

A NEPALI ENTREPRENEUR'S HANDBOOK

VERSION 2.0 (JANUARY 2011)

E4N: STORIES, ADVICE AND NETWORKS



ENTREPRENEURS FOR NEPAL (E4N)

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Though every effort was made to make this Version 2.0 error-free, if you find errors, mistakes and typos, please let us know at info@e4nepal.com

We will make corrections before Version 3.0 comes out in Summer 2011."

ENTREPRENEURS FOR NEPAL (E4N)

We are a network of driven, creative, helpful and entrepreneurial-minded individuals who have scalable for-profit and non-profit ideas, and are looking to implement those ideas in and for Nepal.

As of early January 2011, this network consists of over 3,000 like-minded people from all over the world.

The E4N network is also a **platform** that does these four activities.

1) "LAST THURSDAY" (E4N NETWORKING SESSION)

E4N hosts a monthly Networking Session on the evening of the last Thursday of every English month. The tone of the networking session is informal and conversational. It usually features a talk by a prominent or interesting entrepreneur/businessperson.

The talk is followed by a lively Q & A and tea. Attendance is free, and early comers usually get a seat. All attendees are encouraged to bring business cards, and

use the Networking Session as way to get to know others. E4N hosts these monthly networking sessions in partnerships with **Samriddhi, ChangeFusion** and **Nepal Young Entrepreneurs Forum (NYEF)**.

2) "BOOT CAMP" (E4N TRAINING SESSION)

A boot camp is an intensive training session on an aspect of running a business. In 2010, E4N conducted two boot camps for entrepreneurs and business-owners. Those boot camps were well-received. In 2011,

E4N aims to run a boot camp once every two months on topics such as finance, human resource management, strategy, operations, sales and marketing, IT, entrepreneurship, and the like.

At nominal fees, these boot camps are primarily aimed at owners of businesses and those who have already started their businesses.

Keep an eye on your Facebook email for announcements about E4N boot camps in 2011. Start by Joining the free group by clicking on the footer below.

3) "SOUNDING BOARD" (E4N MENTORING SESSION)

There is a term in ecology called ecosystem. In an ecosystem, each species depends on and needs others to survive. Minus one or two species, other species can suffer to the point of extinction. The lesson is: everyone needs everyone else for survival.

Taking that metaphor to heart, E4N believes that entrepreneurship does not exist in vacuum. Entrepreneurship too needs an ecosystem of advisors, investors and financiers, lawyers, incubation centers, regulators, landlords, managers, accountants, media, designers, programmers, and so on to survive and thrive. As such, E4N is committed to help create an entrepreneurial ecosystem that makes entrepreneurship all the more possible in and for Nepal.

One additional way E4N aims to do that in 2011 is by regularly hosting – at various cafes in Kathmandu -- advisory and mentoring sessions called Sounding Board. If you are already running a business, or thinking of starting one, and need to brainstorm or think through your ideas, think of signing up for a free Sounding

Board session. E4N will listen to what you have to say, and provide feedbacks that may improve your business. One clear advantage of taking part in an individual, informal yet confidential Sounding Board session is that you may get perspectives, know-how and contacts that are not available if you only think or struggle alone. Visit the E4N Facebook group about information on when and where Sounding Boards take place.

4) ENTREPRENEURS' HANDBOOK (E4N KNOWLEDGE SHARING)

You are either holding this in your hand or reading it on a screen. Updated once every six months or so, this Handbook is an evolving knowledge-sharing document. It contains Last Thursday talk summaries, tips on doing business and other relevant information. It is free, easily downloadable, available to all, and you may use its contents for any purpose that you see fit.

We have seen that previous version of the Handbook was used as a learning material in MBA classes, as a sourcebook in training programs, and parts of it were republished in mainstream national newspapers.

A Nepali translation is available. Please check "Entrepreneurs for Nepal" Facebook group for details. Do let us know how we can make continuous improvement on the Handbook. The next version will come out in Summer 2011.

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OUR PARTNERS ARE:

The team at Samriddhi, the Prosperity Foundation

Luna Shrestha Thakur & the team at ChangeFusion Nepal

Dwarika's Hotel, Battisputali

Nepal Youth Entrepreneur Forum, NYEF of FNCCI

" E4N IS A PLATFORM FOR NEPALI ENTREPRENEURS TO NETWORK, SHARE CONTACTS AND SEEK ADVICE, MENTORSHIP AND POTENTIAL INVESTMENTS "

ANIL CHITRAKAR SOCIAL ENTREPRENEUR

Anil Chitrakar asks, “Who do you think made money in South Africa World Cup in 2010)? What about the vuvuzela manufacturer in China? Or the Nepali manufacturer of crazy hats who made hats of different countries? So it’s not just South Africa that made the money in World Cup. What about Paul, the octopus and its owner who was offered a role in Hollywood movie. How Paul the octopus made money but not the green parrot in Ratnapark. All we needed was 32 cards and a parrot to choose the right card among the 32. More than that, you need the media and network. I don’t think it’s the octopus that did the trick, and it’s the media that did the trick.”

LESSON 1: It is not enough to have a good idea; it is also important to have the right network and support for success.

In western Nepal, development agencies have spent a lot of money teaching people how to wash their hand. But people there don’t have enough water to drink, so they are not going to wash their hands. We can ask, is there any business opportunity

there? What about hand sanitizers, whose key ingredient is Aloe Vera. In Nepal, you find it everywhere but why have not Nepalese converted Aloe Vera into a product? There is knowledge gap about the fact that the plant actually has that use. The technology gap, to convert that plant into the lotion. Action to get it done. The



action requires resources like land to plant Aloe Vera, a bottling system, etc. Once you make these sanitizers, how do you know it works? A technical lab that certifies and says that this sanitizer will kill this much

percent of bacteria. So you need some sort of certification. The main point here is,

Lesson 2: There are potential opportunities everywhere but a lot of resources are needed to turn it to a product.

Let’s get to the world cup one more time. Potentially, Nepalese can make money in the next world cup by allowing the teams to practice at high altitude football fields in Nepal. They can come and play in Thaplu airport for a fee because if they can play at 20,000 ft, they should be really good playing at sea level. So, what will it take to make that into reality?

Infrastructure, as in the ability to bring them to Nepal, house, feed them and a little bit of electricity. Marketing it to very specific groups like players, coaches who are seeking for special training grounds. The question is, can you pull all this together?

“ IT IS POSSIBLE IN NEPAL TO PROVIDE SOLAR LIGHTING TO ALMOST EVERY HOME IN THE COUNTRY BECAUSE WE HAVE GOOD SUNSHINE ALL THE TIME ”

Let me say how this business plan is made. In Nepal, the poorest family spends Rs.7/- a day on light (kerosene) and communication (radio). The solar tukki that we have designed has a three watt solar panel, two sets of LED's and it has battery storage to play the radio, but it costs Rs. 3,500. How can you design a technology that cost Rs.3,500/- and sell it to the people who can pay Rs.7/- a day.

So, if I wanted to sell it directly to the people, there is no market. But we sold the technology to the saving and credit group, they then give it to the families on credit and everyday the families deposit Rs. 7 with the group. The technology is designed for

five years. So, how the market understands the technology is that, I get clean light and I have unlimited radio for five years which is almost 1,600 nights for Rs 3,500. So if I use this technology for 500 nights and pay Rs. 7 a day for 500 days, the technology is free for me for 1,100 more night. This way, the willingness to pay comes about. This is how we are able to expand our business through saving and credits groups.

Now would you like to charge your mobile phone with the technology too? With a small connector, villagers can charge their mobile while the sun is shining, for no extra cost. Now we took the next step i.e. the chlorinator- if you take table salt and mix water and you put three watts of energy into it, the sodium chloride becomes chlorine. If you put a drop of chlorine with the Aloe Vera and make it into a lotion, it will become a hand sanitizer. This is not rocket science.

Lesson 3: How do you understand your market, leverage your technology, finance it and add value?

There's another example of bio gas which is a simple technology. If you put the cow manure on a pan, it generates methane gas

with which you can cook, so people living outside the national parks don't have to enter the park for firewood and save time. However, the villagers were skeptical at every step, even when they could see the benefits they complained that only people close to ruling party got it. Now there are around 37 companies that build over 200,000 bio-gas plants. This all became possible by going to the parliament, working with the Natural Resource Committee and changing the National Park Act to allcoate 30-40% its revenue to the community to build the plants.

Lesson 4: In business, you have to be creative at every stage and find solutions to your problms (especially in Nepal where many people are skeptical of new ideas and change).

Baghmara, a community forest in Chitwan National Park has 43 elephants which make 4 trips/day into the forest with 3 tourists who pay Rs.1500 each. Now if you multiply $43 \times 3 \times 4 \times 1500$ - you get US\$ 10,000 a day. So one community is earning US\$ 10,000/ day. Now the question would be how many people in this room know how to ride an elephant? Another example, Appa Sherpa has climbed Everest 20 times or so.

From a business perspective, if you take two expeditions to Everest, you can buy a house in California. So, Appa has taken 20 expeditions to the Everest and made lots of money. Now the question again in this room is, how many of you know how to climb Everest?

“ SO THE ARGUMENT OF NEPAL BEING POOR, FULL OF PROBLEMS AND NOT HAVING ANY POTENTIAL TO MAKE MONEY IS RIDICULOUS ”

Lesson 5: We need to develop the right skill set to match that potential. So that is what we really have to think of as we go forward as a society.

So, to wrap this up, lets go back to football. Why is it so fascinating to spend one month, losing all that sleep, watching football? Why is it our passion to watch football? There are three things. The first one is, rules are same for everybody. If the rules were different for different people,

it would be no fun watching it because it would be like Nepal. Now the next thing is that there are consequences. For example, if you play foul, you get a yellow card and if you do it again, you get a red card and are out of the game and then further consequences apply.

So, in the country like ours where there are no consequences, what happens is not fun. We don't like to watch it because so many have come and gone like Rayamaji Aayog,

this aayog that aayog, but no one was punished. Now the third part is the word 'competition'. In World Cup 32 teams from small and big countries play. Spain became the world champion but Switzerland beat Spain. Why? Because it is a competition and in a fair competition, size does not matter.

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BIRENDRA BASNET MANAGING DIRECTOR, BUDDHA AIR

“My family background is basically in agriculture so, I am a first generation entrepreneur (outside of agriculture). The reason behind opening Buddha Air was, simply, creation of wealth”

Fourteen years ago, when we were establishing Buddha Air, we didn't have any equity and hence we started with debt finance. Looking back, the determination that we had was the key for the establishment of Buddha Air. Being

from a middle class family, opening up an airline company seemed like a joke. Even our own family members made fun of us. They mocked, **“You don't have NRs. 5,000 in your pocket but you are attempting a project worth three hundred million rupees?”**

There were many factors which made it possible though, especially our strategic plan and action for the company. Some major values Buddha Air represents are diligence, integrity and honesty. We have been practicing these three values very seriously.

LESSON 1: STICK TO YOUR CORE VALUE.

The most important thing we do is respect and take care of our staff. We have around 600 staff and they are our major strength. If we do not respect our team members, we cannot be profitable. There is a union in Buddha Air but it is not political. Despite the union, we are free to take actions in the matters of human resource management and we can even fire the workers in necessary conditions. The union understands that if any of the staff makes a mistake, it will hamper the entire team. Let me share with you a situation, during one of our lowest time. In 2001, the aviation



industry wasn't doing great. There was an extremely unhealthy competition in aviation sector and to make matter worse, we were in dire financial state. We called all our staff together and decided to reduce 30% of our salaries, just so we can sustain the company. Understanding the situation, everyone agreed to cut their salaries. In the end, we didn't have to reduce the salary but the incident demonstrated our relationship with staff. We have also been able to justify our profits and have provided bonus to all our staff.

Another important thing is we have a transparent account and we pay all the taxes. Let me also tell you that I don't know anyone from the tax office. This kind of transparency is highly valued by our staff.

LESSON 2: BE TRANSPARENT and LOOK AFTER YOUR TEAM.

One of my proud moments was when the government called me to pay 10% of all my income so far in the VDIS scheme. Due to the transparency we maintained, I was able to reply back saying that if they wanted 10%, they would have to return the 15% or the 25% of our income we had already paid for all those years as taxes. I stopped

getting calls after that.

LESSON 3: PRACTICE SOUND FINANCIAL DISCIPLINE & FOCUS.

In my view, one of our major strength is our focus in only one business. In 2009, IFC and World Bank told us that out of five airlines in the world that have generated net profit, Buddha Air is one of them. And the main reason behind our success is our core competency. In 14 years of operation, we are focused in one part of the sector. Aviation industry has huge cash flow and right now the turnover of domestic industry is around six billion rupees.

" THE IMPORTANCE OF TRANSPARENT ACCOUNTING IS THAT WE CAN LEVERAGE OUR FINANCIAL POSITION TO REDUCE RISK "

Hence there are tempting opportunities to diversify the work but we would not want to drift from our core competencies.

Strategic decisions of Buddha Air are- firstly our total focus was on our loan reduction. We have paid billions of rupees of loan and has created an excellent track record with financial institutions. Every entrepreneur should be very careful about loan and loan reduction. Secondly, we never compromise on quality or safety. Every year we spend hundreds of millions of rupees to train our staff. Our pilots regularly go to America, Bangkok etc. for simulations trainings and our engineers go for training every year. We have a huge amount of spare parts and we have not compromised a bit in training our staff. Besides this, it is also important for the staff to feel the sense of belongingness. Buddha Air is the property of more than 600 staff members.

Another strategy is- we generally try to anticipate future problems and we try to list out the solutions before the problems occur. Finally, we pay attention to innovation. **We do not follow precedents. If we had followed precedents, Buddha Air wouldn't have existed in the first place.**

ANAND BAGARIA FOUNDER, NIMBUS GROUP

Most of us have learnt that success does not come overnight. This holds true for Anand Bagaria too, managing director of Pro Bio-Tech Industries and Nimbus International Co, one of Nepal's leading agro-business enterprise. It took him 15 years to reach where he is today. Like any other kid, he too wanted to become a doctor, engineer or pilot while growing up.

However, in the second year of his college, he realized that he was not made to take jobs under anyone owing to his own temperament. He started to export handicraft from Nepal to US during his college days in India. He sent a few consignments but was unable to make a profit. Around 1994, when he finished his engineering, he chose to start his own business with the determination that, even if he only started a shop, he would be his own boss. And that counted a lot for him.

Even though he had no money in his pocket, many business ideas ran through his mind, like running a consultancy, an advertising agency or a motor garage. After numerous failures, including a

failed attempt at his father's ball-point manufacturing company, Mr. Bagaria says,



"ONE THING THAT I ALWAYS HAD IN ME IS THAT EVERY TIME I FAIL, I JUMPED BACK WITH MORE VIGOR, ENTHUSIASM AND DETERMINATION"

Lesson 1: Never give up.

While he was juggling a few things, he met a gentleman who was the agent for India and Nepal for the largest enzyme producing company in the world. He discussed about an enzyme which sold about five tons a month in the poultry sector in Nepal. Even though Mr. Bagaria knew nothing about poultry or enzymes, he believed the agent and got into the business right away. That was a big mistake but a blessing in disguise, says Mr. Bagaria. Two or three months later, he sadly realized that the market for the enzyme was much smaller.

But in the whole process, he met a lot of poultry farmers, especially in Chitwan and felt he finally found his niche. He learned that it was not an ordinary business, but was a science. There was more research on poultry nutrition than human nutrition. Another interesting finding was, it had very high turnover of around 15 to 20 billion rupees annually. The livestock value is close to 50 billion rupees, which is a significant amount in Nepal's context.

What got him further interested was that there were no big players in the sector. He recognized the opportunity but knew

nothing about the technical aspects of the industry.

“ BEING AN ENGINEER, BIOLOGY WAS SOMETHING I NEEDED TO MASTER OVER A SHORT PERIOD OF TIME SO THAT I COULD LEARN EVERYTHING ABOUT RUNNING THIS BUSINESS ”

In this environment, he met one of the fastest growing Indian companies and established an arrangement where his company would produce poultry feeding supplements. In the process, he understood the market better. The feed they were producing was unique with lots of potential.

But to increase production required new technology and a lot of capital investment. He recalls the difficulty in taking decisions.

Managing the resources, analyzing the risks, etc., were some of the issues he faced. But after lots of study, discussion and persuasion by international experts, he decided to invest. He can now proudly say that the entire dynamics of the business has changed due to the technology.

Lesson 2: Study new technology and embrace it if it meets your need.

In early days, the farmers would not accept his products. So he came up with an idea: if the farmers lost money by using his product, he would compensate. But if they made profit, they had to tell others about the product. That worked very well. In 2004, when he first started, 100 tons of feed was sold in the first month. In the second month he sold around 200 tons. Today, they sell 6,500 tons of feed every month with a target of reaching 10,000 tons per month.

Lesson 3: Best way to sell your product is to offer a win-win situation with your customer.

The company is working to improve its distribution model. The company developed about 14 depots across the

country to deal with countless “bandhs” and other instabilities in the country. That turned out to be a sound idea as it made it easier to distribute his product to his farmers. So he opened depot close to your customer to deal with “bandhs”

The company’s turnover in 2009 was 2 billion rupees and in 2010 they are heading for 3.5 billion.

Nimbus buys a lot of maize, soya, wheat and different kind of products to make the feeds. In the last ten years, it has been able to establish itself as a reliable and high-quality brand. It has a large network of farmers and about 500 dealers across the country, mostly in rural areas.

His next plan is to leverage thier rural network and attempt to provide rural population with micro financing and micro banking which would essentially help the agriculture sector and establish the company as a major catalyst in bringing another major change in the agricultural sector of Nepal.

KIRAN KRISHNA SHRESTHA TEAM LEADER, NEPA~LAYA

The name Nepa~laya was derived from the words "Nepa", which means Nepal in Newari language and "laya", which means music in Nepali. Kiran Krishna Shrestha, Team Leader of Nepa~laya explains that Nepa~laya is a book publisher, event manager, music producer, movie maker, and photo exhibitor. They manage the folk-rock band Nepathya and also organise the Paleti series with renowned artists of yesteryears.

They have published books of Narayan Wagle (Palpasa Café and Mayur Times), Kunda Dixit (A People War trilogy) and Sanjeeb Uprety (Ghanchakkar). In documentaries, their first project was Bheda Ko Oon Jasto in 2003. "That film was an opportunity to redefine documentaries in Nepal. We tested how we can successfully show non-fiction films to the public. Probably Bheda Ko Oon Jasto was the first non-fiction film to be released in a cinema hall in Nepal", he elaborated.

When Narayan Wagle was writing Palpasa Cafe, Nepa~laya conducted research to assess the book market but what they

found was not encouraging. "While talking to different publishers, what I realized was that none of the publishers was author-oriented. We identified this scope and started publishing books," shared Mr. Shrestha.



**(LESSON #1:
Books come and go, but if publishers promote the authors, they will be encouraged to write more books).**

Some people criticized Nepa~laya for

degrading the value of books by making it commercial. "For me, book readers are the consumers. From a marketing perspective, you have to let people know that the product is launched and available in the market. And more importantly, you have to make the product available and accessible to the consumers," defended Mr. Shrestha. This approach led to Mayur Times being available in book stores across 46 districts of Nepal on the day of the launch and also informing the public about the book shops where the book would be available.

" KATHMANDU IS NOT THE ONLY VIABLE MARKET IN NEPAL "

The launch of Mayur Times dispelled the general perception that the book market in Nepal was limited to Kathmandu. Even though most publishers had recommended them to print only about 1,000 copies, 10,000 copies were sold out in two weeks and 40 percent of the sales was made outside Kathmandu.

LESSON #2:

Kathmandu is not the only viable market in Nepal.

After showing **Bheda ko Oon Jasto** in different places around the country, they had initially planned to show it at Jai Nepal Cinema for a week at one show a day as they thought that only few people would come to watch a documentary with such expensive ticket price. But even though the length of the documentary was 85 minutes and the price of the ticket was the same as that of a regular show, 90% of the tickets was sold.

“This explains that there is scope in the market but you should know how to tap it (LESSON #3),”

Nepa~laya organizes solo concerts, even though there is no culture of solo concerts in Nepal. The same quality is maintained everywhere, even outside Kathmandu. He highlighted that they always start and end the concerts on time and everyone has appreciated this effort.

“WHATEVER WE HAVE ACHIEVED TILL DATE WAS DRIVEN PURELY BY OUR PASSION FOR WHAT WE DO ”

There are difficulties in selling music because the music market is not yet developed in Nepal. But he and his team are committed to try to change the scenario. He shared that their interests in contributing to the sports sector also led to a tour with NRT football club for matches against local clubs throughout Nepal.

According to him, the work they do is not for commercial purposes hence one cannot plan and focus on profit/loss too much beforehand. For him, this business is passion driven and they thoroughly enjoy what they are doing.

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E4N WORDS OF WISDOM:

Some accounting-finance thoughts:

1. Always focus on gross margins. A gross margin is the difference between what you sell your stuff for (i.e. sales) and what it cost you to produce (COGS) it. Make the gross margin as large as reasonably possible. This way, you will have money to pay for sales, marketing, admin and other expenses.
2. Not all customers are equal. Spend more time developing relationships with your high-margin customers. These are the people who help you have big gross margins that help grow your business.
3. Do not equate sales with cash. Do not have a “sales mentality”. You can make a lot of sales, and still have no cash and may even go out of business because it takes time, sometimes a very long time, to collect cash from your customers. So, focus more on collecting cash (i.e. having a good cash flow) than on merely making sales after sales.

MAHENDRA MAN SHAKYA FOUNDER, MOMO KING RESTAURANTS, KATHMANDU

Mr. Shakya returned to Kathmandu from Boston, USA in 1995, after spending seven years in the USA. There, he had seen how franchise-driven restaurants such as McDonald's, Burger King did well by selling fast food to billions of customers.

On returning to Nepal, he saw that momos had become somewhat of a fast food in Kathmandu. This gave him an idea: Why not start a chain of momo restaurants, and expand by handing out franchise rights to those who were interested in managing and operating momo restaurants in different parts of Kathmandu?

The idea, though simple, proved to be much harder to carry out in practice. In the restaurant business, location is all that matters. But landlords at most decent and commercially active locations were not keen to rent out space for momo restaurants. One reason was that at the time, in the mid-90s, the image and the hygienic conditions of road-side momo restaurants left much to be desired. Despite having no background in running

a restaurant, Mr. Shakya and his brothers jumped in with enthusiasm.

They ran into several problems:

First, the issue of workers: In the restaurant business, the hardest part is recruiting and retaining workers, and there's a high turnover. Most who come in are in their first jobs, and as soon as they get some experience, they leave to join



other restaurants or to work in the Gulf. There were some who became political trouble-makers at the restaurant later on.

Second, the issue of landlords: Mr. Shakya had to move the restaurants to several locations because landlords would not abide by the contractual agreement. As

soon as they saw, by the buzz of customers, the restaurant doing well, they would raise the rent unilaterally. Negotiating these repeated changes proved to be difficult at times. For a restaurant, when you change locations a few times, costs mount up.

And third, the issue of partnerships: Mr. Shakya had teamed up with a local momo maker, who had an existing momo business. Mr. Shakya partnered with him. Mr. Shakya had perfected a secret sauce, which he thought was the restaurant's 'killer app' or 'key to success'. But when the partnership collapsed, the partner walked out with the secret recipe.

Mr. Shakya's advice when starting a location-based business in Nepal,
1) spend a lot of time hiring good people, get everything in writing

2) use proper lawyers and accountants, and negotiate well with landlords.

3) Of course, pay attention to who you are partnering with. This way, you save yourself a lot of grief.

KIRAN BHAKTA JOSHI FOUNDER AND CEO, INCESSANT RAIN ANIMATION STUDIOS, KATHMANDU

Mr. Kiran Bhakta Joshi left his job of 18 years at the Walt Disney Studios in Los Angeles, USA to start his own studio in Kathmandu - Incessant Rain Animation Studios. Why, one may ask, would an established professional risk opening an animation studio for Hollywood production in politically-unstable Nepal, of all the places in the world?

That is as rare as US First Lady Michelle Obama recently wearing a Nepali designer Prabal Gurung's creation. The answer lies in the strength of Nepali diaspora in creating opportunities in Nepal, and opening a new industry and career line for young Nepalis.

With a background in computer software, Mr. Joshi started working in Walt Disney as a graphics software developer. One of his projects was developing the animation system used for the movie "Beauty and the Beast", which went on to be nominated for the Best Picture at the 1992 Academy Awards. Leaving a rewarding 18 year old job with a post of Head of Production and

a team of 250 artists and technologists working under him was not easy for Mr. Joshi. On top of that, he was aware of the doubts among his potential clients whether an animation studio in Nepal would deliver the quality and turnaround they were seeking.

The year 2007 was the turning point in his life. When he came to Nepal for the funeral



of a relative, his friend Sanjib Rajbhandari suggested opening a studio in Nepal.

He then spent three weeks in small animation boutiques in Kathmandu. In one of his visits, Mr Joshi was impressed by a 19-year old boy's portfolio. However, the boy said "I am not able to pursue my

passion in animation due to pressure from my parents. So, I am studying management. Would you be able to help me?". The question struck Mr. Joshi. Realizing the level of the boy's passion and impressed with the talent pool of the young artists in Kathmandu, he decided it was time to open an animation studio in Nepal.

"EMPLOYEES ARE THE MOST VALUABLE ASSETS OF A BUSINESS"

Incessant Rain now employs around 60 young animators who work on computer graphics projects of Hollywood productions and US TV series. While majority of the company's business comes from the US, the company has also produced animation for Nepali firms like Ace Development Bank and World Food Program (WFP).

Mr. Joshi believes that setting up of a business is easy but sustaining it is difficult. As he shuttles between Nepal and the US, he is finding it difficult to spend time in Nepal to ensure quality of the products. In the future, he hopes to find the right people to help him maintain quality.

While doing business in Nepal, he is facing the challenge of meeting deadlines of international clients due to frequent bandhs (strikes) and load-shedding. Despite these challenges, he sees bright hope for Nepal due to cheaper labor force, untapped resources, rich culture and diversity. The goal of the studio is not just to work on projects from the US, but take the rich folk stories of Nepal to the world, just like "Jungle Book", a story from India that became a famous animation. He finds Nepal rich in tales of Yaks and Yetis and other folklores.

His firm has successfully used the yaks and the one-horned rhino for the animation advertisements of World Food Program (WFP) and Ace Development Bank, respectively. He believes these would help to showcase the country's local identity. In the long-term, he hopes to focus on brand building and creating intellectual property.

At the E4N interaction program, Mr. Joshi shared his experience of opening and running a business in Nepal with international clientèle.

1. "Employees are the most valuable assets of a business." He says that it is very important to connect with every employee because even a single person with an ego can jeopardize the work process.

2. Young employees are easier to train than experienced employees due to their willingness to accept new ideas.

3. It is important to make sure the employees are having fun during work but at the same time discipline should be enforced.

4. Salaries at his studio are based on the productivity and the quality of the animation that his staff can create. He even helps his staff to go abroad if they want because he believes those people will gain better knowledge and return.

5. Networking is very important for entrepreneurs and no one should underestimate its power. Most of Mr. Joshi's clients in the US are established due to networking.

6. Hunting for talent is an arduous process and he looks forward to collaborate with

the universities in Kathmandu to start an animation academy to nurture fresh talents inside Nepal.

E4N



BAL KRISHNA JOSHI FOUNDER, THAMEL.COM

Bal Krishna Joshi argues that he is likely to be the most famous “goat-seller” in the world. Bal is the co-founder of thamel.com, an internet e-commerce portal that sells goods online – enabling expatriate Nepalis to purchase gifts, which are then delivered in Nepal by the staff of thamel.com, including goats during the annual Dashain festival.

What made Bal an entrepreneur?

Quite simply this: His dislike for a regular nine-to-five job, and his reluctance to work for a corporation.

His search for new opportunities led him to the IT industry. With a friend, Bal thought of building an information portal. That was how thamel.com came about. The duo’s initial step was to cater to the needs of the site visitors by creating a chat platform.

The platform was also intended for the vendors to connect to their prospective customers to sell their products. But to the founders’ surprise, they found that most of the users consisted of Nepali students

studying abroad. These students used the platform to connect to their relatives and friends in Nepal. Bal remembered a website called 1800flowers.com which used to sell flowers online, and had made millions while going public. He and his friend thought of starting something similar in Nepal to sell goods on the web.



It was the Dashain festival of 2001 that gave Bal the lucky break he deserved. Driven to the brink of shutdown, he and his partners had made a decision to give the portal one last chance. If the business failed to pick up during the then upcoming Dashain-Tihar sales season, they would

return to their old jobs. While discussing their business plan at a bar, a friend who was a bit tipsy suggested that they start selling ‘Khasi’ (live goats) online.

Bal got most excited by this seemingly crazy idea, and he quickly implemented it. Though it started with much skepticism, today this idea has made him perhaps the most famous goat seller in the country, even in the world.

When thamel.com started taking orders from Nepalis abroad to deliver goats to their families in Nepal, their customers asked what if the goat died. How would the customers know that they really got the goat that their sons and daughters had ordered from abroad? Plagued by uncertainty, Bal went to observe and study the goat selling process by goat traders in Kathmandu. He solved the problem of information uncertainty by arranging to take and send digital pictures of the ordered goats to customers.

By the third week, thamel.com sold goats worth 50,000 US dollars. Not only did this idea of selling goats online to US- UK-based Nepalis for their families in Nepal take off, it also made Bal and his company

financially successful.

The added bonus was that it also got him famous all over the world when he was featured by TV channels such as the BBC World Service. "Bhai Tika", another religious festival, also drove business up, as every present thamel.com delivered carried sentiment of sisters for their brothers. Moved by the sentimental value of gifts, Bal changed the slogan of thamel.com to,

**" WE ARE THE
MESSENGER OF
SENTIMENTS "**

Some thoughts from Bal Krishna Joshi for aspiring entrepreneurs:

1. Always think what the final consumer sees and thinks when designing a product or service.

2. Don't complain about the obstacles along your way. Try to turn them into opportunities.

3. Keep seeking new opportunities.

4. While hiring people make sure they believe in the cause you are working on.

5. Finding a talented workforce is hard and retaining them is even harder.

6. Never ignore the social cost of your economic activities.

E4N

E4N WORDS OF WISDOM:

Here are 10 quick tips for those interested in starting up your own organizations or business:

1. Learn to Delegate – But learn everything still.
2. Regroup quickly after a crisis -the end is only when you end.
3. Stop comparing . Do what you believe is right.
4. Bet on your heart. But go slow.
5. Improve your product or services each day.
6. Write a blog (diary). Re-read it frequently.
7. Do small experiments. Always.
8. Often say No. Often.
9. Celebrate small successes.
10. Focus on creating "culture".

TASHI SHERPA FOUNDER, SHERPA ADVENTURE GEAR

“Sherpa Adventure Gear”, the name itself gave goose bumps to the Marketing and Brand Manager of another global apparel company when it was first mentioned in a discussion. “That’s the effect a brand name should have”, says Tashi Sherpa, the owner of Sherpa Adventure Gear (SAG).

SAG is a globally competitive company, which counts North Face and Eastern Mountain Sports as its competitors. It manufactures and sells adventure clothes and trekking gears-- all manufactured by Nepalis in Nepal. Presently, the company is exporting to 13 countries around the world from its headquarters in a swanky new five-storey building in Naxal, Kathmandu. The flagship store has a research and development unit, and a bed and breakfast outfit that caters to their visiting foreign buyers.

The story behind how SAG happened is a story of luck meeting an opportunity. His uncle was one of the original Sherpas on Sir Edmund Hillary’s celebrated expedition in 1953. He knew that as high-

altitude porters and skilled technical climbers, Sherpas’ contributions are immense to mountaineering expeditions. Unlike the mountaineers, the work of Sherpas is not heralded, and they often live in poor economic conditions.



He wanted to do something to honor these unsung heroes. That’s when the name Sherpa Adventure Gear came to his

mind, as he started making a transition from his ready-made garment business (which did not do too well because of the phasing out of the global quota on ready-made garments) to high-end sports wear business.

“ HAVING KNOWLEDGE OF ALL ASPECTS OF A BUSINESS IS IMPORTANT BUT GETTING YOUR HANDS INTO EVERYTHING MIGHT CREATE DISORDER IN YOUR BUSINESS ”

So as your company grows, you must learn to delegate work, and trust your employees.

Since its founding, SAG has been sponsoring the best high altitude climbers in the world, the Sherpas, to test its products. The Sherpa Brand Ambassador

is paid a royalty based on sales, and up to \$0.50 from every product sold goes to a special fund for the education of the underprivileged Sherpa children in Nepal.

Although he had always been in the garment industry it was not easy for him to operate SAG because the clothes made in SAG are of superior quality. He did not have the technical knowledge of manufacturing adventure clothes and trekking gear. But he said that it is never too late to learn, especially when one is passionate.

So, once he saw the market potential of Sherpa-brand adventure clothes, he learned all the functions such as designing, manufacturing, sourcing the raw materials, packaging, marketing and exporting.

The first business he started was without any proper planning but it was a learning experience. He shared his lessons here.

Lesson #1: A proper business plan is the initial step to establish any business.

Lesson #2: Never get into a price war but focus on differentiating your product from competitors.

Lesson #3: Delegate responsibility

and emphasize on hiring honest and passionate people. Despite the political turbulence going inside and outside the country,

Mr. Sherpa seems cool and confident to compete in the world market with the label **"Made in Nepal"**.

"A BUSINESSPERSON SHOULD HAVE CONTROL OVER THE QUALITY OF THE PRODUCTS, AND TAKE CONTROL OF THE SALES AND MARKETING"

This is his secret of success as he plans to keep the **"Made in Nepal"** flag flying high.



E4N

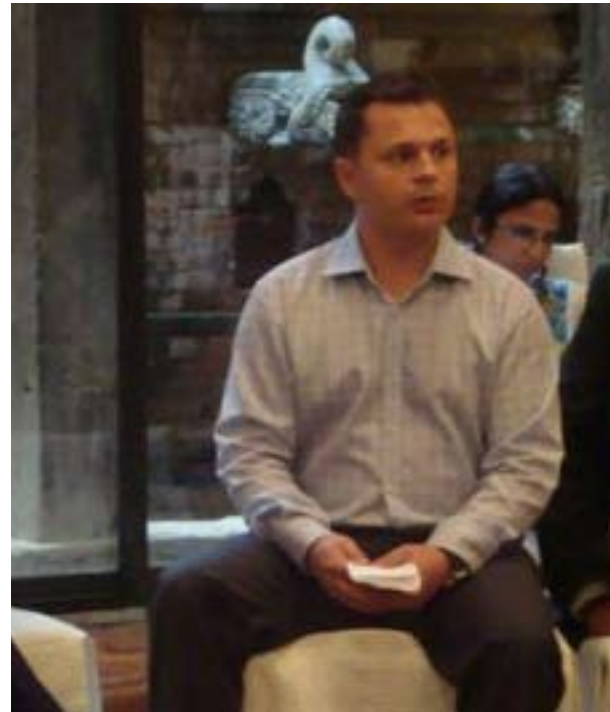
JONAS LINDBLOM FOUNDER, ISADORA COSMETICS IN NEPAL

Mr. Lindblom is from Sweden. He's married to a Nepali woman, and considers Nepal as his **karmabhoomi**. He's been active getting entrepreneurship going by opening showrooms of Isadora Cosmetics in Kathmandu.

The market in India was very complicated and it was difficult to do business there. There are many middlemen in India and various agents are involved in almost every sector. But in Nepal, it's much simpler to do business. Everyone knows one another.

“ NEPAL IS EASIER TO NAVIGATE FOR A FOREIGNER LIKE ME AND IT'S MUCH EASIER TO DO BUSINESS IN NEPAL. THAT'S WHY I CAME HERE.”

Mr. Lindblom is running two companies in Nepal - Artamus Nepal (P) Ltd., and L&L House of Commerce (P) Ltd. Artamus Nepal is an internet marketing for European clients while L&L House of Commerce is a trading and investment company. The latter company focuses on introducing high quality products from Scandinavia and exporting unique Nepali products to the



European market. It also concentrates on importing cosmetic items under the brand name of Isadora, which recently opened a showroom in DurbarMarg, Kathmandu.

Mr. Lindblom has started different businesses with his family. They have continued to invest in different sectors such as coffee, IT, cosmetics, while running an import and export business. He thinks that companies of Nepal are small so they need to work together otherwise they cannot succeed in both the local and global markets.

However, there is a culture of mistrust among entrepreneurs in Nepal, which hinders their growth. While competition is the mother of invention in an open capitalist market, there is a fine line between competition and collaboration that benefit both competitors. Nepali entrepreneurs have to learn the difference between the two if they want to succeed.

Mr. Lindblom feels that eradication of corruption and political violence will help Nepal achieve the prosperity enjoyed by Switzerland, and he sees Nepal as a potential Asian Switzerland. He believes the market in Nepal is expanding, and that brand awareness is gradually growing among people. He also recommends that since Nepal has a very small market, it is a perfect situation to use the blue ocean

strategy, which is a way of testing new products in new markets so that mistakes are small, and payoffs are potentially huge. He gives the example of Tata Nano as a typical blue ocean product.

Mr. Lindblom says entrepreneurs of Nepal are facing difficulty mainly due to miscommunication. Comparing Swedish people to Nepalis, he finds the former more direct. Nepalis have a tendency of beating around the bush until finally they get to a point. This kind of uncertainty is what a lot of Nepali business people have to deal with.

In summary, Mr. Lindblom shared the following words of wisdom for Nepali entrepreneurs:

- 1. Collaboration among competing entrepreneurs is key to uplift the market for all involved.**
- 2. Quick returns, in two-three years, in business is unrealistic in most cases. In Nepal, entrepreneurs tend to seek returns in five to six months.**
- 3. Nepal could be the blue ocean, or test bed for new products in new markets so**

that mistakes are small.

- 4. Nepali culture of not being straight forward in business is inefficient and very harmful for entrepreneurs.**

On how to bring back people who have left Nepal, he says,

“ A JOINT EFFORT
BETWEEN THE
GOVERNMENT AND
PRIVATE INSTITUTIONS
CAN CREATE AN
ENVIRONMENT WHERE
THERE IS POSSIBILITY
OF PEOPLE COMING
BACK TO NEPAL ”

E4N

WEBSITES E4N READS:

Marketing, Sales and Innovation

<http://sethgodin.typepad.com>

VC, Investments, Start-up advice

<http://avc.com>

Technology news:

<http://news.ycombinator.com>

Smart, savvy advice for career women

<http://www.ms-careergirl.com>

Leadership and management

<http://projects.nytimes.com/corner-office>

Leadership tips and tactics

<http://www.greatleadershipbydan.com>

Doing development through business

<http://www.nextbillion.net/blog>

Thought-provoking essays on start-ups, VCs and entrepreneurship

<http://www.paulgraham.com/articles.html>

ASHUTOSH TIWARI CEO, HIMALMEDIA

As the CEO, Mr. Tiwari's priority at Himalmedia was to turn around the company both operationally and financially. Leading a team of senior managers to focus on the results, he accomplished the turnaround task in 20 months, though he admits that any business is always an unfinished business, and that much work remains to be done at any given time at Himalmedia for further success.

Over a period of 14 months, he also negotiated with two Labor Unions, one of which was violently hostile. One day in December 2008, the national members of the violent union stormed into the building and physically attacked Mr. Tiwari and his editorial and marketing colleagues when they were having a weekly corporate meeting. A big public uproar ensued.

"Had ours been an instant noodles company, perhaps nobody would have cared as much about the attack. But the attack on a media house and on journalists such as Mr. Kunda Dixit was nationally and globally condemned, and that backlash hurt the attacking party."

Mr. Tiwari lamented that the process of turning around the company inevitably



meant letting go of some competent and loyal staff since the management was not in a position to raise salaries and benefits. The survival of the company was at stake.

"The staff members asked to leave were understandably angry and emotional. The pressure on me was enormous. But I

couldn't take it personally, and I couldn't let it all get to me. I had to be calm and focused to be persuasive, sympathetic and persistent – all of which I found difficult to be at times", he shares.

He said that with the support from the Himalmedia Board and the remaining staff, he let a total of 60 staff leave the company with generous severance packages and as humanly as possible, helping them with job searches, reference letters and networking calls on their behalf. "I had never worked directly with labor unions before, so dealing with them from start to finish in this case was an experience which tested me as a manager every single day" he shares.

Due to his regular and good communication with the staffs, it became easier for him to complete the mandate given by the Board. To win staff's trust, he would often hold several meetings, be persistent about getting the results and make things clear and transparent to staff. He says, "Managers get defensive and are easily agitated when labour union leaders start thumping their fists on the table.

“OFTEN, A MANAGER’S ANGER, IMPATIENCE AND IMMATURITY MAKE AN ALREADY BAD SITUATION EVEN WORSE ”

Mr. Tiwari thinks that most trade unions are good; but some of their leaders are cunning politicians who use every means to advance their own political careers at the expense of hapless and clueless private sector owners and managers. The demands of the trade unions should be, he says, in line with Nepal’s Labour Laws.

“Play straight, and stick to what the Labour Laws say” opines Mr. Tiwari. “You do not have to like the laws. You just have to follow them so that your position as a manager is legally and morally explainable when it comes to negotiating with Union leaders,” he says. Mr. Tiwari says that he believes that any success is only up to a point, and to keep on succeeding at anything, you have to keep on working hard

and push ahead.

(After completing what he was hired to do as the turnaround CEO, Mr. Tiwari left Himalmedia in December 2009. He continues to write a column for Nepali Times newsweekly.)

E4N



E4N HARD-WON WISDOM :

There are many ways to entrepreneurial success. Here is one, if you are a first-time entrepreneur:

1. Do NOT try to produce a totally new, new thing. The reason is simple. When you produce a totally new, new thing, you need a lot of money to educate the market about what your "new new" thing is. Educating the market is very expensive, both in terms of time and money.
2. When you try to educate the market about your new, new product, you burn a lot of your precious capital. When you burn your capital (like the dot com companies did in the US in 1999), you may go out of business altogether.
3. Adding insult to injury, as it often happens in Nepal, you may then have to watch late-comers succeed with the very idea that you came up with because you foolishly spent all your money educating the market about the new, new product for your future competitors to benefit from! [Believe us: nobody gives you a medal for being a "business saheed"!]
4. Instead of trying to produce a totally new, new thing, look at an established industry where there are existing suppliers, competitors, customers, etc. In other words, as a first-time entrepreneur, choose a known industry.
5. In that industry, think hard to find a niche (your new thing): see what the customers are looking for but not getting, and see whether you can find a way to meet their (unexpressed) demand. Finding your niche or your twist in a well-known industry lies at the heart of first-time entrepreneurship.
6. Once you find your niche in a known industry, educating the market will not be that difficult. That's because people already know your industry, they can generally understand what to expect, etc.
7. Once you've identified your niche, then, find a way to put "a moat around it", as Warren Buffet says. A moat refers to a large body of water (preferably with crocodiles) around a castle. A moat makes it difficult for others to attack the castle. If you think of your business as a castle, what should your moats be? Price? Brand? Location? High switching cost? Service?
8. Do NOT worry about competition. All reasonable people want to copy good ideas. Having competition is good, because it validates you and your idea. If no one wants to copy you, be worried.
9. Even with a niche and a moat, how do you know what works? You don't. Therefore, experiment small, fail fast, learn quickly, and change course to continuously scale up.
10. In the back of your mind, always ask yourself these four questions, and try to have answers:
 - What compelling reason exists for people to give you money to buy your product or service?
 - How do you get what you are selling for less than the cost to sell it?
 - How will strangers find out about the business and decide to become customers?
 - What insulation (moat) do you have from commoditization ("just like what everyone has") and price war (coming from competitors)?

MIN BAHADUR GURUNG FOUNDER, BHATBHATENI SUPERMARKET

Min Bahadur Gurung is to Bhatbhateni what Sam Walton is to Walmart: a visionary founder of supermarkets.

Mr. Gurung is the owner of the Bhatbhateni chain of supermarkets with a story of entrepreneurship that is inspiring for all. An ever optimistic and humble entrepreneur, he hails from a remote village in Khotang. He started his venture with US \$1135 by opening a small grocery store. Today he is a multimillionaire with the retail super market chain "Bhatbhateni" with plans to expand across the country.

He sees a lot of opportunities in Nepal and encourages young professionals to start things. He says that old investors like him are ready to back young groups of capable professionals to start business.

He wants young people to enter the Nepali market which has a lot of opportunities and a lot of room for innovation. His idea of biggest social service in Nepal is to give fair employment to as many Nepalis as possible. He employs about 900 people

now, and is planning on employing tens of thousands of people directly in retail and agriculture businesses. He says that hydro power and agriculture are fields he would personally invest in anytime. His advice to aspiring entrepreneurs is as follows:



a) History has proved that a lot of big companies in the world are the ones who started right after a big/ civil war.

b) Be patient. Mr. Gurung waited 9 years before he turned his small grocery store

into a retail store.

c) Imbibe honesty. Mr. Gurung emphasizes entrepreneurship is about relationships. Therefore honesty is a must specially in matters of money. Have a honest relationship with your financial institutions, your creditors, debtors, co-workers, employees.

d) Share. If you share much, you gain in doing business in Nepal.

“ THIS IS THE BEST
TIME TO BE AN
ENTREPRENEUR IN
NEPAL ”

Four points that have made Min Bahadur Gurung a successful businessman:

1. Start small. Mistakes committed when a business is small are not big: They can easily be corrected and lessons are learned without wasting much money and time.

2. Trust: Making a quick buck at the hapless customers' expense may be tempting, but the market rewards those who project consistently trustworthy actions. People, after all, buy and sell with those they trust.

3. Curiosity: Be alert, you know a business is going downhill when owners start exhibiting a know-all attitude and are closed to different viewpoints.

4. Focus: Gurung is clear about his focus: to sell Nepali and foreign goods at the lowest possible prices. He avoids distractions. All he knows is how to sell and has succeeded by doing only what he does best.

E4N

E4N HARD-WON WISDOM:

Things to keep in mind when making sales

Your success as an entrepreneur depends on your ability to sell. But hardly any business school offers a class on sales. Many organizations offer training programs on sales that are about theories of sales, and not about the practice of sales. Below, we offer some not-really-original but sensibly practical tips on sales.

1. Never talk cost. Never talk price. Always talk to clients about value. Value to them. Value for them – when they buy and use your products and services.
2. Explain and re-explain value in terms of how it makes the clients' life better, or easier or more profitable.
3. Always quantify what your strengths: 5 years of experience, 5,000 customers served, etc.
4. Never leave a sales meeting without mutually agreeing what the next action step is.
5. When making sales, talk more about the clients and their issues, and less about you. Listen, ask questions, understand what on the clients' mind, and help the clients explain what they are looking for.
6. When you make cold calls, the point is not to sell – but to have a meeting.
7. Selling and negotiations are different: First, sell. Then, negotiate discounts, etc.
8. Sales and marketing are different: Marketing brings/attracts the clients to you; you then make the sale to the clients who have come to you.
9. Ask your salespeople to deliver on sales to forecast: when they do so, it means they are on top of their work.
10. Care about your clients. People interact with and buy from those who care. Always help and inform your clients even when there is no direct and immediate benefit to you.

AMBICA SHRESTHA CHAIRPERSON, DWARIKA'S GROUP OF HOTELS

Mrs. Ambica Shrestha is the figure behind Dwarika's Hotel, which is perhaps the world's only hotel to be constructed for the expressed purpose of preserving the unique architecture and art of its culturally rich environs.

At the Last Thursday's interaction, Mrs. Shrestha provided inspirational words to the 50 or so young entrepreneurs gathered at the event. She encouraged the young guns to change the conventional mindsets from being job seekers to job creators. That would stop so many young people going abroad.

“EMPLOYEE
MINDSET TENDS TO
MAKE YOUR VISION
LIMITED WHEREAS
SKY IS THE LIMIT FOR
ENTREPRENEURS ”

“Besides it's very hard to find a job these days. So come out of universities not as employees but as employers and entrepreneurs, create a job of your own, be it small but be innovative and imaginative”, she adds. According to Mrs. Shrestha one lesson for aspiring entrepreneurs is that



hard work & determination are essential to success. Riches don't come overnight neither does success.

“One needs to love their work invariably if he/she really wants to succeed.”

Hospitality, IT, travel and tourism are some

of the areas she finds worthwhile for investing time and resources. Mrs. Shrestha gives the example of Spain which was quite a poor country until a few decades ago but found its riches by promoting what they had: beaches, islands and their rich culture. Low labour costs spearheaded the transformation of Spain from a poor country to a highly industrialized economy. “Nepal can also benefit from its cheap labour and natural resources,” says Mrs. Shrestha.

She states that hospitality business doesn't just profit the top level entrepreneurs. The profit and benefits trickle down to all the participants of the business regardless of their level. A vegetable grower or a transport service provider benefits equally like hoteliers if hospitality business grows.

Mrs. Shrestha chose to break traditional convention by working after marriage. Mrs. Shrestha remembers her struggling days in a male-dominated Nepalese society and encourages young girls of today to work very hard and break the glass ceiling society imposed on them.

She started teaching for a monthly salary of Rs. 80, worked with USIS in 1959 and then

as Managing Director of Kathmandu Travel & Tours, one of the first travel agencies in Nepal, which was started by her husband, Dwarika Das Shrestha. During a jog, her husband observed intricately carved and engraved wooden pillars of an old building being demolished to make way for a contemporary structure.

He convinced the workmen to exchange the damaged pillars for money plus new lumber, which was followed by further collection of such wooden structures. A friend staying in their cowshed with an old carved window was highly impressed and word of mouth brought more people to observe the carvings. Someone suggested the duo to build more of such rooms and hence preserve the carvings and make money as well. This led to the commencement of a successful lodging business.

When her beloved husband passed away in 1991, Mrs. Shrestha persevered to fulfill her husband's dream to use all the artifacts and build a huge hotel. Due to her dedication, today Dwarika's hotel portrays itself as a mansion of artifacts, carved windows and our traditional arts allowing guests to live among the architectural and

artistic beauty of the past. Through hard work, perseverance and support of her daughter, she travelled all over the world marketing her hotel.

She also introduced *Dachi appa* which is a traditional way of making carved bricks. Mrs. Shrestha also found innovative ways to prevent any damages to the traditional structures from earthquake. Besides her hotel, Mrs. Shrestha currently works towards helping women through various organisations and charities. Women are empowered through literacy, skills enhancement and loans for starting their own ventures.

Mrs. Shrestha says, it's the young people and all the stakeholders who should unite and protest against strikes and bandas that threaten the survival of the hospitality industry. She believes it's the inaction of the good people that's letting the strikes go on as only a handful of people easily hamper the daily life of the others by blocking the roads and traffic.

“ DON'T EXPECT
AND WAIT FOR THE
GOVERNMENT TO SET
THINGS STRAIGHT. IT'S
YOUR LIFE AND YOUR
COUNTRY. STOP THEM
FROM RUINING YOUR
LIFE ”

E4N

KARNA SHAKYA FOUNDER, KATHMANDU GUEST HOUSE

"I feel very pleased to see so many entrepreneurial brains in Nepal these days. I find that many youngsters are pursuing their studies in entrepreneurship. I haven't studied management or economics though. I am a conservationist. I studied forestry and worked for the forestry department until 1970 when I left my job to become an entrepreneur", says Karna Sakya, an accomplished tourism entrepreneur of Nepal and an accomplished writer of two hugely successful books "Soch" and "Khoj" to his credit and his third book titled "Ma sakchhu" due to be released soon.

As Mr. Shakya shared his experience with young entrepreneurs gathered during the Last Thursday's event organized by Entrepreneurs for Nepal, he gave his

Lesson 1: Experience is critical for an entrepreneur, more than the academic qualification. It is the experience that teaches you better on how to manage time, motivate people towards your vision, develop your human resources, get the loan approved, deal with unions etc. Nepali

entrepreneurs have to learn more from the context of Nepal rather than from international books on entrepreneurship.

He cited examples such as Laxmi Sharma, who has been to a school for not more than three days but became the first



woman "Tempo Driver" of Nepal and has then created an internationally sprawling business of handicraft, and is now known as "the button queen on Nepal" for her unique designs of buttons made from

animal bones. Shakya talked about a 25 years old widow in Bhaktapur who was making enough money to feed her children through begging but through sheer persistence started a successful organic vegetable farming business.

" TOURISM IS A DREAM INDUSTRY. YOU NEED TO DREAM AND SELL YOUR DREAMS "

In 1971, when Mr. Shakya started the legendary Kathmandu Guest House with just 12 rooms, he didn't think it would develop into a sprawling hotel in Thamel.

As one runner wouldn't make a marathon, a single Kathmandu Guest House wouldn't have made Thamel the tourist hub it is today. Realizing this, he asked other entrepreneurs to build hotels in the vicinity of his guest house. Though people criticized his move to ask a competitor to put up a hotel beside his, his wisdom paid off.

Present day Thamel enjoys myriads of hotels and restaurants, and is always buzzing with tourists from all over the

world and Thamel has become a brand in itself!

Lesson 2: "An entrepreneur must never be scared of competition, it must be embraced. Competition shouldn't be treated as a threat but as a necessity. Competition makes you more efficient and fitter for survival. Don't think of finding success alone", he shares.

Though Nepal has a huge potential in tourism industry, conventional mindset of tourism entrepreneurs of Nepal is one of the main reasons for holding it back. Tourists who visit Nepal have already had enough of hotels, rafting, mountain climbing, trekking. They want something new now. There are many hidden paradises in Nepal where tourists are yet to be taken to, many adventures tourists are yet to experience. The problem is we are not being "innovative", he feels.

He believes that knowledge and sweat should never be sold for free and there isn't anything called free lunch.

" SELFISHNESS IS NOT WRONG, IF IT DOES NOT HARM OTHERS "

He believes self-interest makes people work towards helping others to earn profit in return. Self-interest is an inevitable aspect of entrepreneurship. Drive for success, not wealth, makes a person successful. Many once successful business houses have been driven to oblivion as the first generation failed to transmit the entrepreneurial drive to the following generation.

Mr. Shakya feels that Nepal doesn't need any more political leaders. On the other hand, we need much more entrepreneurs who are generating wealth and creating jobs for tens and hundreds of people.

Lesson 3: "Evaluate yourself. Be passionate about your work, have the enthusiasm to be consistent. A person must love his work to be successful. Without love for your work, you can be an employee but never an entrepreneur. Love for your work generates passion.

Mr. Shakya emphasizes on the need to utilize every paisa efficiently as an entrepreneur. After being successful, he feels that time becomes the most valuable resource and the focus must be on the most efficient use of time and networks.

Lesson 4: "Entrepreneurship is similar to riding a bicycle or swimming. You won't learn them by reading books about them. You need to experience them yourself, commit some mistakes and learn from them"

E4N

GYANENDRA LAL PRADHAN MANAGING DIRECTOR, HYDROSOLUTIONS

Gyanendra Lal Pradhan, an electrical engineer and a business entrepreneur, is widely known for his contribution in areas of hydroelectricity and clean water. Mr. Pradhan is the Patron/ Chief strategist of Hydro Solutions which is currently working on about 15 hydro projects capable of producing more than 360 Mega Watts (MW) of electricity.

Mr. Pradhan believes Nepal is full of life. Nepal has 20000 liters of per capita water and enough potential for generating electricity to meet the demands of India and Bangladesh.

Nepal has both water and the potential to generate electricity and the market to sell them as well. He suggests everyone to learn from Norway which is the fifth largest producer of oil but uses electricity for its domestic use and exports all the oil. Norway started electricity projects when it was too poor by calling on foreign investment and safeguarding the investments.

The abundant production of cheap

electricity caused foreign aluminium companies to come to Norway and soon it also became a large producer of aluminium and due to the rising demands many foreign companies came to Norway to create a huge shipping industry. Similarly Nepal can be as prosperous as Norway if it utilizes its water resources properly.



Despite the potential, Nepal's resources are being poorly managed; we have no oil with Oil Corporation, no water with Nepal Drinking Water Corporation, no electricity

with NEA. All of these problems are self made. So, what's the process of bridging the gap between potential and reality? He thinks the younger generations have a great role in the process.

**“ ENTREPRENEURSHIP
DOESN'T BENEFIT AN
INDIVIDUAL ALONE
BUT THE WHOLE
SOCIETY AND THE
COUNTRY BY CREATING
EMPLOYMENT
OPPORTUNITIES AND
GENERATING WEALTH”**

Talking about the environment for business in Nepal, he doesn't find it secure enough owing to the fact that the country has had a decade of internal conflict between the Maoists and the government. He shared his own experience of doing business at the time of conflict.

He had only just bought the Butwal

Hydropower Company when the then rebels blasted his station. Extreme depression made him give a serious thought of moving to Canada to settle there but he abandoned the thought later. He now works closely with disgruntled groups to understand their concern and provide for their needs as much as possible.

Mr. Pradhan said it is the most significant time in the history of hydroelectricity in Nepal now as more than 50 thousand crore rupees are currently being invested in hydropower. The fate of the current investments will determine the future of hydroelectricity in Nepal. Hence we need to make the investment environment friendly.

“ TAKE SOME
CALCULATED RISKS
AND DO SOMETHING
NEW RATHER THAN
COPYING FROM
SOMEONE BECAUSE
COPYING FROM

SOMEONE ALWAYS MAKES ONE INFERIOR TO THE ORIGINAL ENTREPRENEUR ”

Organizing capacity is another very important skill needed by an entrepreneur because Mr. Pradhan believes even the most capable entrepreneurs cannot exceed a certain level without an organization behind them.

Organizing skills involve networking and connecting with people who are crucial to the success of the organization. According to him, partnership is a better way of doing business ventures as competition between partners promotes the interest of the organization rather than sole trading concern where the sole owner enjoys monopoly.

Mr. Pradhan outlines the primary characteristics of successful entrepreneurs as follows:

1. **Think differently, be day dreamers**
2. **Be independent, tough and creative**
3. **Be extremely optimistic**
4. **Be prompt decision makers if you have enough facts/ information**
5. **Have a vision to drive enterprise**
6. **Have a habit of analyzing past actions and learn from them**
7. **Have determination and strategies to turn vision into reality**

AJAY GHIMIRE CEO, VIBOR BANK

Ajay Ghimire is the CEO of Vibor Bank, a national level category B financial institution licensed from Nepal Rastra Bank. Mr. Ghimire is also the founder of Ace Institute of Management and Ace Finance.

He shared that during an exam at MIT where he was doing his MBA, he faced an incident which later inspired him to establish Ace Institute of Management. "I had answered a question wrong but towards the end of exam I realized my mistake. I put a short note at the end of the answer sheet explaining my wrong assumption that led to the wrong answer along with the conclusion that I would have reached had I made the right assumptions. To my surprise, I was awarded full marks. Later when I enquired, my teacher told me that what counts is the right knowledge I had and not the exact answer. The incident had a profound impact on me as being a student in the Nepalese educational system I was habituated to the opposite situation.

I later returned to Nepal and established Ace Institute of Management which unlike the traditional Nepalese educational

system focuses on practical and up-to-date education."



After establishing the Ace Institute of Management as a pioneer educational institution of Nepal, Mr. Ghimire began to realize that it was time to support entrepreneurs, so he worked on bringing the concept of consumer finance while he was working for Nabil Bank.

But before he could implement his concept, the ownership of Nabil Bank changed. This led to the establishment of Ace Finance which was initiated to support the entrepreneurship activities in Nepal. Besides this, Ace Finance also came up with the concept of apartments in Nepal with Ace Apartments.

In 2000, Mr. Ghimire began to feel very

agitated by the conflict and instability in the country hence decided to pursue his studies in Public Policy. While studying at John Hopkins University he learned the lesson,

**" ALL YOU CAN DO IS
CREATE YOUR OWN
WORLD AND TRY TO
MAKE IT AS BETTER
AS POSSIBLE AND
DON'T WORRY ABOUT
ANYTHING ELSE "**

After returning to Nepal, Mr. Ghimire started Vibor Investment in partnership which didn't work out. He pointed out that the lack of habit of writing down agreements and poor legal system makes it difficult for partnerships to work in Nepal. Then he established Vibor Bank and is currently the Chairperson/CEO of the bank.

He believes that traditional banks are risk averse and cannot provide enough support

to entrepreneurs. He describes Vibor Bank as an institution that envisions proliferation of entrepreneurs in Nepal and has the mission of making capital accessible to more and more entrepreneurs in order to enhance their productivity.

Mr. Ghimire believes lack of capital shouldn't be the constraint to entrepreneurs, what really matters is the idea and persistence of the person. He said that in order to promote entrepreneurship in Nepal, there is a need for strong enforcement of contracts, finding the right people to invest on, strong rule of law and development of platforms where young entrepreneurs can share and learn.

He also said it was important to have networks in politics in order to do business and the importance of having someone working in the organization who is good at dealing with bureaucracy.

The basic qualities that an entrepreneur should possess are

- **persistence,**
- **ability to sell an idea,**
- **ability to connect with people**
- **convince them of the idea,**
- **show passion for the cause,**
- **show deep understanding of the business environment and politics**

E4N

E4N WORDS OF WISDOM:

Peter Drucker was an influential management philosopher. In his wonderfully readable and still highly relevant book "The Effective Executive", he explains eight simple rules that effective executives do. Effective executives, by definition, get things done to achieve results.

Ask what needs to be done.

Ask what's right for your business.

Develop action plans.

Take responsibility for decisions.

Take responsibility for communicating the decisions to all relevant parties.

Focus on opportunities, not problems.

Run productive meetings.

Think and say "We," not "I."

ICCHYA BAHADUR TAMANG MANAGING DIRECTOR, CIVIL GROUP

He is the founder and the chairperson of "Civil Group", one of the Nepal's largest and rapidly growing business conglomerates, that operates Civil Homes, Civil Merchant Bittiya Sanstha, Civil Saving & Credit Co-operative, Civil Business Complex, Civil Trading Company, Civil International Consultant and Civil Bank.

Born in Okhaldhunga district of North eastern Nepal, he studied hydropower engineering in the then Soviet Russia, where he had the first hand experience of the collapse of USSR and the economic hardship that followed in 1989.

With severe devaluation of the Ruble, Ichhya dai who had been studying there on a scholarship found it hard to cope up with the rising prices of goods.

“ SO I STARTED
BUSINESS AS A MEANS
OF LIVING ”

“Nepali students would sell the Chinese goods they brought, to Russians. My friends also brought 15 computers from Europe and sold them to Russians. After the collapse, the Russians were eager to develop their English language skills; we



helped them to make money. Hence, we completed our studies from the profit of such ventures. That was the beginning of my career as an entrepreneur”, he says.

After returning to Nepal, he started

working as an engineering consultant but the ongoing civil war made his job difficult. Convinced that business would be the only means of surviving in times of such crisis, he formed a group of 12 engineers and started Civil Cooperative which later developed into a firm called Civil Group. Civil Group introduced the housing concept for the first time in Nepal which was quickly followed by other business houses as well. The success of housing concept also resulted in financial institutions providing loans for the purchase of other accessories such as vehicles, land etc.

When Civil Homes started its operation with 25 ropanis of land in Bhaisepati, they were in no position to build the houses and sell. Civil Group started without much capital, without much expertise but learnt to create a good image of housing concepts among the public through various means such as computer animated advertisements on television channels. Thus the general public in Kathmandu warmed up to the housing concept.

The group built apartments in 95 ropanis in Kalanki in the second phase, followed by a satellite town in Sunakothe with its own mall, health posts, and cinema halls

inside the colony. Currently, the group is working on its fourth phase in 200 ropanis of land. According to him, even with 3 dozen housing companies in the market, the demand for houses in Kathmandu valley is not being met. He sees investors of real estate have great opportunities now as more and more people are moving to the cities and the value of land there is growing. He also feels the need for standard shopping centres hence Civil Group is building a mall called 'Civil Mall' with the state-of-the-art technologies at par with international standards.

He is currently working towards bringing a Real Estate Act in Nepal which would protect the real estate business from whimsical decisions of the frequently changing governments of Nepal. Mr. Tamang points out that the real estate business boom has created a lot of support business and jobs.

With the boom, qualified professionals and businesses will be needed for real estate evaluation, real estate marketing, real estate brokers; real estate legal professionals, graphic designers and animators, architects will be needed. Due to this, young entrepreneurs and

professionals without much capital will also be able to participate in real estate business.

Mr. Tamang wants Nepalese people to develop a positive attitude towards credits and brokers. "In western countries people get born with credit and die with credit. But in our society taking credit or loans is almost comparable to a crime", he says.

He believes that such an attitude hampers business environment as the fear of credit prevents people from starting new ventures and participating in the economy. Brokers are very helpful in facilitating business transactions and are inevitable part of the economy but the negative connotation of their profession is preventing them from taking the profession properly and helping improve the economy.

An entrepreneur has to have the knowledge of all the aspects of his business and must get involved in the overall operation of his business.

An entrepreneur needs to brainstorm and sort out works according to the strength of the people working for him/her. Equal participation and equal responsibility for

every person involved is a good strategy for motivation.

" A STARTING ENTREPRENEUR SHOULD BE ABLE TO WORK AS JACK OF ALL TRADES WHEN THE NEED ARISES "

E4N

BJORN SODERBERG FOUNDER, WEBSEARCH PROFESSIONALS

At 28, Björn is a young social entrepreneur with three successfully running companies; two in Nepal and one in Sweden.

In search of an experience that was exciting, challenging and different from that in Sweden, Björn Söderberg came to Nepal as a volunteer when he was 19 years old and lived in Bal Mandir. During his stay, he saw the potential for exciting new things in the hands of the young people in the country. In contrary to the trend of the youngsters finding their way to the U.S and abroad, Björn started off in Nepal with paper recycling (Watabaran Pvt. Ltd.) and IT outsourcing (Websearch Professionals Pvt. Ltd.).

Despite the Swedish Government urging its citizens not to travel to Nepal for security reasons, Mr. Söderberg was determined and he started approaching for loans in banks for the initial capital of \$20,000. But through his struggle in the initial days, what he learnt was exciting!

Lesson No: 1. One does not need money to be an entrepreneur, s/he needs customers.

You don't spend money to start a company; you start a company to earn money.



And with this learning in mind, he went to Sweden and confirmed two clients by promising them to deliver the same service they were already getting, but at

half the price. His first two customers were his market research. He believes more in learning by doing rather than trying to focus too much in theory as he says, "Most people believe you need to follow a certain process and make business plans to start a company. But the matter of fact is you don't need websites, business plans or brochures to start your company, just start making money.

" ONCE YOU HAVE YOUR FIRST CUSTOMER, YOU HAVE YOUR MARKET RESEARCH, YOU HAVE YOUR COMPANY "

Speaking of the struggle people go through to find that one bright idea to start up a venture, he points out that having a good or a great idea is not a guarantee for the success of the business.

Lesson No. 2: Having the drive and the guts is more important than the idea itself.

The passion associated with the work can naturally make any idea a good one. The old formula is if you enjoy your work, you don't even feel you are working. He explains that entrepreneurship is about getting an idea and working very hard to realize it because it takes time to build up a business. Thus during that time, an entrepreneur must have two qualities; patience and hard work.

Lesson No. 3: Don't be afraid to fail.

Those who never fail have never tried anything new and will never be creating new things. And creating new things and translating new ideas to action, even if they are small ones is what entrepreneurs do."

What are the problems in starting up a business in Nepal?

Corruption is one of the major discouragements in starting up a business in Nepal. Bureaucrats try to squeeze money out of you here which is a different scenario than in Sweden.

Do you think foreign investors are safe enough to invest in Nepal?

Given a few things, a safe environment for

foreign investment can be created in Nepal. Some suggestions are:

- Documents should be in English.
- Load shedding should cease.
- Hindrances from involuntary Bandas and strikes should stop.

Have you faced or felt any conflict between the social contribution and economic aspects of a business?

I haven't faced many clashes as such. I provide scholarships to talented students to study in KU and ask them to work for me for 4 years. Besides, I am always trying to take the middle way in finding profitability and contributing to society.

In a certain business situation if a client asks more and more services and in the end refuses to pay the prices, pointing out it was very high, what can one do in such a situation?

To avoid unprofessional situations like these, making everything about the deal clear beforehand is important. Give your client a sample or a prototype of your service and product and ask them to test it. If they like it then mention your prices. **But**

remember some clients are unworkable and sometimes in those cases you have to let them go.

“DON'T BE AFRAID TO FAIL”

E4N

PRABAL GURUNG INTERNATIONAL FASHION DESIGNER, NEW YORK, USA

Prabal Gurung's essence can be captured with the quote below as much today, while full stride in his New York fashion career, as back in time when he was a young boy in Nepal.

“ I WOULD RATHER
MAKE A MISTAKE THAN
LIVE WITH THE REGRET
THAT I NEVER TRIED ”

His dreams started at a young age while in St. Xavier's School in Kathmandu even though he acknowledges that he was never one of the 'brilliant' students. With the support of his family, he stayed true to his calling, and was always immersed in his own world. He recalls sketching his ideas and designs wherever he could, be it in school books, drawing sheets or walls.

One of the first admirers of his work was his mother who always encouraged his creativity. This support, Prabal believes,

is the root of all his success which gives constant inspiration and the strength to stand his ground in the competitive world of high fashion.

One of the most courageous steps in pursuit of his dreams can be traced back to the time he went to India to start his career by studying at the National Institute



of Fashion Technology (NIFT) in New Delhi. While studying, he also worked with various local productions and fashion houses, and designed alongside established names such as Manish Arora at the wake of India's booming fashion industry.

With his wealth of experience in India and other countries, Prabal decided to embark on the greatest risk of his career and moved to New York. The city, which is arguably the fashion capital of the world, presented formidable challenges but he was determined to follow his dreams and carve a niche for himself. He was aware that moving to New York could turn out to be a mistake, however he decided that he would rather live with that mistake than live with the regret that he never gave it a shot.

Fortunately, his decision to move to New York was a winning one. After years of hard work and patience backed by the support and encouragement of his family, his labour is bearing fruit and he has made his impact in the world of high-fashion. From interning for Donna Karan while attending Parson's School of Design to being a part of Cynthia Rowley's design team, to being the design director at Bill Blass and having the United

States First Lady Michelle Obama wearing his design, Prabal Gurung has come a long way.

He materialized his dream when he launched his own collection PRABAL GURUNG in 2009 even though it was in the midst of an economic recession. Prabal recollects that the modeling industry, the production houses and people from the fashion fraternity in New York have been very supportive in this journey. This could be the reason why Prabal feels right at home in New York and its fashion houses.

“ NEPALIS SHOULD
CELEBRATE SUCCESSES
OF ONE ANOTHER
SO THAT WE CAN
COLLECTIVELY MOVE
FORWARD TOGETHER ”

For a person who has achieved success and a celebrity status, Prabal remains humble, modest and grounded. He is proud of his heritage and makes sure that Nepal

is mentioned in all his interviews, which is his small way of helping his country gain recognition globally. However, he is also aware of the problems afflicting our country like power cuts, traffic, pollution and the like.

He attributes his ability to compete anywhere in the world to growing up in Nepal. Prabal sums it all up in the following statement,

“Anyone can complain about what is not right in our country; the crux lies in what we choose to do about it.”

“All young Nepalis, follow your own dreams; hard work and patience are the key to your success.”

Visit Prabal Gurung’s website (www.prabalgurung.com) to view his latest creations and news.

E4N

E4N IDEAS FOR DISCUSSION

- What if you started a public transportation service that only travels in the evenings and “is reliable and on time”?
- What if you organized ‘farmer’s market’ in different parts of Kathmandu, where people came to buy and sell fresh produce, meat, food (hopefully more organic and locally produced). Like Kalimaati but smaller.
- What if you become a “turn garbage into organic waste” trainer, and charged families, 200 rupees a session (for half an hour) to turn house waste into manure in their own gardens?
- What if you provided basic health care services to urban families at their own home?

ANIL SHAH CEO & FOUNDER, MEGA BANK

A household name in Nepal, in his own words 'loves change, thrives in change'. He shared his story of his life among 80 young entrepreneurs during the Last Thursday's program on April 2010.

In fact, change has been the mantra of his living. As a kid, he went to seven different schools in Nepal and India, then he left to Washington for his college; when he came back to Nepal to do something, he worked for a Walt-Disney production movie. But this was just the beginning of changing environments and places for a young Anil Shah, who attributes the experience and outlook gathered in all those years of change for making him the one of the best suited people to live in a country like Nepal right now which is going through not an evolutionary but a revolutionary change.

When he first set foot in the banking sector, Anil Shah joined Nepal Grindlays Bank which would later become Standard Chartered Bank in an assisting position with a starting salary of Rs.3,500 to later become the Head of consumer bank and Chief Operating Officer there. Yet again,

change was his calling as from Standard Chartered bank, he moved on to Nabil Bank and became the CEO in one year. In his five years as a CEO in Nabil Bank, the institution saw unprecedented success and it became the number one bank in Nepal.

Right now, he is the CEO of Mega Bank



which according to Shah is a bank which has brought inclusiveness from the root itself in a practical and ideal sense, that the bank has twelve hundred promoters, spread over sixty three districts and investment mostly from people of middle

level family from ten lakhs to one Crore rupees.

Being a successful entrepreneur or a business person in Nepal is not everyone's cup of tea and according to Shah, when you are doing business in Nepal, the first thing to realize is,

“ WHEN YOU ARE
DOING BUSINESS IN
NEPAL, COMPLAINING
AND BLAMING THE
CONDITIONS WON'T DO
YOU ANY GOOD ”

Stepping out of the comfort zone and trying to work in the system is the formula to success. **'Until you work in the system you will not succeed and once you learn to work in the system the success is yours'** says Shah.

Giving his own example he adds 'I have not invented any wheels by myself, I have taken out different wheels from different places and put it in the proper places and I have

succeeded. I see which things work where and put the right wheel in right place and make a move. If you want to be one step ahead of your competitors, you must be able to learn from others mistakes, others success.'

His philosophy on the leadership he has taken over the years in different places is that if the institution or the team he headed were a band or an orchestra, he considers himself a conductor. He explains he has succeeded because he has believed in his orchestra and everybody who played the instruments in an orchestra knew how to play their respective instruments better than him. His job was to bring all of them together and deliver the result by coordinating them. According to him, as a leader, there are only three things one should focus on,

"First, understand the person you are working with. then understand the work, the task and the time you want to deliver. lastly, determine what leadership style you want to implement to complete your goals"

To the entrepreneurs who are starting off and are in Small and Medium Enterprises

i.e. SME's, Shah says, from banking side this is the best time, because we are completely over banked in a classical market, so top business have 28 banks running after them so you have to find a new market and that market is SME's. In Nepal every house has at least one shutter and each shutter has a SME. If you are in SME than, its the time for you, because its time for banks to search for new markets.

Get involved. It doesn't mean drop every thing and jump into politics but get involved and again it doesn't mean just talking about it from your room over a drink.

"We have to get involved and talk, because if we continue to stay in the sideline, we don't have the right to say others have not done good. We should be involved not against any one but for our voice to be heard."

I generally love to come to Nepal because I can see everyone happy. Everyone is smiling all the time even when we have to walk six hours to get water or when we are dying from diarrhea because of lack of medicine. Because our satisfaction is too low, we have the highest mountain in the

world but we summit too early. Unconsciously we have huge inferiority complex with our two big neighbors. We go for our study in India, go for tourism in India, we used to go to die in India between Baranasi, but as soon as we return from India we start calling them bad names. But I am very happy to see the young generation who are thinking differently and positively.

The best minds of Nepal can still serve Nepal now by going out. Not only money is coming back, the skills are coming back too. I have seen that from the examples of British Gurkha. Nepal will pull those skilled Nepalese back if we can put the act together and make a sound political environment here in the country.

E4N

CHANDRA TIWARI OWNER, NINA AND HAGER

Chandra Tiwari is a household name in the Nepali meat processing market, shared his experience and journey as an entrepreneur at the Last Thursday's program.

Starting his business from a small meat shop to selling a brand name like Nina and Hager in Nepali market, was not an overnight job. It was 15 years of hard work and his dedication in delivering quality products to the consumers that made him successful.

" COOKING IS MY HOBBY AND THAT IS WHAT BROUGHT ME TO MEAT PRODUCTS SECTOR "

Having received no formal training in meat processing, he recounts going to libraries to search for books on the subject and seeking any help he could find. During that time, sausages were new and popular in Kathmandu and Chandra dai was curious as to how they were made. His interest took

him to Calcutta where he was told that he could watch how sausages were prepared when he went to buy them.

Unfortunately, when he did go to Calcutta to see the production method himself, the sausage makers had become, according to him "clever" and had been selling the product without showing how they were made.



So he returned back without any knowledge. This did not discourage him; he went back home and started experimenting

in his kitchen with his wife's help. He also had a shed which he used for making sausages but he did most of the work in the kitchen itself. He had two refrigerators where he stored his homemade products. He then started selling the sausages in the market.

"It was like daily practice for me and I kept on improving my methods to make them better", recalls Mr. Tiwari. This brought him in contact with a German, Hager, introduced to him by one of his friends. They started talking about the meat processing business and preparation methods.

Observing his work, Hager suggested that the method he had been using was 100% wrong and that if he really wanted to learn and work in this business he should go to Germany. He even offered to arrange for the visit and told him to arrange the paperwork. It took Mr. Tiwari 2 years to go to Germany on a scholarship on livestock training where he trained for two long years and practiced the trade-skill for the following one year in Germany. His two-year course consisted of one year training on the old method of meat processing and the following year on the

advanced technology. Equipments for both methodologies are currently used in his factory in Kathmandu.

After completing his two years training he had a sense of accomplishment since many people fail the course and some even take 5-6 years to complete it. His interest and age as well as his hard work garnered appreciation and he became a butcher chef. He decided to return home and practice instead of working in Germany as he thought he'd be making a lot more impact back home.

Coming from a Brahmin family and working as a butcher chef earned him many taunts from his relatives when he was just starting. However, his success and establishment of Nina and Hager product as a household name has now changed all that.

Starting his business was not an easy task since he was not financially stable at that time. He had to rely on his bicycle to make deliveries of his products. After the production stage, marketing was another challenge. Supplying his products in the market where the people questioned the high price, was a tough job. Eventually, the products started selling and were supplied

to other markets in the capital. It took another 4-5 years before he could taste any success.

“The hardest part was that even when my products were selling well, I was not receiving any money,” recalls Mr. Tiwari. With only accounts receivables but no cash, he was forced to put a hold on his work for a while. This proved to be fortunate because when he came back home he received many phone calls asking him why he had not been sending supplies and that if it was due to withheld payments, they'll pay the money. It was then he found out that his products were selling quite well in the market.

Although he now has a very good market and is more established than he had imagined, he still has not been able to meet the market demand because of the need to maintain quality and not quantity. He believes that in the food processing business if one is not directly involved in the process, then the quality can be compromised which can lead to failure of a business.

“People at first thought my products were expensive but I had always been focused

on the quality and I never compromised it”, says Mr. Tiwari.

Regarding the problems he faced, he says entrepreneurs like him experience problems of margin rate. He's had to face many issues with distributors who try to increase their margin at every given opportunity which puts suppliers under pressure. His words to young entrepreneurs:

“ IF YOU'RE STRONG AND CONFIDENT THAT YOUR PRODUCTS ARE OF GOOD QUALITY, THEN YOU DON'T NEED TO BE SCARED OF ANYONE ”

E4N

MR. YOGENDRA MAN SHAKYA TOURISM ENTREPRENEUR AND COORDINATOR, NEPAL TOURISM YEAR 2011

Mr. Yogendra Man Shakya always wanted to become a mechanical engineer. But he dropped that dream when he met an engineer working on Bharatpur hospital who told him about engineers who had to work very hard for little pay. He suggested that Mr. Shakya study Hotel Management instead and get into tourism. Heeding that advice, today, Mr. Shakya is a successful tourism entrepreneur and also the Coordinator of Nepal Tourism Year 2011.

Mr. Shakya's family was into hotel business through Kathmandu Guest House in Thamel. After completing Hotel Management studies, he got involved as well. But he soon got frustrated with his limited role in decision making. "I had a father and uncle who were senior to me. I wondered if I could ever be as good as my father with my role in the family" Mr. Shakya recalls.

He soon figured out that in any institution whether a family business or other, seniors usually ignore or listen less to their juniors'

views. But he found a solution.

He says, **"A good way to present your idea in front of your seniors is to give the impression that the idea came from them. If you do this, your ideas will be heard and eventually your ideas will be implemented."**



Egos and personal differences are the main

negative factors in any businesses, says Mr. Shakya. "At some point, it is better to take your business your own way because I don't believe in collective management," he continues. "I think even in family run business, it is very important to say we are all equal but to choose a boss (authority) whether you call him the Chairman or CEO". He recalls an experience where there developed a significant conflict among directors regarding their CEO who was paid more than the directors, even though the CEO was delivering. "This is an issue of ego, not performance. For a company to do well, it must keep good performers and keep ego at bay," says Mr. Shakya.

Mr. Shakya points to the lack of entrepreneurship spirit as the main problem in tourism today. "We have been capitalizing on the culture, nature, monuments etc. all that was either provided to us by nature or built by our ancestors." He alludes that foreigners introduced trekking to Nepal, not Nepali. This habit is not just limited in tourism, but also in carpet, garment, banking, real-estate industries. He sees Nepali people like to follow a trend than create a new one. Nonetheless, Mr. Shakya sees plenty of opportunity in tourism and wants to

see young generation involved. The new generation should not invest in hotels and old ideas, but in new ideas as they are exposed to so many new things. But the problem is connecting the people with money (but no entrepreneurship skill) with people with skills (but no money). He sees banks as the potential rescuers in such situation. **"Now is the time for the banks to come forward and start investing in innovative ideas,"** he suggests.

Mr. Shakya who was also the chairman of ACE Development Bank says, **"Forums like these that support new ideas and the bankers who are entrepreneurs themselves can help by creating funds and support budding, young entrepreneurs"**.

Describing the idea behind celebrating Nepal Tourism Year 2011, Mr. Shakya recalls history. After Jana Andolan – 2, the political parties wanted economic revolution and Tourism Year 2011 was announced officially two years ago. A lots of projects like building new airports, cleaning cities etc were delayed because the budget came late. But in spite of all the odds, we have seen 40% increase in tourist arrivals. "The media has portrayed that the target of tourism year is one million visitors but

that is not true. It is about using tourism to enhance the country's economy and take the dollars to the grass-root level to the poorest of people."

Mr. Shakya agrees that online marketing will help Nepal Tourism Year. He sees the possibility of linking search engines and other websites promoting tourism in Nepal to the official site of the tourism year- www.welcomenepal.com. But the problem is the effectiveness of the Nepal Tourism Board, which, like many insitutions in Nepal, has problem in hiring and firing staffs. "Forget about changing even a peon in there," Mr. Shakya criticizes Nepal's bureaucracy. But he can also see the solution. "I think the way to get around this is hiring an effective CEO who brings new ideas and has the support of the board of directors. Unfortunately what happens in Nepal is that the people working in governmental organizations don't respect their CEOs. Such mistrust is a fatal blow for the organization." complains Mr. Shakya.

Once a foreigner told him nothing is impossible in Nepal. It is very easy for clever people to work this system where- as it can be very difficult for those who are not. "The problem I see in our society is

the inability of segregating the idea of good and bad. We always complain the system and say that politicians are bad, policemen, businessmen, everyone's bad. We surely have good people among us. **The challenge is:**

" HOW DO YOU CHANGE THE SYSTEM SO THAT GOOD PEOPLE AND IDEAS ARE RESPECTED? THE YOUNG GENERATION HAS THE RESPONSIBILITY OF IDENTIFYING THE GOOD IDEAS, PEOPLE, AND THEN SUPPORT THEM TO CHANGE OUR SYSTEM "

ACKNOWLEDGEMENTS

Entrepreneurs for Nepal (E4N) is run by volunteers. Volunteers, by definition, donate time, knowledge, skills, contacts, ideas and even money to causes they believe in. E4N volunteers do all that and more. That's because they believe in promoting an ecosystem which helps entrepreneurship flourish in Nepal. E4N is one platform to help create networks, contacts and, ultimately, jobs that produce goods and services in and for Nepal. In addition Entrepreneurship also promotes the tenets of self-respect and success among Nepalis and friends of Nepal everywhere.

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ABOUT E4N CORE TEAM



JAYA BURATHOKI

Jaya completed her higher studies from India and Australia and has worked in the media and banking sectors in Nepal. She enjoys new experiences

and believes in following her heart.



SAGAR ONTA

Sagar believes that unleashing entrepreneurial energy of the Nepali youth is one of the keys to changing the Nepali society. He is focused

on building sustainable institutions and organizations to do the same, and is always looking for opportunity to grow and learn.

He grew up in Kathmandu and received his engineering education in Bangkok and US. After working for eight years as a consultant in US, e-commerce owner and community organizer, he is now focused on entrepreneurship projects that combine the resources of the west with the



ROBIN SITOULA

Robin is a democracy and public policy activist based in Kathmandu. He has been actively involved in various social movements in the last 10 years. He believes that

economic development of a country should be the priority of all nation states and that sound public policy can lead to prosperity.

Apart from running his own enterprise, Robin works for Samriddhi, The Prosperity Foundation as Executive Director. You can contact him at robin@samriddhi.org



SANJIB SUBBA

Sanjib started his real life journey with the then Gindlays bank in 1991 and after eight years of banking stint he moved

to Thailand to be part of the brand new American University. He called Thailand his home for 10 years before finally relocating back to Nepal. In 2009 to kick start a ambitious project of Banking Academy,

National Banking Training Institute (NBTI). With two major start-up experiences at national and international level, Sanjib has accumulated good insight into the entrepreneurship. While working in Bangkok he got the opportunity to closely observe large local businesses as well MNCs which exposed him to the practical aspects of global business environment.

Sanjib has respect for socially responsible entrepreneurs who risked their time and investment to create employment and wealth so that the society we live could be a better place.



ASHUTOSH TIWARI

Ashu started his career in Nepal as a grassroots activist in villages. In 2000, working at

Backward Society Education (BASE), he

assisted Dilli Bahadur Chaudhary (UK's Anti-Slavery Award winner in 2002) with the launch of a social movement that freed up to 200,000 bonded farm laborers from debt bondage in Dang, Bardiya, Kailali, Kanchanpur and Banke districts. Convinced that for-profit businesses enabled the poor

to take charge of their lives, he became a small business advisor. From 2001 to 2007, he worked with small businesses in Nepal and Bangladesh as an employee of the German Technical Co-operation (GTZ), and of World Bank's International Finance Corporation (IFC) respectively.

In 2007, he joined Himalmedia as its CEO. His main tasks were to negotiate with trade unions and to turn around the company. He accomplished both tasks with support from the staff and the board. At present, he is London-based WaterAid's country head in Kathmandu -- a job that gives him a front-row seat to understand how development is done or not done in Nepal. Helping other people achieve success makes him happy.



UJWAL THAPA

Ujwal is an Activist Entrepreneur. He builds (organizations, businesses, platforms) And he provokes (Nepalis to change Nepal)

In 2001, He came back from the US to start up his own online branding IT company,

“Digital Max Solutions (DMS)” in Nepal.

In 2002 He become a conflict Transformation trainer. Today he leads a 3,500 strong community of youth activists against “Bandhs” (Forced violent city shutdowns).

In 2007, He built an organic coffee farm, “Shangrila Coffee” in his village in Syangja, He has also set up an online travel help community for travelers in Nepal (www.exoticbuddha.com) with nearly 2,000 travel help articles on Nepal.

He juggles most of his time between experimenting in information technology ideas, mentoring entrepreneurs and organizing activists.

At present, he is persistently provoking Nepalis to start a common sense led revolution to bring positive change in Nepal. Join him!

To read about his ideas and vision for Nepal, Visit his website www.whynepal.com



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Building young entrepreneurs



