

KUSOM

Ahead In Management



VANTAGE

Quarter 4, 2014

Starters & Startups



STARTUP TURNED EMPIRE | NEPALI ZUCKERBERGS | FROM THE EYES OF THE LAW | A HUNDRED FOLD GROWTH

Publisher
THE PUBLICATION CLUB
KATHMANDU UNIVERSITY
SCHOOL OF MANAGEMENT

Editor-in-Chief
SUJAN ADHIKARI

Managing Editor
PRATISTHA PANERU
SAHAN SHRESTHA

Contributors
SADIKSHA THAPA
SUDHIR SHRESTHA
SMRITI TULADHAR
RIJU JOSHI

Marketing and External Affairs
ASHISH PIYA
SUMAN POUDEL

Design
ANISH SHAKYA

Printing
SIDDHARTHA PRINTING PRESS, SINCHAHITI
01-5540549

The contents of Vantage may be reproduced in whole or in part in any form with a prior notification to the publisher. The opinions expressed by contributors are not necessarily those of the publisher and the university, who cannot accept responsibility for any errors or omissions. All editorial inquiries and submissions to the Vantage must be addressed to
publication@kusom.edu.np

EACH ISSUE: Rs 50.00

Email: publication@kusom.edu.np

Website: vantage.blog.com

Facebook: facebook.com/kusom.vantage

Kusom
Ahead In Management



VANTAGE

A QUARTERLY PUBLICATION OF KUSOM
Quarter 4 2014

FEATURES

STARTERS AND STARTUPS

2 Small Time Startup Turned Empire

Riju Joshi and Sadiksha Thapa of Vantage talked to Mr. Pradeep Kumar Shrestha, Managing Director of Panchakanya, to understand the company, his entrepreneurial insights and disseminate the pearls of wisdom he learned from his rich experience of more than two decades.

5 College Startups — Nepali Zuckerbergs

Painting the Thread—with Character
The Beans' Sweetener
Ashish Piya



9 Changed Platform, Continuous Success

Muncha House
Smriti Tuladhar

11 Idea Studio—An Idea Can Change the Nation

Idea Studio implants itself as a hope for prospective starters who are but wanderers of financial and other opportunities.
Pratistha Paneru

13 Startups: From the Eyes of the Law

The starter should be well acquainted with basics and practical knowledge of the legal environment that surrounds a new business.
Smriti Tuladhar and Sudhir Shrestha



16 Interview with Ms. Sharada Rijal

Pratistha Paneru managed to steal a few minutes out of the busy schedule of this social entrepreneur.

19 From Fifty Thousand to a 100 Fold Expansion

"Adequate knowledge is not enough to have a successful venture, you've got to have an in-depth understanding of your field."
Crystal Manandhar

22 The Vexing Issue of Startup Bubble

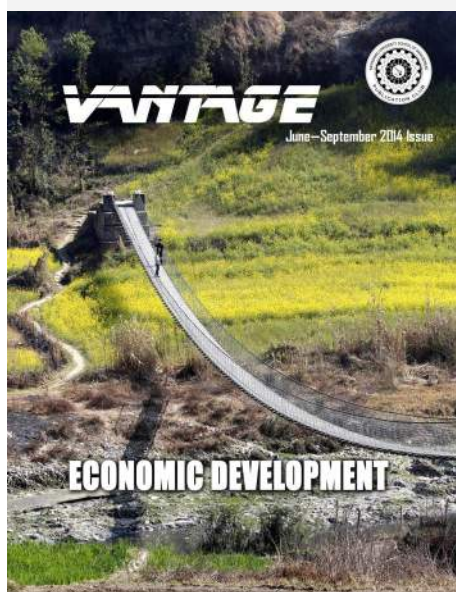
A bubble is actually formed due to exuberance and unrealistic confidence of the investors, especially the venture capitalists, resulting in high investments.
Sadiksha Thapa





Periodic business magazine of KUSOM Publication Club, circulated among Corporate Houses and Management Schools.

Last Issue:



June 2014 — 8th edition

Illustration: p. 24, EntrepreneurFail

Photography: Cover: The Next Web; p. 1, Gaurav Pote; p. 3, Panchakanya; p. 5, Aakarpost; p. 6, Threadpaints; p. 7, Sabin Bhandari; p. 8, Ashish Piya; p. 13, Above The Law; p. 16, Facebook/Sharada Rijal; p. 19, Shubham Handicrafts; p. 20, Facebook/Sunil Shrestha

Read Online at vantage.blog.com



Visit Vantage's Facebook page:
www.facebook.com/kusom.vantage

FROM THE EDITOR

‘A fledgling business enterprise’

Let us divide this dictionary definition of a start-up into two parts: *Fledgling*- Immature and *Business Enterprise*- a full grown, mature venture. The implication of this irony we can deduce is that a start-up is the foundation for a successful business. As we go by the popular saying, “Morning shows the day”, a well planned and strategically initiated start-up can have value multiplier effect, not just for the starter or business sector, but for the national economy.

Nepalese businesses tend to believe that in order to succeed, business should be profit-oriented. But, with changing times and roles of different stakeholders in the economy, “value-oriented” concept of business is on the rise. At current times, starters need to exploit the most out of this shift and start ventures that can boost business sector’s current and future prospects.

Mere ideas are like blank paper, you cannot derive value from them. But when a value is associated, even blank paper translates into currency. Likewise, an idea can translate into something valuable only when it is implemented with the right vision, at the right time. There is no secret success mantra to be associated with a start-up but the starter’s general knowledge on basic aspects of starting a venture and analysis of the market history and trend are the prerequisites.

Nepalese youth is blooming with prospective starters who just need a kick start in the form of financial or other resource assistance. Resource allocation can be facilitated by the state or the private sector, but resource utilization is the choice of starters. Many starters have grown into successful businessmen and many others continue to grow, but the challenge lies in proving the worth of your idea and rising into a full-fledged enterprise despite the hindrances.

This edition of *Vantage* is dedicated to all those success stories who were once mere start-ups and the visionaries behind them, and is targeted to all aspiring starters who wish to create history with their business ideas.

Small Time Startup...

TURNED EMPIRE



Started by Mr. Prem Bahadur Shrestha, Chairman of Panchakanya Group as a small company that traded potatoes in the eastern part of Nepal, this group has established itself in a span of four decade as a top-notch and well-rounded brand that has diversified itself with clusters i.e. Panchakanya Steel (P) Ltd, Panchakanya Plastic Industries (P) Ltd, Panchakanya Rotomould (P) Ltd, Panchakanya Plast (P) Ltd., Panchakanya Wires (P) Ltd. And Panchakanya Nails & Allied (P) Ltd and invested in many more developmental sectors.

Panchakanya Group, a start-up of yesterday has grown from a sampling to a full-fledged strong rooted tree, giving shelter and fruits to its employees, customers and most definitely the nation, which is counter-intuitive to the phenomenon a lot of other Nepalese industries have been facing.

Riju Joshi and Sadiksha Thapa of Vantage talked to Mr. Pradeep Kumar Shrestha (Managing Director of Panchakanya, son of Mr. Prem Bahadur Shrestha, at Panchakanya Office, Krishna Galli to understand the company, his entrepreneurial insights and disseminate the pearls of wisdom he learned from his rich experience of more than two decades.

The seeds of Panchakanya Group were sown by your father more than 4 decades ago with a mission to trade agricultural products such as potatoes, jute, paddy etc. Now, as we look at Panchakanya Group, it is a giant Nepalese compa-

ny. Help us understand more about the current market coverage of the group.

Panchakanya Group with its vision statement, “Always First, Always Ahead” has been marching ahead with base in construction materials but delved in agriculture, health, education, Information Technology, Finance and ambitious pipeline project in hydro-power sector.

When it comes to major product, steel is the flagship product of Panchakanya Group which covers 20% market share in the market where there are around 17 more steel industries. The installed production capacity of steel is 80 thousand metric tons and the group is utilizing up to 70 percent of the total capacity. Products of the group are marketed and traded through a single dealership. The group has around 150 dealers across the country. Besides steel, Panchakanya Group also produces plastic products that cover 40% of the Nepalese market share.

Benjamin Franklin, one of the founding fathers of the now superpower economy United States of America said that “Without continual growth and progress, such words as improvement, achievement, and success have no meaning”, How is Panchakanya group going to grow and progress say after 5-6 years?

Panchakanya Group initially started with agricultural sector and our long-term aim is also to grow in the agricul-

tural sector because at Panchakanya Group, we believe that Nepal's strength lies in its rich biodiversity, which allows cultivation of almost any kind of crop. Having considered this, we also believe that maximum manpower can be mobilized and productivity can be increased by exploiting the agricultural sector, ultimately making the country self-sufficient.

In status-quo, Panchakanya Group has invested in all sectors including education (Malpi Institute), health (Promoter of HAMS Hospital), IT (Paybill- wallet system) and in the next five years we plan to touch various other sectors in Nepal. However, hydropower is one ambitious project Panchakanya group is working on but the operation will start in the next two years only.

Let's talk about one interesting and crucial topic you have been supporting at various forums i.e. the right of Nepalese business to be taken Global. Can you elucidate your point of view?

I have always advocated the concept of "FDI outside" where foreign direct investment can be done abroad and the return be brought back to Nepal. This is definitely how we can grow. However, there is a lack of policy framework that supports investment abroad. But, if strong policy and legal backbone is to be set up that supports foreign investment, then the market for entrepreneurs will definitely widen. When we see countries like South Korea, Japan or even China, they have been growing because of freedom to extend their investment boundaries beyond their national boundary. In my capacity, I shall continue to advocate this point.

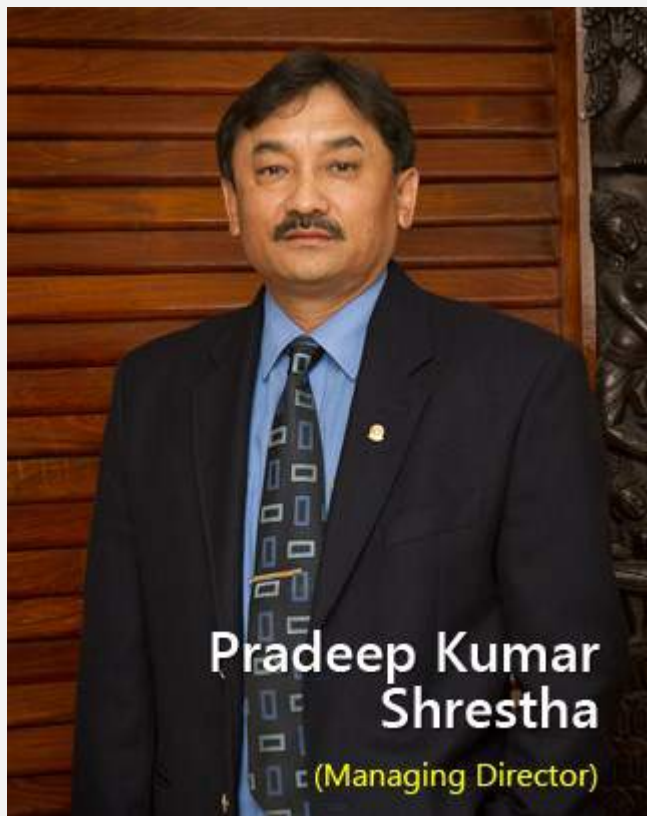
All in all, we have understood the importance of the Nepalese adage "Khushi ma Namaatinu, Dukha ma Naatinu".

You have been with Panchakanya Group for more than two decades since you officially joined the office during your Masters at the age of 25. Could you shed light on few of the trying times?

Business is definitely a game of risks so there were lots of challenges and hardships. In our case, Panchakanya Group started as a traditional business which involved local agricultural products and local market but when we shifted our product base and got involved with international side of business, just like in a business cycle we went through various crusts and troughs. For example- during times of international recession when price of raw materials came down to \$500 we still had large

Get Personal

with **Mr. Pradeep Kumar Shrestha**,
(Managing Director of Panchakanya Group)



Pradeep Kumar Shrestha
(Managing Director)

Currently in my playlist: Narayan Gopal songs

Role Model: My Father, Mr. Prem Bahadur Shrestha

Best Advice I've ever received: "Baleko aago sabaile tapchhan" which keeps me grounded.

What I do when I'm not working: I enjoy playing various sports, especially golf.

What I'd like to be doing in 10 years: Handover the business to next generation and be there as a strategist.

What I like about owning "my own" business: I can be the master of my business and I can work towards a dream with full control and enthusiasm.

My advice for new entrepreneurs: Don't ever think that you have to be born with a silver spoon, what you have to learn is to plan and strategize well with the humility that success doesn't come over-night.

stock of \$1000 raw-materials. So, the difference of \$500 definitely gave a big hit to our finances so we had to share a lot of our shares to recover from the distress, especially that of paying back the bank. But, even then we stood our ground and never let the bank feel that we were not credit worthy.

For all these young entrepreneurs, I would like to suggest them to remain positive and understand the matter of fact that Nepal isn't poor and that we have a lot of unexploited resources.

There have been times when there were personal allegations and baseless rumours, however due to the support of our team, banks and customers we did come out strong after each blow and now we are well acquainted with myriad challenges and the respective ways to tackle them. All in all, we have understood the importance of the Nepalese adage "Khushi ma Namatinu, Dukha ma Naatinu".

Along with being the M.D. of Panchakanya Group, you have also served as the youngest president of FNNCI and currently you are also involved with SAARC. Can you help us know if regional associations such as SAARC have been helping the entrepreneurs through direct financial or other complementary assistance?

Nepalese Entrepreneurs have been bounded by national boundaries; they get very little exposure, thus limiting their horizon. So, as a member of SAARC we have organized conferences such as SBLC and CASI conferences, which have given Nepalese entrepreneurs a platform to connect with other entrepreneurs, promote their business, find right partners and also learn from the rich experience when at the conferences. Of course, entrepreneurs across the nation are not benefitted however the 150-200 participants have been assisted. Also, there are various other assistances in the form of investment and guidance to Nepal.

Now a lighter hypothetical question, what would you do if you were to start business today?

Well, if I were born today, then I would definitely learn a lot from the success stories in front of my eyes and also try to inculcate it. Also, as I look back I also feel that we jumped and followed people but today we would rather make others follow. So basically leading, keeping in mind the success stories, would be our approach.

You have been seen supporting entrepreneurship in various forums, what do you think are the few things that starters should bear in mind while working on their startups?

I think that entrepreneurship has been bolstered in this last decade more than ever because previously it was all about family business but now new faces with great zeal towards their venture are coming up, which is a positive sign. For all these young entrepreneurs, I would like to suggest is remaining positive and understanding the matter of fact that Nepal is not poor and that we have a lot of unexploited resources. Also, the competition level is not as fierce as international scenario, so taking advantage of these factors you all can succeed and also take the country to greater heights.

I do believe that once people start their venture, it is an addiction in itself as close as gambling where you are working from every direction to win and make the odds in your favor. This spirit is even more outthere in developing countries like Nepal than in developed countries because youth in developed countries take everything for granted and believe that everything is a click away, however it is people in developing countries like ours who are more sharper, informed and brighter. So, I am positive towards Nepalese youths succeeding in their startup.

Lastly, I would also like to suggest them to be positive and like I always say, "Do not just search but dig light at the end of the tunnel" even at the darkest hour. Along with being positive, youth must understood to move ahead strategically i.e. careful planning must be undertaken before making any decision with a focus on building a firm foundation. Having said all this, don't over exert yourself and learn to have faith in your plans and on yourself. yourself. ■

College Startups – Nepali Zuckerbergs

Reading books, attending lectures, writing business plans, participating in seminars; if these activities are in your schedule, you're doing well. But, if you read for a year about swimming without trying it, I bet you still can't swim. You've got to make a jump into the water.

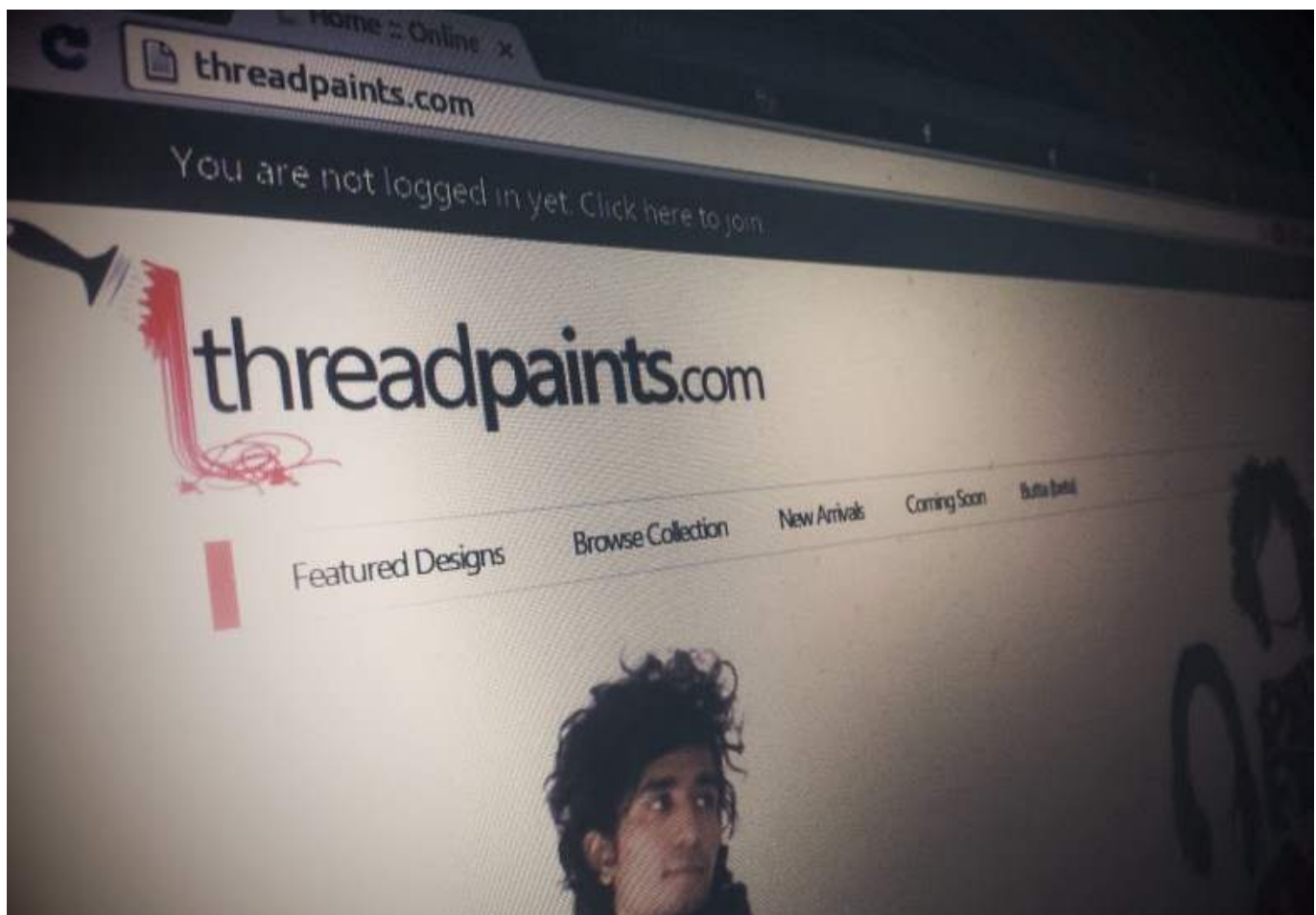
To quote Seth Godin, Studying entrepreneurship without doing it is like studying the appreciation of music without listening to it. Until you confront the fear and discomfort of being in the world and saying, "Here, I made this", it is impossible to understand anything at all about what it means to be an entrepreneur. Or an artist.

Painting the Thread – with Character

College proved to be the perfect starting point for Aashish Acharya, Aayush Shrestha and Sabin Bhandari,

the founders of popular t-shirt brand Threadpaints. Senior year students at IoE, Pulchowk spotted an entrepreneurial opportunity at the college itself, which they would later realized as being a perfect demand sample of youth across the country. "There were some cool tee designs available on the web but could not be found in the market" – said Aashish in a meet up with Vantage. "We wanted an Online T-shirt store, where customers could print design to their own liking", added Sabin. The venture unofficially started in 2012 with a custom designed college football jersey and a 'batch hoodie', now aims to redefine shopping for modern people who use web technology.

The aspiration of promoting originality in design right from the initial phase saw Threadpaints win over the hearts of their fellow friends – their only customers back then. The initial fund of about twenty thousand



Get Personal

with Aashish Acharya,
Co-founder, Threadpaints



Currently in my playlist: Mr. Tambourine Man by Bob Dylan

Role Model: Evan Williams

Best Advice I've ever received: Sit back and let the events play on their own. Your worst fear will be over soon.

What I'd like to be doing in 10 years: Working on another start up project, probably!

What I like about owning "my own" business: I get to work with only those who I love to be around with.

My advice for new entrepreneurs: If you want to have a life that nobody has in 5 years then you should be ready to do things nobody else is doing (or wants to do) now.

was generated from friends and family circle. They've retained majority of their earnings ever since and at times of need, depended on loans from close family members for financing. There have been several financial hiccups in the two-year journey; nonetheless things seem to be running smoothly at present.

One of the very few dorm-room-startups in Nepal, Threadpaints had its own office in Buddhanagar in six month's time. Aashish and Sabin extend their gratefulness towards the incubation support provided by Manoj Ghimire from Logpoint. They've recently moved into a bigger flat in Jhamsikhel and have increased their team to six, exclusive of some freelance coworkers. Both of these exuberant cofounders seemed pleased with the progress they've made over the period and clearly illustrated the hunger to achieve more in the days to come.

"There were some cool tee designs available on the web but could not be found in the market. We wanted an Online T-shirt store, where customers could print design to their own liking"

"Mero kapal talai baal", "Real men don't rape" and the Prithivi Narayan Shah are some of the highly appreciated designs from Threadpaints. "Copying other's designs will not help a firm in the longer run", Sabin claims, "We are promoting Nepali designers in the process."

They have vivid memories of setbacks from Deep Purple (cancelled) concert last May. High on confidence from the success of Hoodies that winter, they approached the organizers of Deep Purple Concert for the official T-shirt partnership of the event. Instead the organizers asked them to purchase all the tickets, for which they wanted to associate their T-shirts with. Witnessing a crowd of over twelve thousands in both Bryan Adams and MLTR shows, the deal seemed no brainer. Even a sale of six hundred T-shirts would see them gain an impressive profit. Amidst the final year board exams, the three cofounders started spending rest of the days around the valley selling ticket and T-shirts, in bundle.

As the news of cancellation of concert came through,

these three young men were totally caught off guard. The event organizer fled and they were made to refund all the tickets they had sold. “We had a loss of over 1.5 lakhs during the event. Maybe we should not have taken that huge a leap at such tender stage,” Aashish acknowledges the mistakes made.

“Our classmates were our first customers, our teachers helped us during incubation and other close ones have helped us with instant feedbacks.”

Sabin recalled the incident when they received complaints from KEC Dhapakhel students that the color of the T-Shirts they had sold faded within weeks. “We replaced all the pieces from that lot.” Young in the garment business, they were then duped by the suppliers. “These hurdles we’ve faced have made us stronger and mature. Spending some years in garment business has helped us comprehend the industry inside-out,” affirmed Sabin.

Social circle has been an integral part of Threadpaints ever since its initiation. “Our classmates were our first customers, our teachers helped us during incubation and other close ones have helped us with instant feedbacks.” Aashish acknowledged the role of social media for the buzz they have created in the market, “Facebook has been a minimal cost marketing platform for us. More importantly, it has helped us create personal relation with our customers.” Facebook might draw a customer for the first time, but it is the service that determines his or her retention. Threadpaints team seems well aware of this and is striving hard to provide utmost customer satisfaction. “The figure of unsatisfied customers has dropped down from 85% to 36% within the span of one year”, a sense of pride was evident in both their faces.

From the average sales of 5 units per week to the current mark of 200, the cofounders have managed to install a humble persona into their business. “Our customers can get 100% cash back if they are not satisfied with our products”; long-term business clearly seems to be the name of the game for Threadpaints. Given the diligence and shrewdness of the team members, it would be no surprise to see Threadpaints emerge as a leader in Nepali Online Shopping Industry in a couple of years.

Get Personal

with Sabin Bhandari,

Co-founder, Threadpaints



Currently in my playlist: La Dispute- Safer in the Forest

Role Model: Elon Musk

Best Advice I’ve ever received: Use your own voice everytime you open your mouth.

What I do when I’m not working: Playing Futsal, Hiking or just laying around watching some series.

What I’d like to be doing in 10 years: Studying :D Well.. no. I’d like to be have atleast 2 more companies under Whitespace.

What I like about owning “my own” business: You get to decide when you want to have company trip ;) Getting an opportunity to pursue my own interest and the excitement of new ideas/concepts and risks involved with it.

My advice for new entrepreneurs: Kill off your ego before it develops. Communicate well with your team members and build up the foundation for trust from the beginning.



The Beans' Sweetener

A garden full of people; some with burgers in their hands and some enjoying the taste of Momo- a particularly familiar sight at the KUSOM side-lawn these days. Considering that the venture was on verge of closing down within a year of operation, they seem to be doing pretty well at the moment.

Much of the credit for the initiation of De Sweet Beans can be attributed to the Entrepreneur's Lab (E-Lab), a group of aspiring entrepreneurs helping young minds translate their ideas into sustainable business ventures. During the orientation session of E-Lab, Sushmita Sharma and Monika Rajbhandari came up with the idea of opening a tea/coffee and ice cream stall in KUSOM. The E-Lab team declared the idea feasible, marking the start of a new on-campus venture in KUSOM.

"The KUSOM management has always been supportive in allowing the students to run a business venture and help practice entrepreneurship," says Suman Poudel, a founding committee member who looks after the operations currently. Despite being freshmen at the school, the group had entrepreneurship rooted in them. The textbook procedure seemed the appropriate way to go. A survey conducted to determine the need of quality tea/coffee at KUSOM showed green signals. The team soon prepared a business plan, the University management provided helping hand with a Forty thousand loan; it was time to face the stern test, as a real world business.

A management committee of 5 was formed, as per the business plan with Suman Poudel, Sharad KC and Alex Maharjan joining in as the idea generators. But, the real world seemed far different from the one they had thought of. "We just did not know about the next step to take", Suman recalls the early days; "It was only after a pep-talk from the Co-curricular Coordinator that we finally started to get things moving."

Thirteen KUSOMites joined in as shareholders to contribute an amount of Fifty thousand. The side-lawn saw a bamboo cottage set up, a coffee vending machine installed in it. Entrepreneurship was now not only a part

of textbooks at KUSOM, the students had implemented it. De Sweet Beans launched its services from 31st Chaitra 2068.

Coffee and Ice Cream, all of a sudden, breaks at KUSOM were much more exciting. There was just another reason to loiter around the lawn. The ever-packed Chhautari suggested things going good at Sweet Beans. The honeymoon period did not last long though. Fresh in the realm of business they were caught in a reality shock very soon. The management committee saw some inapt restructurings in the next few months. The result translated in their financial outcome. "We could not implement proper control measures, meaning a heavy red mark in the earnings during that period." Clouds of uncertainty loomed over the bamboo cottage.

A cash injection was the magical elixir De Sweet Beans required. Alex Maharjan and Suman Poudel acted the saviors and reconfigured the whole business. "Understanding the customer preferences, we introduced Burgers in our menu," Suman recollects "It became an instant hit." More items were then added to the menu as per customer preferences.

"We had planned to repay all of college loans during the first year of operation itself, but we could hardly pay any," Suman remarks, "We finally managed to clear the loans in the second year." After taking over the operations in summer of 2013, his prudent management skill has seen De Sweet Beans reconstruct and expand itself. "College management, the Co-curricular Coordinator in particular has been an immense support for us," he expresses his gratitude.

With Alex Maharjan returning from a yearlong stay in China, the "Savior-duo" is back in action for De Sweet beans. There are many failures of startups but the ones that manage to survive are the ones that will succeed. The sight of customers licking fingers after having their burger and enjoying every last bit of Momo chutney suggests that is exactly going to be the case. The beans are likely to taste even sweeter. ■

Written by Ashish Piya



Changed Platform, Continued Success



Muncha
www.muncha.com

“**H**ave zeal in yourself to follow your dreams and be competent in what you want to do and money will follow,” Amrit Tuladhar, CEO of Muncha.com. He quit banking job during the time when bankers were paid highly and there was high prospect in the finance sector in the days to come. He says he regrets nothing in life as he is living his dream and feels empowered to work towards it.

Muncha House is one of the oldest and leading departmental stores in Nepal, located in New Road, the heart of the capital. It has served its customers consistently for over eight decades by retailing, wholesaling and also supplying business organizations with their daily necessities. With the sole motto of reaching out extensively to its customers around the globe, Muncha House launched Muncha Internet Ventures (www.munchahouse.com) on April 2000. This was done taking in view the advent of the internet which raised the possibility of serving the Nepalese people in ways which were before thought of to be impossible. When Amrit Tuladhar returned from the US after completing his MBA, he did not know what career to choose, so consequently, he joined banking as an assistant officer for four and a half years to explore what he wants to do in life. As he was not a banker by heart, he

quit his job to start his own venture muncha.com in the early 2000. “When I returned from the US, I did not know what I really wanted to do; I did not know the professional business scenario of Nepal. So, I joined banking as a transition period. Then I quit it and started muncha.com,” Tuladhar remembers his journey from the US to Nepal.

The idea to start muncha.com came from the existing Muncha House, a retail shop that has been operating for more than 15 years. Muncha House had been selling through wholesale, retail and supplies and then, muncha.com thought of doing the same through the internet. ‘It was sort of a separate marketing avenue. It was just something we were already doing but it is a totally different market,’ says Tuladhar.

This form of business was entirely new to Nepal back then and was introduced at the time when the internet was at its infancy and the customers were digitally illiterate. Due to poor internet speed and lack of payment system, muncha.com had to focus primarily on NRNs. ‘When we started off, internet was expensive and many people did not even have internet at home,’ he explains the situation back then. Nevertheless, muncha.com opened to the local public in 2002. Muncha.com started its service from a one-room of-

fice with two employees including a delivery person and there was hardly a single order in two days. “Locally there were no customers for us. From 2002, people could shop online from our site but they didn’t, and besides, even we had not marketed our products locally,” Amrit Tuladhar recalls beginning days of his business. However, since four years, it has been aggressively promoting its services online in the Nepalese market. It has been promoting a lot more now and the pickup has been good.

Now, muncha has been providing ten different services ranging from online shopping (www.muncha.com), online money transfer (www.money.muncha.com), digital downloads buy and sell your

items (www.bazaar.com.np), online payment(www.ipay.com.np), online entertainment (www.bhoos.com) to online directory (www.uno.com.np) and online news aggregator. It is not only a site where only commodities are sold online but also a market

place model where others can also sell their products too. ‘50 different sites sell stuffs to us. We started branching out in 22 cities all round Nepal, so people from 22 cities can order from our site and delivery will be done in two days.’

Amrit Tuladhar explains these different services as a way to minimize the cost. “The market was very small therefore we expanded to different e-commerce fields in order to reach out to many customers. We share the same accounting department, marketing department etc,” Tuladhar explains. However, due to legal requirements, different services have been registered separately. Muncha has been experimenting in various e-commerce fields since its inception and some of the projects did not end up well. Services such as photosite which started in 2002 had to be closed down in 2006. Calling card introduced by the company had the similar fate. Even now, Amrit Tuladhar describes muncha.com as not actually profitable. ‘We do a lot of things, still it is not profitable but we characterize future to be very good. As of now, we are still building the infrastructure. We are trying different things like branching out, researches in eBooks field and trying several things which may not end up well though we put a lot of money,’ shares Amrit Tuladhar, “But meanwhile, we have really developed a good brand name in the market being the leading e-business in Nepal.”

The CEO of muncha.com thinks that the Nepalese market is not yet set for online business. Consumers are still not on board. The main problem muncha.com has been facing is the poor knowledge among customers about online transaction and the prevalent consumer behaviour in the market. He says, “People visit our site,

look at the products there, look at the prices and they go to shops and say Muncha has given the same at a cheaper rate and they begin to bargain. In the end, they buy in local shops, not online.” He perceives that people are still not confident to buy online although 99% of products in muncha.com are claimed to be cheaper than in the market. Nevertheless, the trend shows that people are buying online. Amrit Tuladhar optimistically believes that Muncha is today at the transition phase towards online transaction and soon, people will be opting for trading everything online.

Regarding the payment problems for online businesses in Nepal, he claims that there is really no payment problem in Nepal. The problem is banks do provide online bank account but people rarely open online bank account and moreover there are strict security policies in e-banking system where

banks demand regular upgrade of password which makes online banking complicated as account holders tend to forget the key pass.

On the pretext of the start-up environment in Nepal, Amrit Tuladhar observes a lot of activities going on, including start-up weekends and programs by Microsoft Innovation Centre. “College students have really good business ideas and most are on online areas but for this, customers are still not ready right now. They are not buying online but eventually they will,” However, he points out the problem that most of the college business projects do not end up as business and they remain only in paper and rarely followed.

Amrit Tuladhar advises young entrepreneurs vying for online business to focus on niche products to make profit. He suggests that online businesses need low cost but at the same time, to make it really a big business, they need to spend a lot in marketing and research which needs a huge amount of capital. So, to have a competitive edge over huge e-businesses prevalent in Nepal Mr. Tuladhar suggests the aspiring ones to serve the niche markets.

The story and struggle of Amrit Tuladhar certainly arouses grit within the aspiring entrepreneurs to bounce back despite many setbacks as one is overwhelmed by the joy in venturing out towards their lifelong dreams. He sees a lot of potential in today's youths and says 'just go for it' to become a successful entrepreneur. 'Paper work is not enough. One should start following up their business plans,' he shares in the end. ■

Written by Smriti Tuladhar

The idea to start muncha.com came from the existing Muncha House, a retail shop that has been operating for more than 15 years.



Idea Studio -

An idea can Change the Nation!

“To inspire motivated individuals to come forward with innovative ideas to solve existing social problems in communities and bring about social change, Idea Studio, a platform for all Nepalese, has been launched.”- The Himalayan Times

“I Have An Idea is a beginning of our journey to convert your Ideas into reality. Here, we will showcase how Innovative Ideas have transformed lives of people who have dared to dream, dared to believe in their Ideas and the impact they have made in their societies.”- Lex Limbu

“We want to encourage Nepalese to think out of the box and come up with innovative ideas that foster development and create entrepreneurship, particularly against the backdrop of so many youth migrating abroad every day,” - Hanaa Singer, Country Representative, UNICEF Nepal

One idea and so many definitions- Idea Studio implants itself as a hope for prospective starters who are but wanderers of financial and other opportunities. Initiated as a combined project of UNICEF, KUSOM and Child Reach Nepal, this campaign has proven to be an amalgamation platform for ideas, not only at regional levels but the national level as a whole.

The exceptionality of this initiative comprises in two folds: Unlike other national and international business idea competitions where a lavish event and a cheque to the winner conclude the whole purpose of the competition, the end result of Idea Studio is the implementation of selected ideas, and contrary to intellectual competitions where flow of information is limited, Idea Studio presents itself as a reality show on not just one, but three national televisions.

As claimed by the organizers, How do these exceptions

add value to the economy then?

Great ideas in the world became a success not on their introduction but upon execution. If ideas were all we needed, we would perhaps be a developed nation by now, given the world proven youth potential we have. Likewise, businesses are created not when an idea is born, but when that idea is implemented. Idea Studio captures the essence of development and aims at creating businesses and businessmen rather than mere contest winners.

Idea Studio implants itself as a hope for prospective starters who are but wanderers of financial and other opportunities.

The format of the competition itself is an indication that announcement of the winners is not the final aimed step of this campaign. The implementation part has been given utmost importance, as the announcement of selected ideas may indicate an end to the reality show competition but it does not put a full stop to the business building campaign of Idea Studio.

The Idea Studio reality show which has been slated for broadcast in three leading national televisions is the first of its kind in Nepal, where the selected ideas are presented not just in front of the prospective investors, but also publicized to throughout Nepal. The use of media in this campaign is crucial in taking the ideas to all households ranging from a hut in Rolpa to

a bungalow in Kathmandu, because the success of these ideas depends on the acceptance of their implementation by general public. This is the prime reason for the national television broadcast of this campaign so that it ensures the acceptability, accessibility and sustainability of the presented ideas in Nepalese context.

The success of an idea is contingent on various factors and with an idea such as the Idea Studio, success is even riskier. The stakes are high and the returns are too, but How does Idea Studio ensure that creation of the finest start ups and starters is guaranteed?

The success of Idea studio has been backed up at present and guaranteed for future by a number of supplementary ideas. These ideas, on one hand, ensure the effectiveness of Idea Studio itself as a campaign, and on the other, give bases for successful selection and implementation of the best ideas.

Active Promotion:

With a highly dedicated team that understand the urgency of a project like Idea Studio, the campaign has reached new heights of success with the awareness that it has created all over Nepal. Television, Audio, print and Audio-Visual media have

been exploited to the optimum level, with business tycoons like Anil Keshari Shah promoting Idea Studio in regional and national media.

The event #IhaveanIdea was a glimpse of what pinnacle of excitement the project has created in general public. The event held on 13th of July and hosted by Anil Shah himself, witnessed the presence of a packed house of Nepalese, all ears to interact with celebrity guest speakers, Paras Khadka, Nisha Adhikari and Anni Choing Dolma, who are all achievers in their own light.

The reality show of Idea Studio is slowly rising as a national phenomenon, which has added impetus to the level of civic consciousness the project aims to create.

Incubation Centre:

The incubation centre established in the premises of Kathmandu University School of

Management is a special business junction where the selected ideas are trained by academia, professionals and even the investors themselves for a period of about one month. The internationally designed centre teaches special skills on business plan preparation, market research, financial analysis and other aspects of business implementation.

Investors as Decision Takers:

The private sector of Nepal is not in shortage of funds but it is devoid of potential ideas to invest in. The belief that the need of the hour is extracting potential ideas from different corners of Nepal led to the active involvement of top notch leaders of the private sector in

Some of the shortlisted ideas

Startups	Starters
YELLOW NEPAL	Anish Shrestha
MICOTAB	Rudra Prasad Giri
Electric Train	Prasamsha Pokhrel
Vision for Vision	Araniko Pandey
Agro Tourism Resort	Saurav Sharma
Clean and Green Village	Navaraj Neupane
Ek Soch Ek Kartavya	Paribesh Koirala
Sunrise Powder	Daya Laxmi Lama
Unnat Ghas Utpadan	Ashmita Adhikari

Idea Studio, not only in the role of investors, but also in the deciding chair as judges. It is a platform not just for participants to enter into Nepalese business, but it is additionally a forum for the business sector itself to decide on what kind of businesses the sector wants to share its future with. This collaboration will eventually decide the future of Nepalese business sector.

The success of an idea is contingent on various factors and with an idea such as the Idea Studio, success is even riskier.

Idea Studio is in full swing and the episodes of the reality show are already an issue of discussion among people of all fraternities. The excitement is growing as to what new ideas will carve the face of a new business age in Nepal.

However, despite all the efforts and nationwide participation, there is always a risk involved; the risk of uncertainty. But on the other side of these risky clouds, is the rise of Nepalese economy. Idea Studio is a wonderfully positive initiative, which should and hopefully will, achieve its end goal of business creation, thus reducing unemployment and improving national production. Actually, this campaign of ideas should not end with the final episode of Idea Studio on national television, but it shall start from there on at national level. ■

Written by Pratistha Paneru



STARTUPS: FROM THE EYES OF THE LAW

Many prospective starters pass out every year with life changing ideas of businesses but are ignorant at many levels. As the legal maxim goes, “Ignorance of law is no excuse”, prior to any start-up decision, the starter should be well acquainted with basics and practical knowledge of the legal environment that surrounds a new business. Thus, an aspiring starter needs exposure to details regarding the legal procedure of firm registration, laws that govern the operation of the business, clear concept of market scenario and an assessment of possible legal hurdles during startups along with the solutions.

Choice of Business Organization

Every starter is to determine the form of business that he or she wants to start and this choice runs the gamut from the simplest *Pan Pasa* to a multinational company. The type of business organization should also be one among the three prevalent types of businesses we have: Sole proprietorship, partnership or company. The extent of liability, tax compliance and compliance with corporate governance vary according to type of business organization.

“In Nepal, it is very easy to start a company but very difficult to end it,” says Prajwol Ojha, corporate lawyer and founder of Ojha and Associates, “Entrepreneurs should have a concrete idea and business plan along with clear set of goals before opening up any business.”

In Nepal, many owners starting new businesses choose to operate their business as sole proprietorships since the complications as well as the costs are less. The provision that allows conversion of sole proprietorship into

wider and advanced forms like partnership or private/public limited Company upon saturation is an added benefit. Only requirement for this conversion is filling out the paperwork for your new business structure.

On the other side of the high utility derived from this form, lie the risks, which arise due to unlimited liability and absence of a separate personality.

“In Nepal, it is very easy to start a company but very difficult to end it.”

Partnership business is another option; however, the dissolution of partnership is very common in Nepal. “Problem is that people do not have a long term vision and research before they start business; do not know their partners well and have short-term profit motive,” Advocate Saroj Ghimire, visiting faculty of KUSOM and Asst. Prof. of Law says, “When there is no trust and no clarity in legal rules, terms and conditions and business aptitudes, running partnership is difficult.”

A more prevalent form of business at current times is the company form of business. To incorporate a company, the promoters require submission of Memorandum of Association, Articles of Association that contain name, objectives, capital and power distribution among key management personnel.

“For bidding and running trade in large scale, investors in most of the cases prefer companies than sole proprietorship because of governance structure, accountability, transparency and other corporate features including limited liability and separate legal personality. So, company form of business is the best in modern context,” Ghimire adds.

Taxation and VAT in Nepal

Every individual and firm, who have an annual taxable turnover of more than 1 million rupees (for service business) or 2 million rupees (for goods business), must compulsorily get registered to receive a PAN number which is a unique identification number, issued to all taxpayers by Inland Revenue Department. Goods and services are either taxed at the standard rate of 13 percent or they are taxed at zero percent for the tax exempt goods.

The taxation system in Nepal is vast but the important issues that need be publicized to starters are the customs rules regarding export and import taxes, provisions for claim of input tax credit, offences and penalties and a basic knowledge of tax office administration and jurisdiction .

Problems in tax system

Since, IRD cannot assess the taxable amount of every taxpayer in the country, Nepalese tax system allows individual taxpayers to assess their taxable amount themselves by stating their earnings and expenses, based on which taxes are paid. A provision of tax assessment by the tax officer is prevalent in case IRD is skeptical of the stated taxable income. “IRD officials can come and see tax records at anytime. So statement of returns must be kept safe for at least 6 years,” Ghimire cautions.

“The government has been doing, for instance, there are facilities of viewing one’s tax profile online. But, yes, there are some hassles. And moreover, we Nepalese have a tendency of making tax payment only in the end which makes it more complicated,” Ghimire comments.

Regarding business firms not paying tax in Nepal, there are two dimensions of it: tax avoidance and tax evasion. “Tax avoidance is considered legitimate and there are several mechanisms or facilities that firms can use to reduce the tax liabilities from other benefits, but tax evasion is a criminal act,” says Ghimire. He further adds, “There are several illegal mechanisms that firms tend to use to evade tax such as producing duplicate VAT bills, false purchase invoices, exceeding purchases, submitting false documents to Inland Revenue Department (IRD), showing increased liabilities to reduce the taxable amount to minimum.”

Protecting the intellectual property

Out there is a competitive world and businesses will try to imitate what you innovate. That is where patents are often most useful to new firms.

Owners can have their invention protected for maximum 21 years, design for maximum 15 years and trade mark for any period of time, all subject to renewal. You need to find out what patents have been registered in the last 20 years. Permission is required for use in case of worst possibility that a current patent or pending application covers part of the design of your product.

Out there is a competitive world and businesses will try to imitate what you innovate. That is where patents are often most useful to new firms.

The most important consideration regarding trademark is that nothing closely resembling another's trademark should be used. Identical names should be avoided with intensive research on internet and against other measures. Preserving the confidentiality of competitively crucial information is also important.

No one is eager to use precious start-up capital for patent and trademark searches, but proceeding without them can be very risky.

The problems underlying the Nepalese IP sector are lack of awareness and lack of effective implementation. Just one patent was registered in fiscal year 2069/70 and two in 2068/69 and firms still tend to copy foreign inventions despite the IP laws drafted by the state.

However, the law itself is satisfactory and the membership of World Trade Organization (WTO) and World Intellectual Property Organization, has allowed even foreign companies to register their intellectual property in Nepal.

Beware of Unfair Competition

Unfair practices such as syndicate and cartelling are rampant in Nepali market. Operation of cargo vehicles under rotational system, queue system, dial system and odd-even number plate system are the different faces of syndicate system in transportation sector. As a result, any new transport entrepreneur is blocked with strike and the start-up is hindered.

“We have Competition Promotion and Market Pro-

tection Act that prohibits any kind of agreement or activity that dominates competition or creates monopoly,” says Ghimire, “Yes, there have been such practices but they are absolutely illegal.”

The prevalent 'only I should earn' tendency in most sectors of Nepal, leading to syndicate and cartelling, is why investment decisions are to be reviewed before planning to invest in such sectors.

Foreign Investment

Foreign Investment can be an attractive prospect to start-ups. However, “Foreign investors are not allowed to do sole proprietorship or invest in small and cottage industry,” says Ghimire. “Also, there is an act called Prohibition of Foreign Investment Act which prohibits Nepalese citizens to make investment abroad.” he adds. The minimum amount of FDI to be made by foreigner is 5 million rupees. “The foreign national or the company may invest in form of share, loan or technology, where technology includes technical formula, know-how, patent, trademark or consultancy and management and marketing services,” adds Ghimire.

Decent Work environment and Environment Protection

A decent work environment includes social security of provident fund, gratuity, compensation, fair appoint-

ment and job description, timely payment of wages, equal opportunity and fair treatment, leave, health and safety environment, overtime payment and fair procedure of termination. Thus, a decent work environment ensures their long term retention which ultimately increases productivity and efficiency.

Get updated with fiscal policy

Government has facilities in the form of tax holidays, tax rebate, concession and subsidies in customs for mega projects such as hydropower development and development of large manufacturing industries. For businesses like outsourcing from other countries, there have been bilateral treaties such as Double Taxation Avoidance Treaty (DTAA) which could help in avoidance of double taxation.

So, there are a multitude of legal issues to think about when it comes to starting a business. Thus, legal provisions: tax compliance, labor compliance, annual submission and other forms of corporate governance are a must for the survival of any business. So, if you have decided on a start-up, make sure that you consider the legal compliance with ample importance as the failure to do so is going to have long term ramifications in the form of fines, penalties, reinstatement costs, and even business closure. ■

Written by Smriti Tuladhar and Sudhir Shrestha



SCHEDULE FOR PRE-EVENTS:

List of Pre-Event

Dustbin distribution in
nearby society
November 1, 2014

Library setup in a
Government School
November 1, 2014

Plastic-free zone Drive
November 4, 2014

Salsa Workshop
November 4, 2014

Parliamentary Debate
November 9, 2014

Contact:

Rohan-9851118844

Shamir-9803343467

Jay-9849977954

WE CARE
COLLABORATE
CELEBRATE

Interview with Ms. Sharada Rijal



Right to Education. Right to Expression. Right to Property.

Feminists now have been able to avail women with rights that seemed a mirage some decades back. Despite all these efforts, women are still lagging when it comes to entrepreneurship and contribution to the economy. There are but a few exceptions, women who have redefined womanpower with their vision, continued dedication and persistence to success.

"What we women should do is build our own identity and also contribute something constructive to our society - this fulfills the purpose of life in some way." - Ms. Sharada Rijal

Ms. Sharada Rijal, the Founder and Managing Director of Milan Garments, is the perfect exemplar of a woman of substance. Also the reigning 2nd Vice President at the Federation of Women Entrepreneur's Association of Nepal, Ms. Rijal started Milan Garments in 1989 AD with family assistance and today it functions independently as the top manufacturer and exporter of felt

products in Nepal to countries like Switzerland, Germany, UK, Japan, Israel, France and South Africa. The Company employs more than 30 women employees and inspires many more.

A receiver of Women Entrepreneurship Award 2003, Ms. Rijal has been featured in many national and international media, including the interview in BOSS magazine.

"The entrepreneurial insect had bitten me already when I was in school."

Vantage editor, Pratistha Paneru managed to steal a few minutes out of the busy schedule of this social entrepreneur, to talk on her inspirational story, the current situation and the prospects that outline the future horizon of female entrepreneurship.

Could you share us the highlight moments of your journey to being this successful social entrepreneur?

The entrepreneurial insect had bitten me already when I was in school. When I received an offer for teaching in Sidhhartha Banasthali in 2036 BS, I expressed my desire for business to the family, but in vain. I pursued teaching for 8 years, but I was never satisfied because my inner soul would suffice doing something else. In this period, when I got married, I finally gathered the guts to tell my husband about my entrepreneurial aspirations. He supported me on the decision but I still had to pursue teaching as this was a regular and secure source of income.

I finally started my business, taking loans from family members and who not. But, the business did not perform as expected. Two years, three years and still there were no signs of returns. Family and other pressures started to build up but I just could not give up my dream. I left teaching and devoted my 24*7 time to establish my business.

When was the turning point in the business then?

Things turned around when I received an export order from a foreign friend and since that day, I have never looked back. National and international recognition came along as the business rose. Today, we have orders from various parts of the world, and we export hand made products like bags, slippers, hats. Our company manufactures crazy hats during World Cup matches are also a popular hit in foreign. I have always given much carefulness to the finishing and quality of our products and relation with my employees, which I believe is the reason for the sustainable success that we have achieved.

You have been the witness of trends in female entrepreneurship sector for more than two decades. How has the level of interest and skills transformed in young Nepalese women?

I have been associated with business since the last 25 years and my experience says that the skills as well as interests are on an increasing trend, with the advancement in education and growing independence need of women. The uptrend is also boosted by the fact that at current times, due to increased standard of living, a family's economic burden is to be shared by both husband and wife. This creates an opportunity for women to indulge in income-generating activities.

Women may have been deprived of certain basic rights, but that was mostly in the past. Today, compared to men, even when equally or more compe-

tent women are graduating, why do we still have only a handful of female entrepreneurs compared to male counterparts?

Though women are equally competent in terms of skills, but there are certain factors that they still lag in. The first is the finance part. In a male dominated society like ours, where son is entitled to parent's property, whatever the new laws may suggest, it is difficult for women to start something because they do not just have the funds to invest. Parents readily support their son's investment decisions whereas a daughter has to be quite lucky to get that privilege easily. To add to it, even banks are not very friendly in that matter and it is definitely tedious for women entrepreneurs to fetch loan than for men.

Another reason is that of interest and investment options. Even educated women may not sign up for business because we have been brought up in a society where females are not allowed to have that sort of an interest. Even in my own case, when I expressed my entrepreneurial desires to my father, he turned away saying, "Business is not for women." Another factor is that women involvement in huge businesses is almost nil, which is also because of lack of fund procurement options. So, women are mostly engaged in small businesses, which may not be that significantly visible.

I have always given much carefulness to the finishing and quality of our products and relation with my employees.

Being affiliated to FWEAN, you have been acquainted with female entrepreneurs from all around the world. How difficult or easy is it for Nepalese women to indulge in business in Nepal, compared to other parts of the world?

I would say it is easier. In other parts of the world, there are a lot of technicalities and transparency involved, making it compulsory for either the owner herself to be skilled in management or to hire some costly management guru. In Nepalese context, even uneducated women with an idea and an entrepreneurial passion can pursue their dreams of generating income and employment through business.

They say that women are the biggest enemy of women. How well does this saying prevail in the Nepalese women entrepreneurship sector?

To tell you the truth, I or we, as an association have rarely witnessed this. There are a very few exceptions, but the overall picture says that there is a strong association among women who have true entrepreneurial passion in them. In my personal experience, it may have been difficult to work with men at times, because of their ego or other problems, but I have always been supported and have always assisted aspiring and existing female entrepreneurs. Motivation is all that is required.

It is important that women understand the importance of independence and identity creation.

How is FWEAN contributing in the creation of female entrepreneurs all over Nepal and for their upliftment?

There are 22 chapters of FWEAN located at different districts around Nepal, from which our operations are carried out nationwide.

One interesting campaign that we are operating currently, is educating women on the importance of entering the taxation system of the nation. Most women entrepreneurs hesitate in registering themselves for tax payment. We aim to bring these informal businesses into formal channel through registration. We aware them that tax is a platform where we can, as businesses contribute to our economy, rather than earning for self-consumption only.

The main programs comprise of taking the voices of Nepalese women entrepreneurs from all around Nepal to the parliament, providing necessary trainings whenever required and facilitating them through any form of assistance that the federation is capable of.



Would you like to share some success stories of WEAN member female entrepreneurs?

There are many of them but the one that comes to my mind instantly is the success story of Nawaras Achar. Our member Hajuri Bista has showcased great entrepreneurial skills and today her product has replaced almost all other Indian local pickles that circulated around the valley and is available in all major departmental stores. There are other equally inspiring stories, where we have assisted women in and outside valley in pursuing their dreams.

Would you like to shed some last words of wisdom to aspiring young women entrepreneurs of Nepal?

It is important that women understand the importance of independence and identity creation. My father's or husband's identity is not mine; it is for me to carve what identity I want to create for myself. Some say that entrepreneurs are born, but with dedication and passion for the field of business that you have chosen, anyone can succeed. A little bit of push is all that is required. ■

World Bank *Doing Business* Ranking - Nepal

Topics	DB 2015 Rank	IND 	BAN 
Doing Business Rank (Overall)	108	142	173
Starting a Business	104	158	115
Dealing with Construction Permits	91	184	144
Getting Electricity	85	137	188
Registering property	27	121	184
Getting Credit	116	36	131
Protecting Minority Investors	71	7	43
Paying Taxes	126	156	83
Trading Across Borders	171	126	140
Enforcing Contracts	134	186	188
Resolving Insolvency	82	137	147
Starting a Business	NEPAL	South Asia	OCED
Procedure (numbers)	7.0	7.9	4.8
Time (Days)	17.0	16.0	9.2
Cost (% of income per capital)	32.2	14.6	3.4



FROM FIFTY THOUSAND TO A 100 FOLD EXPANSION

The rapid growth that Nepali Tourism Industry experienced in the late 1990s mirrored in many of the individual firms that made up the industry.

But while most of the focus had been on services, the manufacturing sector also attempted to catch up fast.

One industry that revolutionized during the period is handicrafts. Pashmina, Jewelry, Metal Crafts, Handmade Paper, all were witnessing strong growth.

The entrepreneur Sunil Shrestha can claim to have been a part of this revolution. In the mid-1990s, he founded a small company Makalu Paper (and a couple of years later Shubham Handicrafts) that has now grown into one of Nepal's largest paper based firms. Even with Nepali exports severely struggling to keep up with the imports figure during recent years, Mr. Shrestha earns almost entire of the revenue from foreign market.

Starting Out

Sunil Shrestha began his career in a printing press. A couple of years' experience as a screen printer acquainted him to the realm of paper.

During a participation in an exhibition in Calcutta, he heard his fellow mates discussing the prospect of paper business in Nepal. On his return to the country, he became interested in the idea of starting a paper company. There were no private equity firms or business angles

around to help with startup capital, so he and his friends invested Rs. Fifty Thousand each to start a partnership venture.

The determined young man immediately setup Makalu Paper, with an initial investment of Rs. Fifty Thousand.

"The first few years went very smooth," says Mr. Shrestha. All the partners worked effortlessly in the beginning years. But as the profits slowly started pouring in, differences started to develop, and in no time scaled very high. Sunil Shrestha could bear no more. Without a *paisa* back on his partnership contribution, he left. The determined young man immediately setup Makalu Paper, with an initial investment of Rs. Fifty Thousand, again.

Next-to-nil infrastructure meant that he and his wife had to spend nights cutting and folding paper to make diaries and photo albums by hand. "This was during the Visit Nepal 1998 period," Mr. Shrestha recalls, "tourists were flowing in Thamel area like crazy." The storekeepers in Thamel would take all his products with open arms but were extremely reluctant to make the payment after they had sold them. "I

Get Personal

with Mr. Sunil Shrestha,

Founder, Shubham Handicrafts



Currently in my playlist: Apni Marji Se by Jagjeet Singh

Role Model: Dhiru Bhai Ambani

Best Advice I've ever received: Never give up

What I'd like to be doing in 10 years: To have own paper recycling unit

What I like about owning "my own" business: I can take any decision freely.

My advice for new entrepreneurs: Keep working hard, believe in faith, be honest with your customers and never give up.

incurred a loss of more than three lakhs during the period," he looks back.

Dawn breaking over the horizon

The ever-increasing financial troubles, lack of support from business partners, loss of confidence even from parents; Mr. Shrestha would realize only years later that he was then in the darkest hour of the night, just before the dawn. Believing in his business and trusting his own capabilities, he began writing emails to the potential foreign buyers.

"Adequate knowledge is not enough to have a successful venture, you've got to have an in-depth understanding of your field."

The breakthrough for company came about in a surprising way. Within a couple of days of writing the email he got a reply from Graeham Owens, a U.S based firm. The owner was visiting Nepal the following week and was looking forward to meet him.

"He had visited several big factories in the valley before he came to mine. Despite my poorly equipped facility, he gave ten percent of his total orders to me and the remaining to rest of the factories in the valley." Mr. Shrestha believes that he had successfully been able to express his commitment and willingness to strive hard.

"I delivered that ten percent order in time, with best quality," he proudly recalls.

Over the months the fraction of order to his firm increased to as much as thirty percent. During Christmas of the same year, he once again delivered the highly appreciated design and in time, while the others couldn't.

Mr. Shrestha remembers his getting called to U.S immediately after, in Graeham Owen's effort to sign long terms deal with him. "Then Makalu Paper had an exclusive distributor for U.S market," satisfaction apparent in his voice.

Eco-Friendly Shubham Handicrafts

The quality of his products namely Leather Journals, Notebooks, CD folders soon gained recognition in U.S market. In his next visit to U.S, several other buyers approached him in an attempt to import Nepalese

handmade paper products.

The legal obligations with Graeham Owens disabled Makalu Paper to engage in contract with these new buyers. This marked the beginning of Shubham Handicrafts.

Today, Shubham Handicrafts exports its products to numerous firms in U.S, U.K, France, Germany, Sweden and Switzerland.

In recent times the demand for biodegradable paper has soared high. "The Foreigners are extremely cautious not to waste even a tiny bit of paper."

Shubham Handicrafts now produces easily-biodegradable paper. "The seed from Poppy Corn Flower is blended into the paper pulp. This makes the final paper easily degradable in the soil," Mr. Shrestha seems pleased to have contributed something to the protection of environment.

Entrepreneurial Filtrate

As with majority of *Sarakari Jagire* family, his parents always wanted him to secure his life through a government job. But, the aspiration of entrepreneurship lived with him ever since late teenage. Determined in his am-

bition, he effectively coped up with all such challenges. He says, "I am glad that I managed to prove my decision right."

"Dedication, Honesty and Luck, I feel these are the pillars of ones success. The former two is under your control and should be present at all times, so that when the hindmost one makes an occasional visit, everything's properly setup for a mighty Triple-click."

The average sales of Rs. Twenty thousand per month in the earlier years has risen to over Fifteen Lakhs at present, Mr. Shrestha seems to have handled the challenges of growth quite well.

"I am trying to stabilize things and create a solid foundation at the moment. Should I spot any further growth opportunities in the future, concrete groundwork would definitely help."

"Adequate knowledge is not enough to have a successful venture, you've got to have an in-depth understanding of your field. Spend a lot of time studying the insights. Business is a game of patience. Trust your idea, work tirelessly, wait," Mr. Shrestha concluded, "the game is yours to win." ■

Written by Crystal Manandhar

Most read articles on our blog:
vantage.blog.com



Visit Vantage's Facebook page:
www.facebook.com/kusom.vantage



Values and economic development

- Narayan N. Khatri (PhD)
Values emanate from ethical/normative premises and offer a benchmark for what is desirable, and what is not. Values are prescriptions that are tested against some underlying assumptions—ethical codes. Values are ...



21st Century as the Asian Century: Unlocking Nepal's Economic Potential

-Dr. Omkar Lal Shrestha
21st Century as the Asian Century: Possibilities and Challenges 21st century is going to be the Asian century. With 52% of the world economy being contributed by Asia, the locomotive of ...



Mission: Graduation 2022

- Sujan Adhikari
Introduction The government approved the Three-Year Plan 2014-2016, in July last year with an aim of graduating Nepal from the current Least Developed Country (LDC) status to a developing status by 2022. ...



The Culture of Poverty


- Jesmita Gautam
Is poverty inevitable? Is poverty a concept that is elusive? A cursory glance at the global and local economies demonstrates that despite the implementation of intensive and ultra-careful anti-poverty programs, poverty is rampant. ...



Rent Seeking behaviour hindering Nepalese Development

"It's not just about starting a business and being an entrepreneur. It is about developing the spirit of entrepreneurship. We have a rent-seeking behavior, which is why our focus towards development is limited." A well-known ...

Vexing Issue of Startup Bubble

A large, translucent blue bubble is shown against a white background. A red pushpin with a gold-colored metal stem is stuck into the bottom of the bubble, causing it to pop. The bubble is deflated around the pin, with a small amount of air visible escaping from the opening.

Gravity states that when any object is thrown upward, it will return to Earth because of the forces of gravity acting upon it. Similarly, the laws of finance say that markets which go through periods of rapid price appreciation or depreciation will revert to a price point that puts them in line with where their long-term average rates. In simpler words, when a certain market is appreciating for certain period, it will depreciate to align with the long term average rates and vice versa. This is known as mean reversion in finance.

When a certain market is appreciating for certain period, it will depreciate to align with the long term average rates and vice versa.

Through the concepts of gravity and mean reversion, we can understand the concept of BUBBLES, and their reference to actual bubbles which burst after they are too big. However, in terms of economics or finance, bubble is created when investment goes way higher than the actual intrinsic value; thus NOT surviving in long term i.e. popping or bursting of these bubbles. The quintessential example here would be the technology

bubble OR dotcom bubble of late 90s which eventually popped in 2001 because of the surface tension of the superficial expansion easing out after irrational soaring. There are various other bubbles that history has seen, like gold as the store of value or telegraph bubble of 1850s. In all these cases, the bubble popped leading to tragedy for these subjects, after exuberance in terms of usage and investment.

A lot of experts, who studied the historic bubbles closely, are now speculating the bursting of today's Startup Bubble along with the social media bubble. Let us explore both sides of the argument revolving around startup bubble and eventually come to the bottom line concluded from the exploration.

One side of the debate:

This side of discussion includes people who support that startup bubble does exist. Proof enough is the statistics of World Startup Report of 2014 which stated that the world boasted nearly 140,000 startups, of which more than half were based outside America. For example- Israel itself has an estimated 375 startups per million inhabitants, versus 190 in America. Amongst these startups, technological startups

have been booming more than any other category startups. Tech entrepreneurs can really compete in the global market due to low risk investment and low operational cost, among other things. Even in Nepal, technological startups like CashOnAd (mobile advertising platform creator), PageVamp (website creator and tech services), have been mushrooming. So, the play ground for startups is definitely becoming more crowded than before.

A bubble is actually formed due to exuberance and unrealistic confidence of the investors, especially the venture capitalists, resulting in high investments.

Media has been successful in portraying entrepreneurs such as Richard Branson and Mark Zuckerberg as rock stars with success stories of Virgin Company, Facebook, Twitter. This has led to the startup culture growing stronger leading to bigger startup bubble. The implication is that there is even bigger impending tragedy if this bubble pops. However, if it is actually a bubble has been a question that is a vexing issue.

There are few of the likes of Mr. Ashutosh Tiwari, the country representative of Wateraid who support that there is indeed a startup bubble. They believe that youth today should not join the bandwagon of startup but work for few years in an established organization before finally going with the “Start-up”. Mr. Tiwari brought forward the idea of Nepal suffering from startup bubble, and wrote, “I feel that there is now a 'start-up bubble' in Nepal, where everybody from your kaka's son to your village buddy is doing start-ups. These start-ups, increasingly funded by well-intentioned and well-meaning donor representatives, include people who have never in their entire lives, managed a single P & L account, let alone face the rough and tumble of the harsh and ever-changing commercial marketplace. “

The other side of the debate:

However the other side of the debate denies the startup bubble formation, in case of Nepal.

Globally, startups are being encouraged because of the jobs they create and the positive catalyst they become for the economy of a country. However, the flip side of the popularity and awareness creation is that people have been paranoid about the creation of startup bubble and the aftermath of its tragic burst, just like that of the technology bubble. However, history does not neces-

sarily repeat itself! If we ponder upon the technology bubble's case, much of the money was spent on rents, buying various servers and market share. But today, most of the startups have virtual offices, less advertising expenses so even if the bubbles swell up, the stake is quite low.

On top of this, a bubble is actually formed due to exuberance and unrealistic confidence of the investors, especially the venture capitalists, resulting in high investments in a particular sector. However if such in the case when it comes to startups is the real question. According to people who support this side of the debate, the answer is NO.

Mr. Rupesh Krishna Shrestha, Assistant Professor at KUSOM and one of the catalysts behind Idea Studio, put forward his view that startup in Nepal is still in its nascent stage. He was also adamant about the opinion that there is NO startup bubble, at least in Nepal. He further pointed out that there are individuals just starting and experimenting with the possibilities of encouraging entrepreneurial startups. He expressed his sentiment that Nepal needs more people to promote and encourage startup ventures. We should accept the fact that the success rate for startups globally is very discouraging; but that should not stop us from encouraging more people to start their ventures.

The Bottom Line:

Optimists, such as Dave McClure of 500 Startups, a Silicon Valley accelerator-cum-venture fund support the argument that startup bubble does not exist. They argue that more startups will lead to more success stories. On the other hand, Andreessen, a noted venture capitalist, supports that there is indeed a bubble. He states that although starting up has become cheap thus ensuing many startups, “scaling up” a company is as expensive as ever, which will eventually lead to bursting of the bubble.

Even though the debate is still loud regarding the existence of a startup bubble, the crucial point is aligned with what William Janeway, an American Venture Capitalist and economist pointed out in his book “Doing Capitalism”. He stated that the irrational exuberance that characterizes bubbles may also be beneficial in that they generate technologies that will prove significant in the longer term. In other words, **currently, the startup bubble might have been getting PUMPED but that does NOT connote that the bubble is ready to BURST.** ■

Written by Sadbiksha Thapa

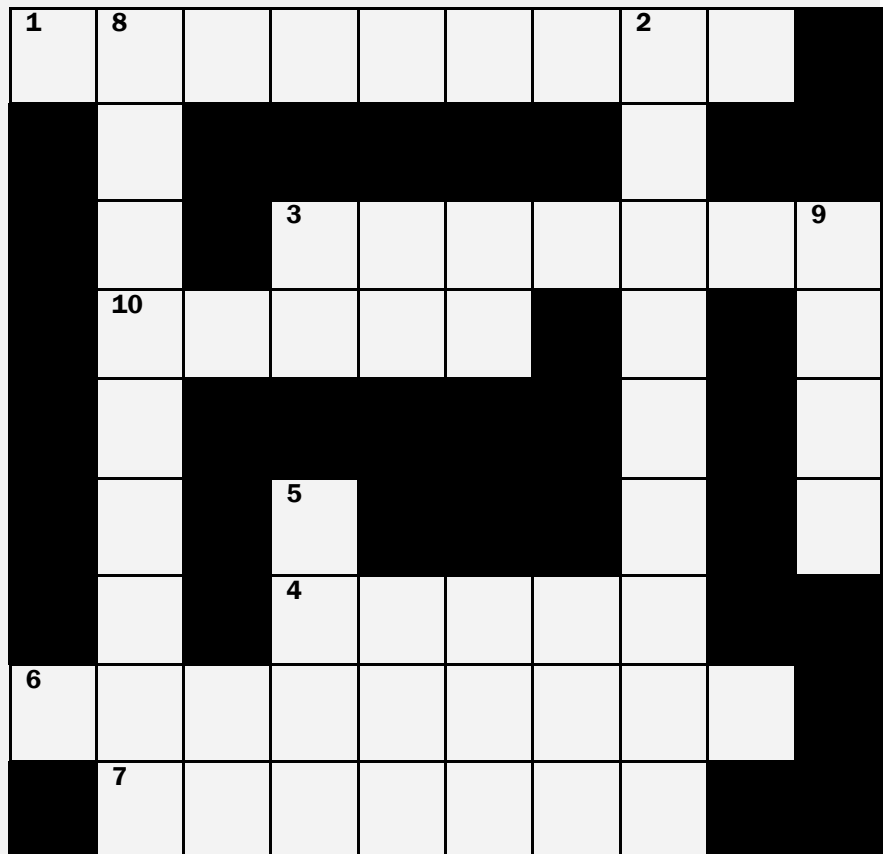
WORD CROSS

ACROSS

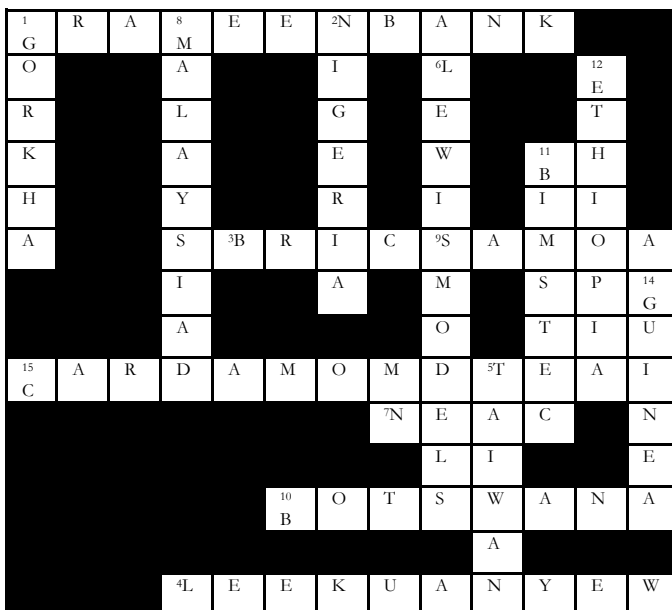
1. Indian business tycoon, founder of reliance industries (9)
3. The purpose of a company and management's philosophy (7)
4. Popular online payment gateway of Nepal launched in 2010 (5)
6. Get into or out of a situation using creative use of financial resources (9)
7. The first bakery of Nepal (7)
10. "passion for the road" (5)

DOWN

2. Chinese e commerce firm that recently listed its shares in NYSE (7)
5. You Come First - _____ Airlines (4)
8. Internet company found by Sabeer Bhatia and Jack Smith in the 1990s (7)
9. "Just to it" (4)



Solution — Vantage 8th Issue



EARLY SIGNS OF ENTREPRENEURSHIP...



Time
to plan
an
exit
strategy!

ENTREPRENEUR.FAI

How deep is your desire to succeed? Macquarie can do the world of good for your career.



- » Ranked No. 1 modern University in Australia and 18 in the world*
- » High-quality research education
- » Diverse environment with 12935 international students
- » Highest starting graduate salaries
- * QS 'Top 50' Under 50' 2013.



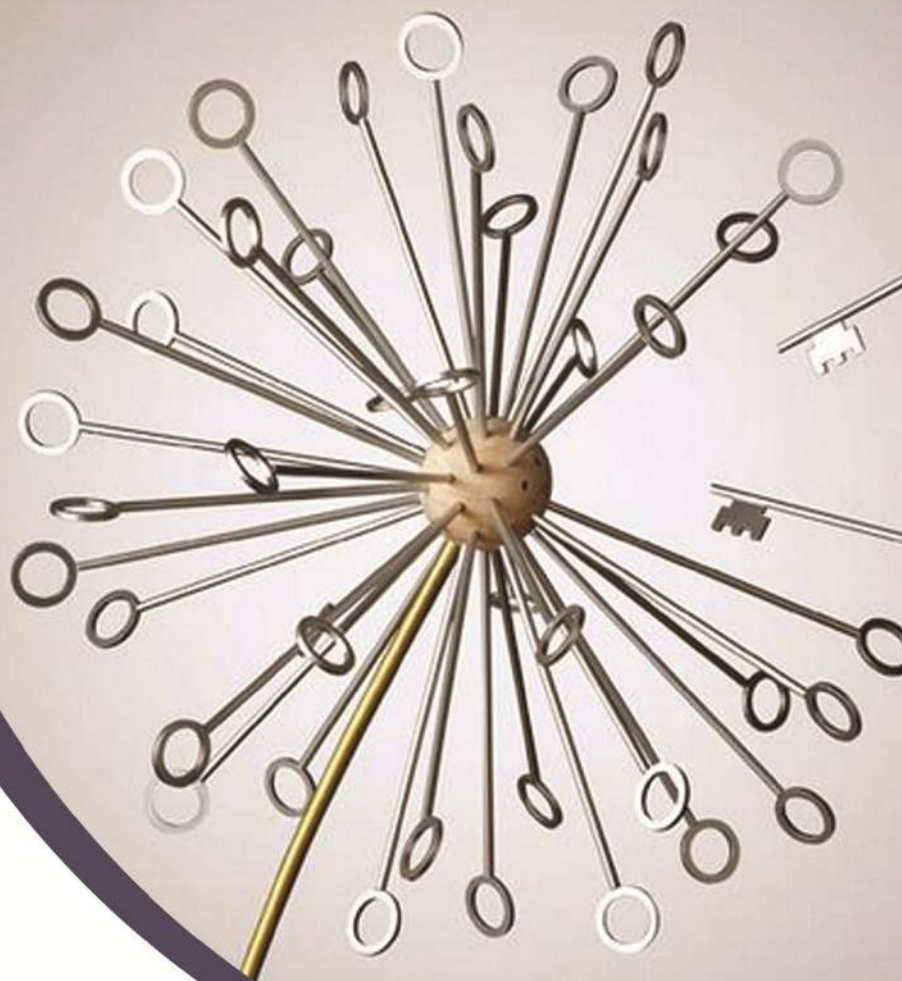
AS SMART AS YOU ARE

New Plaza Marg (Opp. Kumari Bank), Putalisadak, Kathmandu ~ Tel: 4442781, 4431760
Branch Office: Saahid Chowk, Chitwan ~ 056-571825 | Gauchan Complex, Amarpur, Butwal ~ 071-542051



facebook.com/landmark.edu.np
twitter.com/landmarknp

www.landmark.edu.np



Customer Care Training



Career & Employability Skills



Effective Communication Skills



Leadership Skills



Learning Skills

Key Skills
NEPAL