5 Business style in the market.

The business market in Bangladesh is a free market for all types of businesses. The majority of the trading form is a small sole proprietorship, but the number of public limited companies and limited liability companies is increasing. The activity of the association is also present in the country, but not as extensive as the individual property. Some governments, even real estate companies, lose their business with others and some go to private agencies.

2.6 Basic Skills

The company's core competencies will give services to transport at local and government decided cost than other local service provider. This will be implemented with the resources to achieve our best result. The company will be dedicated to 100 busses in the next 10 years. This growth is being implemented by keeping and keeping Old and New AC Busses on the business. Another ability of the company will be the quality, which will increase the service, customer and quantity of the trip. The well-planned logistics system and daily operations will give the company the advantage of being more service productive and efficient.

Chapter 3

Analysis

3.0 Strategic analysis

This section describes key competencies, industry analysis and competitive analysis.

3.1 Industry analysis

Bangladesh, with 14.23 million inhabitants, has a significant transport service provider to meet the demand of these countries transportation. The population is growing fast and demand of transportation consumption is increasing due to the higher income. The National transport Plan states that the annual service consumption per capita must be 90000 trips and the country's total demand is 12.8 million trips. Just 2264 trips of annual service, almost five times less than demand, is not enough for the local market, which is unacceptable given the increased transport service consumption in the region. Domestic transport service is well below demand, and the trend to increase annual service providing by 1.9% is not enough to offset local demand in the future. In the future, there will therefore be a clear gap between service and demand in the Bangladesh market. The following figure shows the development of service provider in the country.

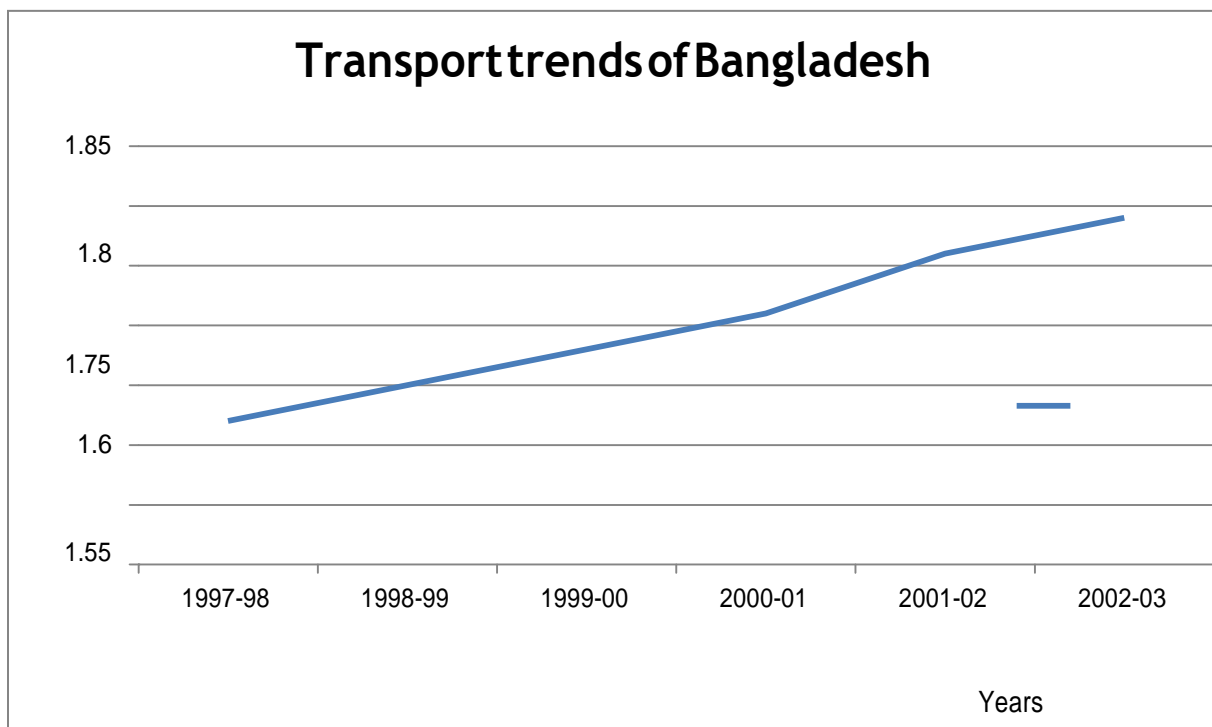


Figure 4: trend in Transport Business in Bangladesh

Although the country has a small service cost advantage compared to the international country, it cannot increase local service provider due to high costs, land scarcity and low service costs to the provider.

Main transport service accounts for 75% of total milk production in Bangladesh. The government is trying to higher the volume of transport by introducing one of the highest import tax rates from 47% to 72%. The trend of transport service has been declining since the mid-1990s. The following figure shows the trend to Transport sector of Bangladesh.

YEARS	TRIPS
1990-1991	60%
1991-1992	55%
1992-1993	45%
1993-1994	35%
1994-1995	25%
1995-1996	21%
1996-1997	14%
1997-1998	13%
1998-1999	15%
2000-2001	19%
2001-2002	20%
2002-2003	18.6%
2003-2004	16.25%
2004-2005	15%

Figure 6: Year wise Transport service

3.2 Market analysis

In Bangladesh, there are two different transport provider in this market systems, one formally and the other informally. In the informal system, service is provided directly from transport through intermediaries for the consumer. In this system, the majority of service is given at around 90% in the market. This quantity is used for official and domestic consumption. The formal sector consumes only 10% of total service and gives service from busses under a processing and sales contract in the form of local service. The economic development and the awareness of certain population groups offer processors the possibility of growth. The following graph shows the share of transport consumption of different groups in the market.

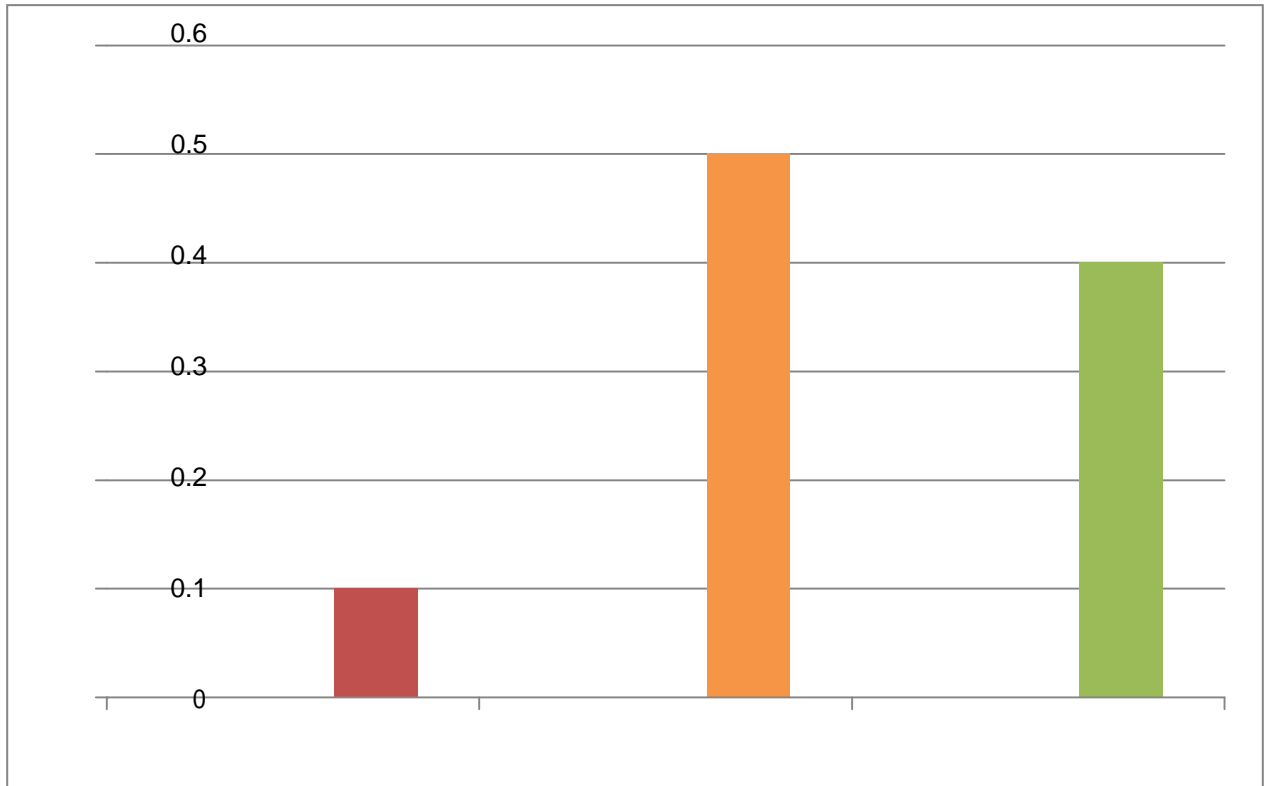


Figure 7: different groups of consumers and their exchange.

3.3 Analysis of competitors

In the Transport sector, the competitor is so weak that it can be ignored. The main customer of this company is the transport service providing company and suffers for this service every day. There is no problem for the competition. None of the transport provider can use the entire service capacity due to the lack of transport. If customer increases rapidly and competition is strong, the company will implement a strategic plan to address the new situation. In the case of local customers, the company faces competition and, above all, price reductions. In this situation, the company will enter into a long-term contract to provide the customer with a continuous transport service, as competitors are currently weak. They have a very small amount of bus and service at some point they are not as long as the busses have.

Chapter 4

Operation

4.0 Procedure to start the activity

The action plan will be completed in full so that local authorities will receive approval to open the company. The company will register with a local professional association. Before the loan is promised, it is confirmed that the capital and external investments are available; the fund provider is contacted and must be ready in time to get things. Construction of the hangar begins one month before the company opens. The Busses will be garaged in the company in early January 2021. The company will hire workers in advance and have a three-month feed stock.

4.1 Location of the company

The geographical location of TONME ENTERPRISE is located near the bank of the Bhrmaputro River but beside the city central bus stand Patgudam in the district of Mymensingh. The bus stand is the main point for the transportation of resources from place to place and cheap transport service providers for customers. The foundations of a bridge over the river are laid, so that the transport system is strongly favored by the Mymensingh District to other Districts within a few years. The company's first target group is only within 20 km and the main Transport service companies are 6 km from the stand. On the other hand, service and work will be provided in the adjacent area of the establishment. Taking into account all aspects of this transport service, the site is a suitable and economically efficient place for businesses and close to the residence of the owner. The mailing address of this Transport business is TONME ENTERPRISE, 109 Baghmara road, post office Mymensingh Sadar, and district Mymensingh, Bangladesh.

4.2 Logistic plan

The service logistics activities range from the Garage to the Bus stand and from the Bus stand to the customer. At the beginning, the service of the transport services the busses and the other transport materials and tools. Logistics and service are provided. The information is kept in both directions.

Since the Bus stand is located in the city center of the town area and near the inter district bus stand, we will have shuttle bus service to transfer the passenger and baggage's from one bus stand to another. The counter of our service will be full comfortable with central air conditioned that the customer should feel comfortable while travelling.

4.3 Service Providing

The main transport service providing in the country are capital less owners and small investors. The main size of the company is very big and should be compared to the international aspect. The following graphic shows the size of the batteries in different groups and sizes:

COMPANY	NUMBER OF BUSSES
Old Farm	2 %
Small Farm	2.9%
Medium Farm	3.7%
Large Farm	4.4%
Average number of Busses	3.5%

Figure 8: Service Provider groups and their company size

This figure shows that transport service are not developing their production volume, although this is possible. I think it may be because of his ignorance or lack of knowledge.

4.4 Fill the business

The owner of the Transport Service business, TAHARIMA KABIR TONME is primarily responsible for the planning, control and management of the activity and daily tasks. There are 20 full-time employees, 10 part-time workers, 2 Managers and the owner who are caring out the daily activities of this Transport Business.

For the daily work of the company 2 permanent employees are employed. Two other part-time workers are hired for cleaning and other small tasks. In the future, the company will grow and employ the workers needed to run it smoothly.

4.5 Control of critical risks.

TONME ENTERPRISE could face four types of risks, namely: financial risk, infrastructure risk, reputational risk and market risk. To cope with the financial risk, the company will confirm the application for fundraiser a long time ago. To avoid liquidity shortage, the liquidity is sufficient for 3 months. The main risk in the infrastructure is the storm and the strong wind. The hangars are being built to withstand the storm.

The machines and all other things used in the operation are checked from time to time to ensure normal operation without interruption. Workers will be treated fairly and relationships with suppliers and customers will stay warm and well, which will save the company's reputational risks. The company will review the market situation and take the necessary steps in the market to avoid market risks, for example with a view to lowering competitive prices.

Chapter 5

5.0 Financial plan

The financial plan sets the starting capital, the break-even point, the profits and losses, the financial balance and the cash flows of the company for the next 3 years.

5.1 Goodwill and capitalization costs

TONME ENTERPRISE will need an initial capital of 100,000,000 BDT. The main cost objects are 10 New AC Busses; each of these prices corresponds to BDT 10,000,000. Object costs for various costs such as Busses, Garage, land and others have been calculated and based on the current market value. The fund will come from three different sources. The owner, the external investors and the commercial bank are the source of the capital. Below is the diagram of the sources and their percentage contributions:

SOURCES OF FUNDING	AMOUNT	TOTALS
Owners' Equity	60%	60,000,000
External Investor	20%	20,000,000
Additional Loans	-----	-----
Commercial Loans	20%	20,000,000
Total Source Of Funding	100%	100,000,000

Figure 11: Sources of Capital

5.2 Income statement

The profit and loss statement shows a sales forecast over 3 years. The product prices and the cost of various object costs were calculated assuming an inflation rate of 5%. The main product is Service Trip. It is assumed that 10 Busses will give Trips 250 days per year, 25 trips per bus per day, and that the selling price per seat of bus is 500 BDT, then $40 \text{ seats} * 250 \text{ days} * 25 \text{ Buses} * \text{BDT } 500 = \text{BDT } 5,000,000$ for the first year. In the second year the production volume is considered as the first year and in the third year it rises by 40% as 40% of the first year's busses will go into transportation.

	YEAR 1	YEAR 2	YEAR 3
TOTAL SALES	5,000,000	6,175,000	6,325,000
TOTAL COST	2,985,000	2,985,000	2,985,000
NET INCOME	2,640,000	3,190,000	3,340,000
INCREMENT PERCENTAGE	0%	64%	45%

5.2 Income statement

The balance shows the assets and liabilities of the company at the end of the year. Depreciation and capital gains were taken into account to obtain the appropriate amount of the asset. All loans are paid at the beginning of the fourth year. The summer of the agrarian household seems to be similar to that of several years:

	ASSETS	LIABILITIES
YEAR 1	7,000,000	7,000,000
YEAR 2	8,640,000	8,640,000
YEAR 3	10,830,000	10,830,000

Figure 13: Summary of Balance sheet

5.3 Cash flow / financial report

The cash flow statement shows the company's three-year cash flows and shows the cash flow to and from the business during the year. A positive cash flow means that the company runs out of money to cover its ongoing costs.

Chapter 6

IMPLEMENTATION OF THE INVESTIGATION

6.0 Research Methods

The primary and secondary data were used in the survey of this project. Key data was collected through a telephone survey of potential customers, service provider and competitors. Respondents were informed about the use of the survey data and were given permission to publish our identity. To collect the results of this investigation, there were two competitors, SHAMIM ENTERPRISE and AIRLINE TRAVELS. Mohammed Shamim and two clients, Md Alam and Enayet Khandakar, were interviewed. Some semi-structured questionnaires were created separately for each group. All interviews have many years of experience in their respective industries. SHAMIM ENTERPRISE has been active in the Transport sector for 10 years and has 50 Busses in their company. Md Alam has been active in the Transport business for 15 years and has 40 busses in its transport company. He inherited his business from his father and also had a visionary plan to grow in this business. The service provider of Enayet Khandakar is the main transport service provider of transport sector in the region. He has 25 years' experience in this field. He has extensive experience in the relationship between service and demand and how they fluctuate at different seasons. The company is the country's third-largest transport company. MUSHFIQUR RAHMAN has been working in the Mymensingh region for 5 years to work for the transport company. The secondary method of data collection was desktop and Internet research. This means that newspaper articles, books and the Internet have been used to gather the necessary data and information about the sector market. In order to put together the theory needed to build the business plan, several reliable resources such as books, magazines, and the Internet were used. Most books were the main sources of theoretical information, with the exception of some websites.

6.1 Implementation

Initially, this project plan was clearly written, mentioning the contents of this transport company and the research method. This project plan will be presented at the first defense presentation of my last degree in December 2019.

After the beginning of this collection and writing theory, the books were taken from a school library. Some of these former students were read to get the idea. Talks were also held with older students who completed their project. After reading the sources, the project is written almost every day. When it became clear that this business plan was sufficient, the competition presented

the second business plan of the University of Jammu in India in Kashmir, which was placed in second place. There the complete theoretical part was presented. In the competition program, the supervisor gave important instructions for changing the theory and the empirical part. The output was made on the basis of the working theory of the empirical part after the start of the second seminar. The interview took place on July 20, 2018. The result of the financial planning was based on the results of the interview. The rough version of the empirical part was shown to the supervisor, and the author read the entire project over and over again to make the final version. According to the project program, the third business plan competition will be presented in December 2019. Following this program, the project will be modified and improved according to the supervisor's instructions and presented for the next evaluation.

6.2 Conclusion

This project will be launched to examine the situation on the Transport service and the balance between service and demand and the potential for transport provider in Bangladesh. We also had to calculate the start-up costs for a transportation as well as income and profitability. The ultimate goal was to create a business plan for a transport service in the hometown and in the author's districts.

This project and the research carried out under this project have shown that there is a significant discrepancy between service and demand for genuine transport service in the district wise transport service in market. Busses cannot use all capacities due to the lack of availability of transportation.

About 20% of demand is covered by government and other 80% of demands are provided by Private transport service provider. The consumption rate is rising rapidly. This imbalance between service and demand is a blessing for new transport service provider. On the other hand, the government is trying to control transportation demand through high import tariffs, which also offers opportunities for transport business in Bangladesh.

The company's position is favorable for provide transport service, as labor, driver and other accessories are cheaper in this region and is even higher than in other parts of the country. The growth potential shows a promising future for providing service. The owner's knowledge of transportation business is a positive aspect of the management.

These financial forecasts for the business products look good and profitable for a new transport company in Bangladesh. Taking into account all aspects of starting a transport service, the overall outcome of the project shows that starting a business will be smart and economically sustainable. Based on this plan, the TONME ENTERPRISE will be newly established in January 2021.