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SMALL SIZE BUSINESS IN NEPAL

A sole proprietor

Thesis

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ABSTRACT

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Name of thesis SMALL SIZE BUSINESS IN NEPAL. A Sole Proprietor		
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<p>The objective of this thesis was to study the possibilities of establishing a small size business in Nepal. This thesis finds the current situation of sole trader company in Nepal. The aim of writing this thesis was to explore the market situation of sole trader of Nepal. Qualitative research methods were used in this thesis which includes six interviews. The opportunities to establish a sole proprietor company are described in this theory. The case company is Ladies Fashion Sundhara, a sole proprietor company, located in Kathmandu, Nepal. The commissioner of this thesis is Dharma Raj Kc, who is the single owner of Ladies Fashion Sundhara.</p> <p>The theoretical part covered topics such as a sole proprietor, economic situation and its importance in Nepal, business ideas and Finance, the importance of market planning and risk management. The details about sole proprietor business topics were covered in this thesis. Overall, this thesis gives a general idea and information about sole proprietor business in Nepal.</p>		

<p>Keywords Business plan, Market analysis, Risk management plan, Small scale business, Sole proprietor.</p>

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ABBREVIATIONS

4Ps	Price, Place, Promotion, and Product
VAT	Value Added Tax
SWOT	Strengths, Weaknesses, Opportunities and Threats
P-VAT	Product Type Value Added Tax
C-VAT	Consumption Type Value Added tax
I-VAT	Income Type Value Added Tax
WACC	Weighted Average Cost of Capital

1 INTRODUCTION

A business runs successfully when the entrepreneur has the good knowledge and ideas of handling business. The business procedures are important, and the planning of business plays a crucial role. The business earns profits and satisfies the business partners if the proper planning is done. There are many businesses which are running successfully with a very limited budget with the help of a good business idea.

The researcher has been familiar with many business and marketing theories during the thesis writing process. The researcher is well educated about the behavior of a sole trader and the different prospects in running a business. The thesis contents ideas of a sole trader in Nepal to run a business smoothly and efficiently. The benefits and challenges are also described elaborately in this thesis.

The aim of writing this thesis was to explore the market situation of sole trader proprietor in Nepal. Nowadays, we can see how a small size business can play a crucial role in the future growth of the business industry. By starting small, the owner can see an eventual growth in the resources and the overall business if planned accordingly. There are many small businesses which have been successful through the establishment of limited budget. For an entrepreneur, it is important to know the business idea and business plan thoroughly. This thesis will help to allocate the crucial facts for the sole proprietor for establishing the new business.

The objectives of this thesis are to research and share the possibilities of establishing a small size business in Nepal and to discuss the various marketing processes and strategies. If someone is interested to run a business in Nepal, they should have an idea about the products which would sell the best there but most importantly, they will have to have a clear idea about the rules and regulations that the government have imposed for newcomers. Establishing a new business is somehow demanding so it is needed to be very clear and affirmative. The entrepreneur must gain knowledge about the business system and its processing for starting the business. About finances, either they invest their personal savings, or they can also take loans from bank. The thesis shows the strengths, opportunities, and challenges for the international market.

The theoretical part gives an elaborate idea about what the system and the business plan is and how important it is for the entrepreneurs. The writer mainly focuses on sole proprietorship in Nepal. The

researcher also writes a little bit about the history of business in Nepal and the economic situation before and after the foreign trade entered in Nepal, also how the condition of economic growth is nowadays. The thesis shows the 4P's of marketing mix analysis (product, price, promotion, and place). The study of 4P's helps to acquire the data which would be effective for the enterprise. The concept of marketing planning is discussed quite well. It is important to discuss the theory because the reader would get the concept easily while doing their own research.

This thesis was commissioned by Dharma Raj Kc who is the single owner of the Ladies Fashion Sundhara which is a small business company in Nepal. The owner lives in Kathmandu, where he is running his small clothing store business successfully. The business is doing great although it is a small business and he is satisfied and happy. The customers of his clothing company are mainly women, and tourists visit his business place too. The company is located at the main tourists visiting the area of Nepal. The targeting place of this company was tourist's area the owner said. He was very happy to share his views planning of his business with the researcher and he tells details about his business how it was at the starting time and how the business is running successfully now. The researcher is thankful to have him as a commissioner because he was very supportive and helpful during the thesis writing.

The research can be done with two methods one is qualitative and another is a quantitative method. In this thesis, the researcher has chosen the qualitative method which includes interviews. The research is based on qualitative, so interview questions were designed here. The interview is taken with six sole proprietors of small size businesses which were established with a limited budget. There were totally ten questions asked from them. The interview is taken through messenger and Viber. The time and date were set for the owner of the business and they were interviewed. The researcher is grateful to all owners for having a good response to the questions answers and for sharing their views about handling the single business in Kathmandu city of Nepal. The questions were based on economy goods and services. The present situation of business is described well. The thesis includes the business formalities, 4Ps of marketing mix analysis, VAT, missions, products. The different pictures of such situations have been shown with clear guidance. The thesis figures to develop opportunities and demands for opening a business in an international market.

2 A SOLE PROPRIETOR BUSINESS IN NEPAL

The business system is a procedure which is used as a distributed mechanism for giving commodities or services to customers. It is necessary to know the process of starting a new business and especially for the outsiders. Before starting the business, the investor should know the system, their needs, and what type of company they want to run in Nepal. The best way is to be active to gather details on technique and its products. (Web Finance Inc 2018.)

The sole proprietor needs to record sole proprietorship firms which are under the Act 1957 known as Private Firm Registration. The sole proprietorship liability is unlimited, and they do not have a distinct legal identity. The partnership firms can be recorded according to the Act 1963. In these firms as many as a number of partners can involve for the business. They include trading activities as importers of goods, retailers, and shops. There are limited liability companies which work for the incorporation for private limited companies, public companies, and not-for-profit companies. It is under the Act of 2006. Under the Act 1992, there are co-operatives where at least 25 members gather to form it. They do have a separate legal identity and group members enjoy limited liability. Under the Act 2006, the foreign industries are allowed to register a new branch business in Nepal. The industries must hold (section 154(3), Companies Act), which demands acceptance from competent authorities in Nepal allowing them to conduct our business project in Nepal. It also requires an approval with an expert authority in Nepal for starting any business in Nepal. (Companies Act 2006.)

The foreign companies get liaison if they register for it. Except for few industries a foreign entrepreneur can own up to 100% of equity shares in all areas. For those who would like to invest in an opening business they need to follow the rules and regulations under the Foreign Investment and Technology Transfer Act and Industrial Enterprise Act. And this act is regulated and performed by the Department of Industries (DOI). There are many industries where foreigners do not have permission to invest. Some of them are gunpowder and explosives, banknotes and coins, beekeeping, rural tourism, poultry, local catering services, arms and ammunition industries and so on. Therefore, it is necessary to know the system at first before investing in any companies or businesses. (Upreti & Sherchan 2016.)

Nepal is a business-friendly country. It lies between two fastest growing economies countries China and India. It has a multi-cultural society which is open to many beliefs and religions. The foreigner gets benefits for doing business in Nepal in the process of registering and political environment. Nepal is a

land-locked country. The cultural, as well as natural assets of Nepal, offer good opportunities for business investors. Tourism is another potential area for foreign investors. (Paule 2017.)

2.1 A sole proprietor

A sole proprietor is an owner of a single business which income and losses are taxed on an individual's personal income tax return. It is a popular business form due to its simplicity. The sole proprietor is ready for business after registering his or her name and should secure local licenses. The owner may use a business name or trade name other than his or her legal name. The sole trader has no separate integrity under the law. A sole proprietor is a major difference between corporations and partnerships. The owner is free to mix personal assets or business. The sole proprietors are privately liable for all debts of his or her single business. They have unlimited liability. A sole Proprietorship has no detachment between the owner and the business entity. Therefore, it is different from the firm and limited partnerships, then there no separate legal entity is produced. The earnings earned by a sole trader is earnings earned by its owner. The sole trader carries little ongoing formalities. There are a lot of businesses operated by a single proprietor. Independent contractors, Home-based businesses and freelance service providers are mainly established by a sole trader. (Small Business Development Corporation 2018.)

The sole trader has ownership rights in the business. He/she is the boss. The maximum privacy is their insole company. The boss keeps all the profits of the business. If the trader made the decision to incorporate the business or change it into a partnership organization than he/she easily can decide on their own. The owners make quick decisions know how to manage the business. The sole proprietor has lower filing costs and less paperwork. The owner can easily move funds in and withdraw assets with documentary limitations and less legal. The sole trader gives both management and capital to the business. The business and the owner concern are one and the same. The business is run entirely at his risk of loss. The proprietor takes procures material resources, all the decisions, controls the affairs of the enterprise and employs persons and directs. There is no necessary to split profits with because you are the one owner of the business. There is not necessary to take approval from other shareholders for making decisions in the business. There is no need for a separate business tax report for the business profit and loss as the owner is single. The owner should bear all the risks and benefits of the business. The disadvantage can be an unlimited liability as it is small business and loss should be bear. However, this is the simplest and easiest form of business organizations and there are so many entrepreneurs who want to run the small size business with the easiest way. (Connectusfund.org 2018.)

2.2 Registration of a sole proprietorship

A sole proprietor is an owner who runs his business single with no legal separation. If anyone is interested in doing business in Nepal than they should register the company by applying the application in the prescribed legal format and pay an official fee depending on the approved capital of the business company. The documents of Memorandum of Association are needed for the private company. Once the business is recorded as a private company there has a many compliance obligation. The owner should provide details of company address within three months, the accounts should be audited every year. The opportunity exists for small and medium businesses with a sole proprietorship in e-commerce to apply their techniques of management, such as direct control of line production and marketing (Ongsakul & Kanitpong 2007.)

नेपाल सरकार
उद्योग मन्त्रालय

कम्पनी रजिष्ट्रारको कार्यालय
कम्पनी दर्ताको प्रमाण - पत्र

दस्ता नं: ४२२७२/०६३/०६४

श्री गोइड नेपाल
नामको प्राइभेट लिमिटेड कम्पनी संम्वत् २०६३ साल कार्तिक महिना २२ गते रोज
४ मा दर्ता भएको हुनाले कम्पनी ऐन, २०६३ को दफा ५ को उपदफा (१) बमोजिम यो
प्रमाण-पत्र दिइएको छ ।

मिति: २०७३-०१-१५

Government of Nepal
Ministry of Industry

स. रजिष्ट्रार

Office of the Company Registrar

Registration No: 42272/063/064
CERTIFICATE OF INCORPORATION OF COMPANY

This Certificate of Incorporation has been issued to
M/s Going Nepal
Private Limited having incorporated it on the 8 day of November, 2006 pursuant
to sub-section (1) of section 5 of the Companies Act, 2006.

Date: 2016-04-27

शुर्त कम्पनी स्थापनलाई मात्र कम्पनीको उद्देश्य कार्यान्वयन गर्ने इजाजत प्रदान गरिएको नमानिने हुनाले कानून
अनुसार लिनुपर्ने अनुमति सम्बन्धित निकायबाट लिएर मात्र कम्पनीको उद्देश्य अनुसार कारोबार गर्नु पर्नेछ ।

कम्पनीको मिति २०७३०१०७ को विशेष साधारण सभाको निर्णय बमोजिम साविक नाम नेपाल कल्चरल टुअन्स
एण्ड टुरस प्रा.लि. परिवर्तन गरी पेश भई आए बमोजिम यस कार्यालयको मिति २०७३०११४ को निर्णयानुसार
गोइड नेपाल प्रा.लि कायम गरिएको छ ।

PICTURE 1. The form of a sole proprietorship. (Legal Zoom & Research Nepal 2018)

The above picture shows the format how it looks like in Nepal which is for the sole proprietor. They must fill every information needed by the registration office. They must submit the documents like passport size photo, voter identity card, landlord NOC (format will be given), copy of PAN card of the

directors, electricity/water bill, proprietorship registration certificate, and sales tax or service tax number if any.

2.3 Rules and regulations in small business

The business company must file documents to the Register's office. The company must apply to contain the name of the company to the office for the registration of the company. In the Ministry of Finance, the Income Tax and VAT should be registered. The company should make the rubber stamp. The memorandum and articles of association must be verified and certified. The employees of the company must be enrolled in the provident fund. For the private limited company, the members required is only one shareholder and does not have any minimum capital demand. The public limited company requires at least seven promoters and at least ten million Nepalese rupees. The Non-profit company requires at least five members and it does not need any form of minimum capital. (Government of Nepal 2017.)

The Nepalese citizen and foreigner can register a company in Nepal, but it should be bound by the legal criteria of Nepal. According to a law in Nepal, company registration gives legalization in functioning and operating company. For those who want to register a company they need to submit various documents as per the system of company registration Nepal. They need to follow the documental process to register the business. The business can be big or small with several partners. There are various kinds of company firms in Nepal. For the small business, there are laws and regulations which include finance, advertising, intellectual property, marketing, and privacy laws. In the context of Nepal, small-scale business promotes the identity of the product and Nepalese are more interested in purchasing the new products. For entrepreneur sole proprietorship in Nepal provides the planting any business without any bad comments and negativity listen. Before starting any type of companies' entrepreneurs should know the system which is efficient and accessible to all. (Research Nepal 2017.)

The following is the table of the registration fee for sole trading concern In Nepal;

TABLE 1. Deposit registration fee (TyroCity.com 2014.)

CAPITAL	REGISTRATION FEE	RENEWAL FEE	REGISTRATION FEE
Up to 1,00,000	Rs. 700	Rs. 100	Rs. 700
From 1,00,001 to 3,00,000	Rs. 2100	Rs. 125	Rs. 2100
From 3,00,001 to 5,00,000	Rs. 4100	Rs. 150	Rs. 4100
From 5,00,001 to 10,00,000	Rs. 7600	Rs. 200	Registration fee
Up to 10,00,001 to 50,00,000	Rs. 10100	Rs. 250	Rs. 700
Above 50,00,000	Rs. 15100	Rs. 300	Rs. 2100

The above table shows the deposit registration fee for establishing a sole company in Nepal. There is needed of a voucher for deposit of registration fee. From the table registration fee and renewal fee for the sole proprietor. From the capital 1,00,000 and above 50,00,000 there are different registration and renewal fees. The currency rate provided in the table is in Nepalese. And the registered company should be renewed each year within thirty-five days of given time by the government.

2.4 About finances

Finances mean a large amount of money, the investments, banking, credit, assets, and liabilities. To establish a private company in Nepal how is it to manage finances by the entrepreneurs. To be a single owner is an advantage in a way that there are few regulations, no payment of corporate income taxes. If a company is in profit the investor enjoys profit and if the business is in the loss than investor bear it. There is no burden given to other. The many sole proprietor used their own savings, credit or loans from different banking institutions and they have multiple choice about how to collect finances for the single business. They can easily apply for a loan to different financial institutions. (S. Kevin 2017.)

Most of the business companies encounter negative cash flows and losses during their startup time. The financial management is highly important during this period. Budgeting and planning for these financial requirements are essential. Nepalese financial system is made of contractual saving institutions and deposit-taking. The deposit-taking financial institutions involve finance companies, commercial banks, financial cooperatives, development banks, micro-credit development banks, non-government organizations performing limited banking activities (NRB 2005). The contractual saving covers employee's provident fund, postal saving offices, citizen investment trust, and Nepal stock exchange. Finance effects can be both positive and negative because it has different economic effects. (Gautam 2012.)

2.5 Value added tax (VAT)

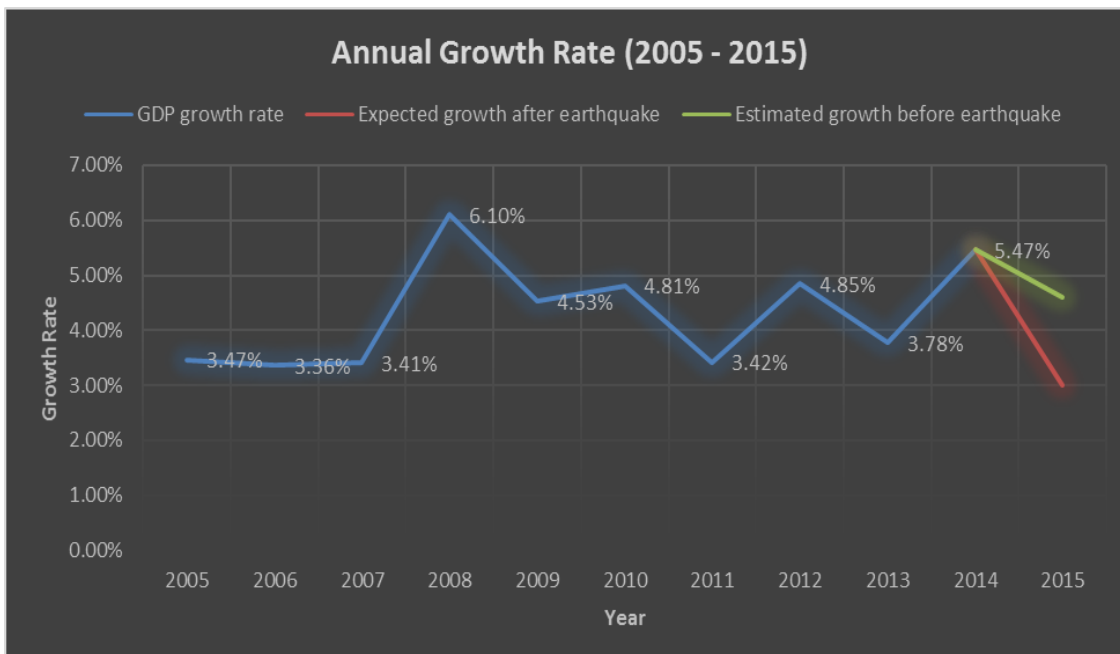
The basic categories tax is divided into two terms, taxable and tax-exempt. The standard rate of goods and services are 13% or either they are taxed at zero. The standard involves goods and services and those which are taxed at 0% are tax-exempt. The value-added tax was conducted in the year 1997. This is imposed on goods and services that are consumed in Nepal and for products which are exported. The exported products are taxed at 0%. The VAT is applicable for those ones who live in Nepal and consumed goods and services. While importing the goods most of them are taxed at customs point and it is collected by them. The small businesses which are below 2 million rupees may apply for register than it is for the fiscal year. The business which is concerned with commercial activities is affected by VAT. (Government of Nepal 2017.)

Vat is adopted in Nepal since November 16, 1997. Tax applies in commercial projects involving the distribution and production of goods and services. It is imposed as a percentage of the price. The VAT is a modern tax system to improve lessen tax evasion, a collection of taxes and increase efficiency. There are three feasible sets of VAT: Consumption-type(C-VAT), Product-type (P-VAT) and income -type (I-VAT). The explanation of these three sets of VAT can be known by comparison of expenditure and income in the national income accounts. (Shakya 2008.)

2.6 The economic situation of Nepal

Economic growth is the system by which a nation's wealth rises over time. To make progress in economic development Nepal has used a series of five-year plans in an attempt. The world economic growth is related to economies already facing rising per capita incomes. Growth can be defined as a process of transformation. The most indicators of a healthy economy are the economic growth. (Cornwall 2019.)

A country's economic situation refers to the financial level of a country at a certain period. Economic deals with the consumption of goods and services, production and distribution. It studies how society operates the limited resources. In the year 2015 April 25, Nepal faced a huge disaster in its history with the A 7.8-magnitude earthquake. The situation was worse at that time nearly 9,000 people killed, 22,000 people injured, nearly 8, 00,000 homes were destroyed or damaged along with the heritage sites, roads, government offices, and businesses. Many countries help Nepal in that condition by providing immediate supplies such as doctors. The country gets the donation money from the different foundation and from various international countries. The country economic was being down at that time. By facing all those problems Nepal is recovering slowly by slowly in the economic situation. (Asian Development Bank 2017.)



GRAPH 1. Annual growth rate (Adapted from google 2015)

The graph represents the annual growth of Nepal from the year 2005-2015. Here it is clearly shown how the Gross Domestic Product rate was increasing effectively from 2005-2008, from 2009- 2011 it was decreasing, and it was started increasing from 2012-2014. But suddenly there was worst condition and directly decreased in 2015 because of the earthquake. The economic growth of Nepal was totally fallen at that time. Everything was in disorder.

Nepal economic scope score is 54.1. The currency of Nepal is rupee. It is building its economy the 133rd freest in the 2018 Index. The Nepal corporate tax and individual tax are 25 percent. The Gross Domestic Product growth rate of Nepal is 0.6 percent annual change according to the World Bank. The economic activity is growing strongly reaching 7.5 percent year by year. (World Bank Group 2018.)

2.7 Factors of economic growth in Nepal

Nepal is graded as one of the hotspots for the adventure tourism in the world. The tourism industry of Nepal is helping in earning foreign currency because every year many tourists visit Nepal which helps the growth of the economy. The government has increased government enterprises. The funds are provided to the health services, education, and transportation, and communication, electricity to increase the production of agricultural and living standard of people. The government launched the programs of Basic Needs and Structural Adjustment Program in the year 1985. Nepal is a developing country and doing its best to increase in every sector. (Heritage Foundation 2018.)

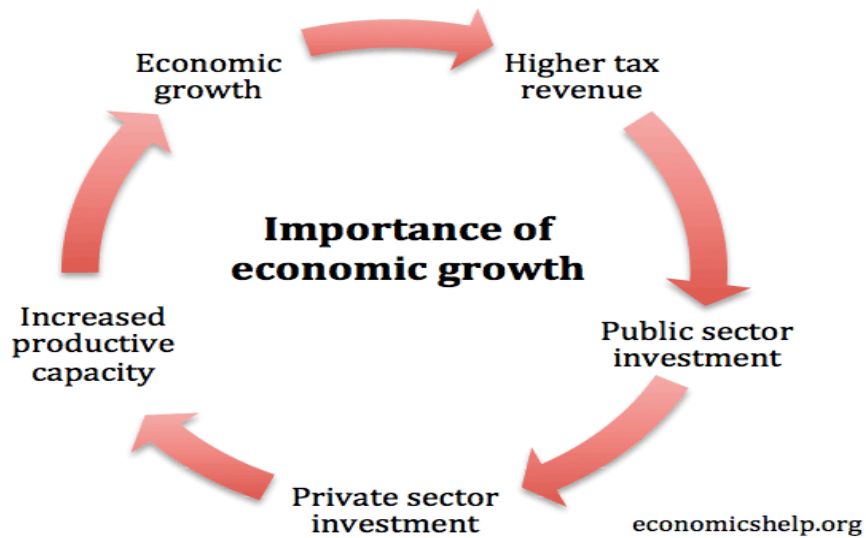


FIGURE 1. Importance of economic growth (economicshelp.org 2017)

It demonstrates the importance of economic growth for the countries. The investment in the public sector and private sector help to increase production and economy of the country. To grow the economics of the country it is compulsory to increase the employment opportunities for the manpower by establishing new businesses.

3 BUSINESS IDEAS

The business ideas are the best solution before establishing a business. It refers to a financial planner, counseling, facilities support services. It helps the owner to build their own skills in the field of business in the other hand, finance is important to source for starting the business. Every business companies want to maximize their profits with the opportunities of providing goods and services to the customers. They want to make money and run the business successfully. The starting business data are based on administrative requirements as well as domestic laws and regulations. They used four sources of information: World Bank Group regional staff, doing business respondents, the governments of the economies covered and the relevant laws and regulations. Finance can be known as the science of money administration. There are two types of financing debt and equity available for business companies. The debt is a loan that should be paid back, and equity does not need to be paid back. They both have advantages and disadvantages and most of the companies use a combination of debt and equity to finance work. Many people are well-known to debt as a structure of financing because they have loans or mortgages. For the new businesses, the common form of financing is also a debt. Another name for ownership in a company is equity. The companies will decide the appropriate mix of equity and debt financing by maximizing the average weighted cost (WACC) of each type of capital. (Landau 2018.)

An advanced idea provides the industry room to grow high. The having of exhaustive market information and research properly is the best process to get success in the market because significant ideas fail through bad marketing. About the competitors and the competition, the entrepreneur should be up to date. There is processing to know whether the business idea is proceeding to work or not. This helps to avoid waste money and time on a likely failure business. The energies and prominent level of competencies are important for the growth of better business ideas. If economies around the world, go after the top use in regulatory processes for running a business than entrepreneurs would expend 45.4 million fewer days each year fulfilling bureaucratic requirements. The economies that do well on business indicators do not necessarily have small-scale governments. The subnational doing business contains resulting in local ownership, resulting in local ownership and capacity building, multiple cooperation with government partners at national, regional and municipal levels. In an economic system, the apply of financing is essential because it gives companies to buy products out of their instant reach. Finance is the important aspects of business administration and covers analysis associated with the operation and acquisition of funds for the business companies. The business ideas help to solve problems because

before running a business the trader knows the risks of his/her company. The idea of learning is the best idea for any businesses. (Hougaard 2004.)

3.1 Business idea for a sole trader

The business idea is known as the starting point for entrepreneurs to establish any businesses. It involves the characteristics profitable, unique, innovative and problem-solving. The idea is the base of the pyramid when it arrives at the business. When the entrepreneur finds new ideas, they evaluate whether the ideas are suitable for their business and they start researching and analyzing the potential of the ideas. (Profitable Venture.com 2009-2018.)

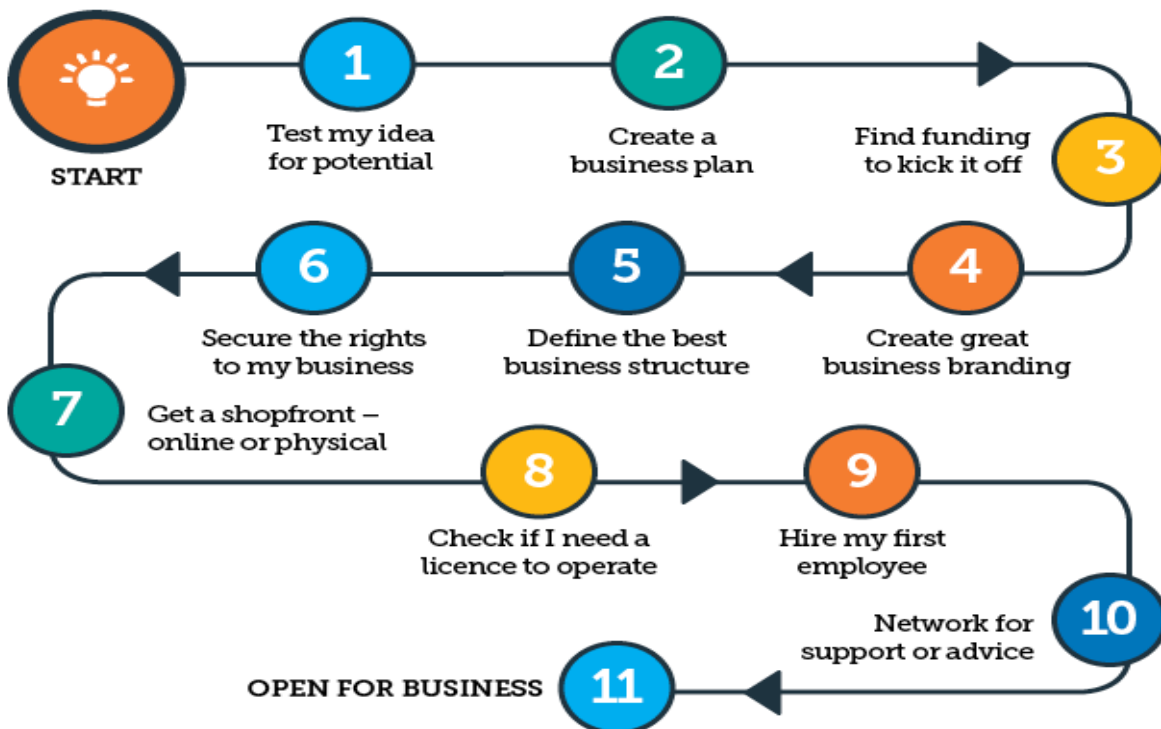


FIGURE 2. The business idea (NSW Business Chamber 2018.)

The above figure demonstrates the business ideas for the entrepreneurs. The first step is to test the idea with the help of brochure, branding or with a website. The second is to make a simple business plan focusing on business goals and guides an action plan. The next is the entrepreneur should be clear about the amount of money that needs to start and run their business. To choose the company by legal structure – sole trader, company or partnership which suits their business is a top priority. To create the right brand

can be tricky but a marketing expert can help and advice on marketing, research, branding and competitor analysis. Once the entrepreneur chooses the name then it should be registered. The access of legal Advice Line helps to understand the obligations when considering a physical location. To check the license requirements is must in doing business. The right employee is the best for workplace regulations. For a small business, networking can develop business development in the advance days. These ideas can be the best for the entrepreneur if they know it and apply in their business before starting the business.

3.2 Aid of business planning

The benefit of business planning is it creates a vision to the trader, so the communication is easy. The plan includes internal business, operations, start-up, feasibility, strategic and growth business. The objectives and strategies are clear in the eye of the owner through planning the business. The good business plan sets milestones for the easy of the company. The planning helps to do the right thing at right time and to the right place. It will be great if entrepreneurs dedicate their time on creating business plans as the scope and size of the business plan depend on specific goals. The business plan also usually involves a brief look at the industry running within which the business will run. The planning helps the company to be aware of the changes in political trends and contributes to the accomplishments of the high rate of profits. A business plan is a type of road map for business by showing where you are, where you like to be and how you plan to reach there. The clear business plan is needed for the entrepreneur. (Berry 2016.)

The business plan introduces business in detail including the goals of the company and how to reach them. The business plan considers a fundamental tool for running the business. There are much diversity of business plans. When the entrepreneur plans the business right, they get a clear picture of the business. They can facilely join the dots between tactics and strategy. Business plans may be externally or internally immersed. The externally-immersed plans are important to financial stakeholders. The internally-immersed plans mark intermediate objectives required to reach the external objectives. The business plans help the company to formulate goals and objectives clearly. After discussing with colleagues, superiors, and subordinates the company formulates objectives. These objectives assist the company to gain profits and stability of the business. The planning helps to see the organization in total rather than department-wise. The company aims is focus on the long-range plan rather than short-range plan. The benefit is also considering technological and environmental factors. There has been upgraded continu-

ously in technology. The business plan combines the company plan with the government plans and priorities. The having of the business plan gives a way to proactive and not reactive about business. It is an ideal way to clarify who is responsible for what task. It is a great format for getting things in writing and knowing results with course improvements. The planning of business plans gives a business with direction helps in understanding the business and its operations. The business plan gives a well-organized location for supporting items and a clear display of vital things such as business objectives, missions, and goals. A business plan has many advantages as benchmarking, provides direction, contracts and helps in terms of financing. It helps the company owner to improve his or her business's good practices. Therefore, business planning is very important while establishing companies. The new entrepreneur should know the advantages of business plans and should create before starting a new business. (La-Marco 2018.)

3.3 Risk management plan

The ongoing process which continues through the life of a project is known as the risk management. It has both a positive and negative effect on business projects. The risk management categorized into four strategies as avoiding risk, mitigating risk, accepting the risk and lastly transferring risk. To define risks in other words,

According to the Patriot and statesman John Jay, "To wish for the ideal and be prepare for the worst." The creating of risk management plan helps any business to reduce the occurrences of risk. Risks arise in small business in various ways, external risks include damage to the facility, natural disasters, lawsuits or even slow-paying customers. Internal risks include theft of goods, high turnover, loss of customers through poor customer service. In the small business, risks come in various ways. (web finance Inc 2018.)



FIGURE 3. Risk management (Adapted from IIBM LMS 2015.)

The above figure 4 tries to show the management of risk. It shows how to identify risk through historical projects, experience, lesson learned and SME interview. The second step is to allocate risk by the categories schedule, financial, quality, scope. The third step is to asses risk. Then the plan mitigation by planning actions, risk triggers. The last step shows how to monitor the risk by knowing corrective actions for the right management.

4 MARKET PLANNING

Market planning is a system of business advertising and marketing efforts. It is a systematic step to a target audience, marketing budget and to list marketing goals. It helps in setting and achieving objectives. The market planning avoids future uncertainties. The marketing department does the market planning such as price setting, product-positioning, distribution channels. It gives the framework for implementing a market orientation. (Every girl Media Group LLC 2018.)

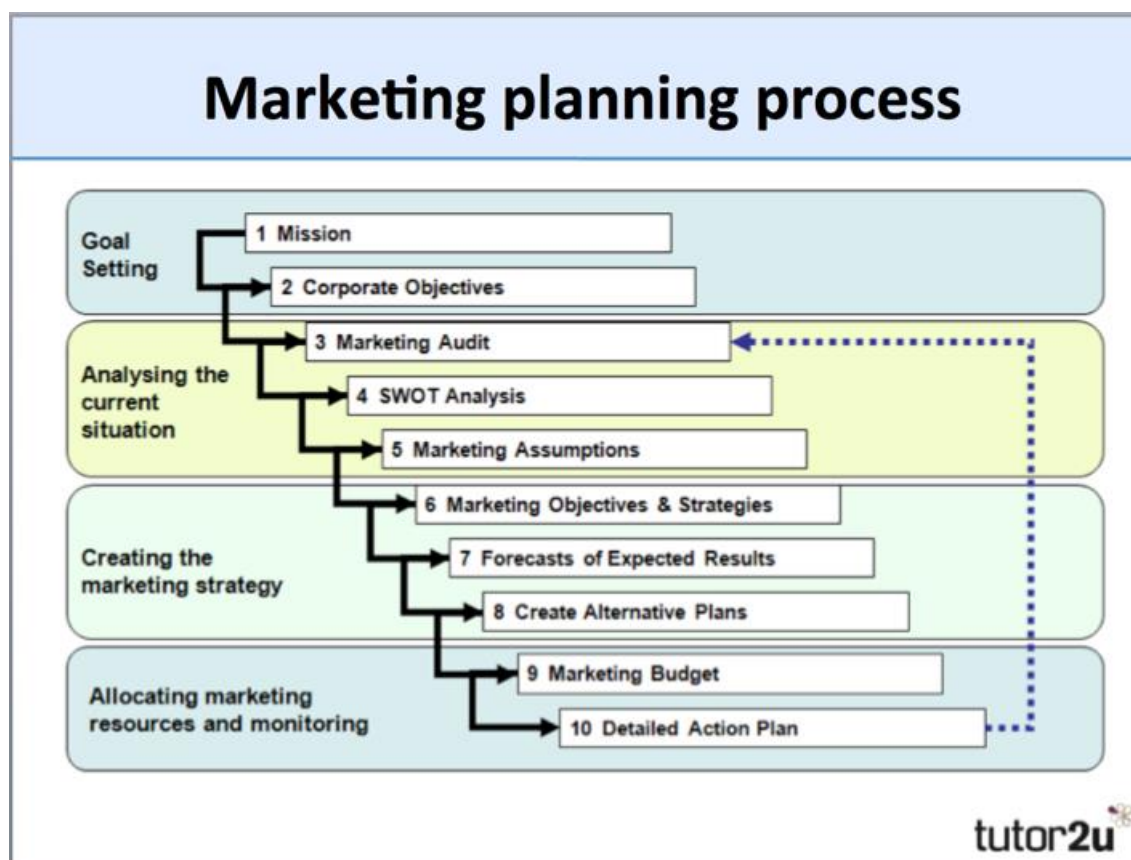


FIGURE 4. Market planning process (Tutor 2u 2018.)

The mission is necessary for every business before they launch the new business. It should contain a meaningful purpose and direction of the business. The objectives should be clear for marketing the develop products and services. In the section of marketing, it should access the products, market shares, resources, competitors. The market needs analysis in structure, size, and growth. The planning should

be done through SWOT analysis knowing the strengths, weakness, opportunities, and threats of the company business. The detailed budget for the next year for a marketing budget. The detailed implementation plan so the market planning process for business gets success.

4.1 Importance of market planning

The most important function of market planning is management. The planning is a decision-making process and it plays a crucial role in business. The planning helps in market development, product development, sales promotion, channel design, and profitability. Market planning controls unnecessary expenses of the firm and helps in achieving the objectives of the firm economically. The objectives of market planning are to decide how to sell the companies productions to the customers. All business needs market planning before starting a new business. (GKTODAY 2016.)

A business industry must make a lot of marketing conclusion. It defines the responsibilities and role of marketing executives in such a way to reach the objectives of the firm. It involves Programmes, preparation of policies and budgets. It allocates the marketing resources in the most and best economical way. The planning can be commanded to minimize the fear of failure. It promotes prosperous marketing operations. Market planning minimizes weaknesses, capitalize on the strength and open new ideas and opportunities. (Leonard 2018.)

4.2 4PS of marketing analysis

The 4PS marketing mix analysis refers to product, place, promotion, and price. It is a tool that helps to develop, create, communicate and deliver the values to the customers. To be the perfect entrepreneur it is important to know how to use 4PS marketing analysis. (Martin 2014.)



FIGURE 5. 4PS of marketing mix analysis (MBASchool.com 2018)

The above figure shows the product part includes brand, services, and packaging. The price includes like a discount, offer price and credit policy. The place is for the market, channel, and distribution. The promotion includes advertising, publicity, and sales promotion.

4.2.1 Product

It refers to a goods or services a company offers to the customers. The successful marketers know the life cycle of a product. When it comes to a product the quality, features, customer service, design, and after-sales service should be considered. The packaging should take into consideration while deciding this factor. The products can be tangible and intangible. The tangible products like soaps, toothpaste, watches. The intangible products are service based like the information technology, tourism industry. (The marketing mix 2017.)

The products need to be functionally able and should be relevant. Products need a name, so it becomes a brand. It should be adaptable as with the time and trends. The first decisions in the marketing plan are the product decision. The tertiary product, the augmented product, and the core product. (Bhasin 2017.)

4.2.2 Price

It is the cost pays by the customers for buying the goods. The price of a product depends on distinct variables. The marketers must consider seasonal discounts, supply costs, and competitors 'prices. Price also be affected by value chain costs, distribution plans and competitors price a rival product. It includes considerations of customer perceived value. (The marketing mix 2017.)

Price determinations will impact demand, profit margins, supply, and marketing strategy. The pricing affects the positioning and targeting of a product. Also, in the form of trade discounts pricing is used for sales promotions. (Bhasin 2017.)

4.2.3 Place

The distribution of the product refers to the place. The key element of placement is distribution. There are selective distribution, intensive distribution, franchising, and exclusive distribution. The distribution of products to the right place is important for every business companies. It includes physical store departmental stores, supermarket as well as virtual stores e-mails and e-markets on the internet. (The marketing mix 2017.)

Distribution has a vast effect on the profitability of goods. The logistics decisions and supply chain are considered as significant costing decisions of the firm. The business needs to have a full proof supply chain plan and logistics for the distribution. (Bhasin 2017.)

4.2.4 Promotion

The promotion is very important to reach every customer about the products. The customers should know that there are products in the market than they will go to buy. Promotion is comprised of elements like sales promotion, public relations, and sales organizations and advertising. In promotion of a product, the sales staff often play a major role. The advertising includes using specialty packaging to showcase products, online ads. (The marketing mix 2017.)

The promotion includes elements like social media marketing, public relations, video marketing, email marketing, search engine marketing and more. It decides positioning and segmentation targeting of the product. The three variables that affect the promotions are price, product, and place. Promotions are reflecting as marketing expenses and should take into consideration while deciding to the price of the product. (Bhasin 2017.)

4.2.5 Summary

The 4ps of marketing mix analysis is necessary for an entrepreneur to know the potential market value. Marketing is focused on the concept of fulfilling the needs of customers by means of the product and all cluster of items related to creating, distributing and finally, swallowing it. To establish the new business, it's important for an entrepreneur to give priority on elements such as product and place. It will be easy for the entrepreneur if they have better knowledge about 4ps marketing mix because they are important elements for doing business and gaining success in it. (Smalley 2017.)

In the beginning, it is difficult because success does not come easy for all, the entrepreneur should always think broad and should have the quality of learning from every mistake while running a business. The product should be qualitative, the price should be suitable, the business should establish in right place and the advertisement should be given every time about the products by choosing the right media. The owner gets success if these things are taken into consideration. The application of 4ps model sometime varies on business to business. The journey of establishing get success with a lot of patience and determination. (Pratap 2017.)

There is saying those entrepreneurs who fail to plan, are adequately planning to fail and so it is with marketing. The full point of marketing planning is to harmonize the efforts of the group, jointly with the important resources, together with finance, so that it all comes group when and where it is needed and get the wanted results for the business. It is a misuse of time, money and effort to make plans which are then locked away, as so generally happens, and which is the key reasons why people don't believe arrangement works. Owners do make errors, and they need to learn knowledge from them. The marketing plan corporate planning and control of monitoring both the nature in which the offering is created and the wants of the customers. The primary ideas of marketing are universal, and it makes no division whether we are marketing insurance policies or furnaces. The company makes a profit by focusing on

customers and their wants of the goods and services. Then the company is said to have a 'market orientation' or said to be 'Market led'. The marketing environment should be changed according to the economic climate, a customer wants, technology, fashions, environmental concerns, legislation and so on. (Kotler and Armstrong 2010.)

5 RESEARCH METHODS

The research method is a process which is used for collecting information and data for the cause of creating business decisions. It is a broad term. The aim of the research method is to discover the truth which is hidden, and which has not been exploring yet. This method is the greatest instrument to get success in business. It helps to gather data, samples and find solutions to problems. According, to the purpose of the study, research methods also depend on the type of research. It contains organizing, collecting and evaluating data. There are two types of data -Primary data and secondary data. The primary data are categorized into two types; Qualitative method and Quantitative method. The quantitative method is defined in the forms of variables and qualitative method are defined motives and generalizations. In this case, qualitative research method was chosen. There are three types of research which are explanatory, descriptive and evaluative research. (web finance Inc 2018.)

5.1 Qualitative Research Method

The qualitative research method is a research method that focuses on conversational communication and on obtaining data through open-minded. It is not concerned about the numbers. The qualitative research method is growing nowadays because it is considered as reliable methods. It is more flexible too. Interviews, observation, focus groups, case studies, games and role playing etc. are the most popular qualitative methods of data collection. It has a big potential. To collect qualitative information, the methods include informal and in-depth- interviewing, and observation and participant observation. (Bhat 2018.)

Qualitative research is an umbrella term because the data collected is primarily (but not exclusively) non-quantitative in character. It is conducted across multiple disciplines such as communication, social work, education, sociology, healthcare, business, psychology, and other related fields. This methods goal is to know the experiences and attitudes of a group of workers or the community. This type of method is extra exploratory in nature. It considers collecting of verbal data rather than measurements. This method gives a better understanding of targeted groups and observes the familiar subject, data, and the research context. (Explorable.com 2008-2018.)

5.2 Validity and Reliability

Validity is an essential factor to find the results in a thesis survey. The data and research questions were collected and surveyed in a systematic way. It refers to the correctness of findings. There are four types of Validity construct validity, face validity, predictive validity, and concurrent validity. The study of data is valid when it measures the correct claims what it should be measured without logical errors. (Statistics solutions 2018.)

Reliability refers to the degree to which a research tool instrument produces consistent results. It is a property of measurement, tool or sometimes of a whole experiment. It is the most important elements of test quality. There are two types of reliability external and internal reliability. The external reliability measure varies from one user to another. The internal reliability measure is consistent within itself. The reliability gives the same results under the same conditions. For the researchers, validity and reliability of arrangement are important reflections for their investigations. (Shuttleworth & Wilson 2008-2018.)

All the data were conducted from the related organizations, so the reliability and validity are authentic. The research part was reliable as the data were collected discussing with the different sole proprietor about the sole business and the data is valid because data were collected through qualitative research method.

5.3 Methods of data collection

In this thesis, six interviews were taken keeping in consideration through owner's point of view. All the 6 companies are sole proprietor business who have owned different product as well as applying different marketing strategies and located in different places. The questions were made by analyzing the market situation. The interviews were carried out by an author by booking different time according to the suitable time of sole owner's. The name of owners has been classified as A, B, C, D, E, and F. Author has interviewed Company A and B in the same day 5 Dec 2018 but in a different time. Author has interview company A in the evening around 16 and B in the afternoon around 11. Likewise, an author has interview company C on Dec 6, 2018, around 8 in the morning. The company D interview on 7 Dec at 12 in the afternoon. Lastly, the company E and F were interviewed in the 8 Dec in the same day but in a different time schedule. The company E interview at 7:35 in the morning and F at 17:45 in the evening.

TABLE 2. Interviewees

Name of company	Business	Date	Duration of the interview
A	Clothing Business	5/12/2018	00.16.30 Through Viber
B	Shila Boutique	5/12/2018	00.11.44 Through messenger
C	Fish Farming	6/12/2018	00.08.21 Through Viber
D	Pig Farming	7/12/2018	00.12.17 Through Viber
E	Beauty Parlour	8/12/2018	00.07.35 Through messenger
F	Grocery	8/12/2018	00.17.45 Through Viber

5.3.1 Theme 1: Information of a company

This section includes information about companies in general. The respondents give their ideas and information about their company. It includes a total of ten questions answers. The interview was taken through the messenger and Viber during the day and morning time when they were free, and notes were taken. The interviews were semi-structured, and questions were asked to the owners.

Company A is a clothing company. It was established in the year 2013. The company sells clothes, especially of women and children. The company hired three employees for the works. The company is running well with a gaining profit. The owner established his business with a limited budget. He sells

ladies and small children's' clothes (Age groups of children is between 3-10years). He orders the different clothes from different suppliers and sometimes he himself visits the different country to import the products. The goods came from the country like India, China, Malaysia and Thailand, and many other countries. He had gained a lot of experience and knowledge about selling clothes products in Nepal. Approximately, 1000 customers visit the company in a month. The owner motivates because he was interested to do business and earns profit from starting a clothing business. He is totally satisfied with his business, so the business is running well with a profit till now.

Company B is a Shila boutique. The company makes different styles of women dresses and cultural dresses too. It was established in the year 2015. The owner buys the different types of colorful clothes from various clothes companies and brings to her boutique. She says, she doesn't have a fixed company where she goes for the buying and she chooses the right market areas side where they have good quality products at a suitable price. In the starting time, it was hard to handle the company because of a new place and she was working alone in the boutique. Later, she hired one girl working in her business because the growth of the business was going well, and she needs a worker for that. She was motivated to start a boutique because it was her aim to establish this business and she trained for many months before for this work. Approximately, 215 customers visit the boutique in a month. The owner is fully satisfied with her business.

Company C is fish farming. The company was established in the year 2014. The owner sells fish to the market. The owner said by staying at home it was the best job for him and the right place for the fish farming, so he decided to run the fish farming. He said he don't have fixed place where he goes to buy the fish for his business. For the fish farming, the financial costs are low so the owner motivated to earn money by running this business. The owner doesn't hire employees because he said all the family members look after the fish and take care of them like feeding. Approximately, he earns € 450 profit per month from this business. The owner is satisfied with his business because he is gaining profit, so the business is running with a good position till now.

The business D is pig farming. The company sells the pig to different meat companies. It's been ten years of establishment. It is a hard job and to take care of them. The owner was interested to run this business of good market growth of pig meat in that area at that time and good money. She hired three employees since starting time because it was hard to take care of them alone. The company is earning a profit and she is happy with her decision of running this business ten years ago. She was motivated because the area she lived in is big and market growth of pig meat was in high level than other meats. It

was her decision to invest in this business and earn a profit. Approximately, 34 customers visit her company to buy the pig in a month. She is full happy of running this business.

The company E is Beauty parlor. The company sells different types of cosmetics products. It's been two years of establishment. The owner is a beautician so decided to run her own business. She took the training of beautician which motivate her to start this business. She is handling the parlor alone. She buys the different varieties of beauty products from different areas of Kathmandu valley. She has a connection with some beauty brands in India where she orders the products for her company. Approximately, she earns of €500 profit per month. She is happy with her business.

The company F is a grocery store. The shop sells home needed groceries like vegetables, fruits. It's been four years. The owner like to be busy, so he opens this shop because he was free all the time as he was retired from the Indian army. He goes to different market areas where he can find the fresh vegetables, fruits at a reasonable price. He doesn't have the fixed market areas. He doesn't have the employee because whenever he is busy and in his absence the family members look after the shop. Approximately, the company earns of €750 in a month. He is fully satisfied with his business.

So, these are the general information of six sole companies of Nepal.

5.3.2 Theme 2: Target customers and seasonality products sales

The target customers of A company are both local and foreigner as this is a clothing company, the entrepreneur answered. The changes of opening time in winter season affects the business schedule, as they open late and close early during this season. They sales more in summer, various occasions such as festivals, marriage ceremony, rice feeding ceremony and so on but in comparison to summer, they sell less in winter. The company is opened every day but closed in festivals time and government holidays. Especially females visit the company and company sells children between 3-10 years age groups clothes too.

The target customers of B company are local people. Seasonality affects to B company because mainly in festivals time business runs more in profit and another season it is average. The young ladies do more visits with the purpose of making various styles of clothes.

Company C is targeting local and foreigner both. The seasonality affects to C company as this is fish farming and weather seems challenging to this company. They must provide time to time food for the fish. It is hard for them to take care sometime. All age groups customers visit the company.

Targeted customers of pig company are local. Seasonality does not actually affect D company. Different customers from different places go to buy the pig. Although age groups can visit this company, only an adult can purchase from there.

The Company E target the local customers. The seasonality does not affect that much to the company because many customers buy the products. But there are different beauty products available now by differentiating for summer wear and winter wear. The adult and young ladies mainly visit the company.

The F company focus on local customers. Seasonality does not affect to F company. The shop is open every day. The all age groups of customers especially of his home area visit to buy the grocery products. This business is basic grocery needs for the customers, so business opens almost every day.

5.3.3 Theme 3: Advertisement of products

A company, the owner used to advertise the products by providing the name of their company on newspaper sometime. People just see hoarding board and visits and if they like they buy it. So, he doesn't use social media.

Company B does not use social media for advertising products. The customers directly visit the company when they see the hoarding boards and basically mouth to mouth marketing is used to promote the products. The owner added she tell the customers to tell their friends, relatives about the boutique and this marketing idea work for her business.

The owner does not advertise the products through social media replied by company C. But he sometimes gives his company name to the newspapers, so the reader will know about his company and visit to buy the fish.

The company D owner also do not advertise, and customers just see the company from outside and visits.

The owner of company E answer, this is sole proprietor company, so she does advertisement by giving the name of her company on newspaper rarely and customers just see from outside and visits the company.

The company F sells the daily needed grocery items so, they are not familiar with social media to promote their product. The customers from the same area come there to purchase the daily stuff.

5.3.4 Theme 4: Risks management and ideas for entrepreneurs

A company answer risks are many, sometimes products can be arriving damages and trends in the fashion industry are ever-changing and fickle. To mitigate the risk the entrepreneur should immediately send the clothes back to the company to complain and should follow the latest trends in the business. It would be better for a new entrepreneur to enter with quality products and ideas to run the business smoothly and profitably. Finance should be managed. He suggests being careful in every step while doing business and to do the perfect management plan. The staff should be managed well and should be treated well.

For B owner, the risk can be few as customers may do not pay and never come back after taking the clothes on credit. This case anyhow is less but rarely happened. To mitigate the risks, the entrepreneur should be very careful from next time and should know the what type of customers are visiting the company and make some new rules for the business, so business will not go in loss. The suggestion is to do the proper planning of business with well-managed staff and know the market fashion.

For the C company, there are many risks which should be minimized before happening it. The main risk is whether if it is not suitable than risk is more for this business. The business can go fully loss. The entrepreneur should know the right time of feeding them. The other risks are faulty equipment, poor quality of fish and outbreak of diseases. The weather should be taken into consideration and to feed them on right time with the right food can be the best suggestions for new entrepreneurs who want to run this business.

For D, the owner there is more difficulties because it is most important to take care of everything like grain stores, barns, hospital pens, tractor sheds, feed bagging rooms. The risks can be hazardous chemicals, flies with they can be affected so they should get the proper pig houses and food. The suggestion is to do pest control and use veterinary medicines and do a treatment of sick pigs.

For E company, the high chance of getting damaged products and if customers used the wrong products than their skin can be damaged. The new entrepreneur should choose the charitable beauty products and the famous brand for ordering products. The suggestions are to be sell and used the products which are suitable for the customer's skin.

For f, the risk and disadvantage of this company are if money is not returned on time by the customers, contaminated products, theft. To mitigate the risks the entrepreneur should stop selling the products to those who negligence to pay after borrowing so much of products on credit. The suggestion is to do insurance of grocery stores, so the price doesn't fall entirely on your shoulders and to keep your shop safe from hazards.

5.4 Ladies Fashion Sundhara company

The commissioner of this thesis is Dharma Raj KC who lives in Kathmandu Nepal. The company is in the tourist visitors' area in Kathmandu valley. This is a single owned company and was established in the year 2013. The store sells a different variety of clothes. Ladies Fashion Sundhara is an unlimited liability company that means is owned by a single owner. Most of their customers are Nepalese visitors and tourists too. It is in the tourist's area side so customers are tourists too. The store owner does not advertise their products. The company has a window display which is used for attracting customers, so they see and visit the store. The targeting place was the tourist's area for this company. The targeting customers are mainly ladies for this company. (KC 2018)

An image of Ladies Fashion Sundhara company is shown below.



PICTURE 2. Ladies Fashion Sundhara Company & its registration form

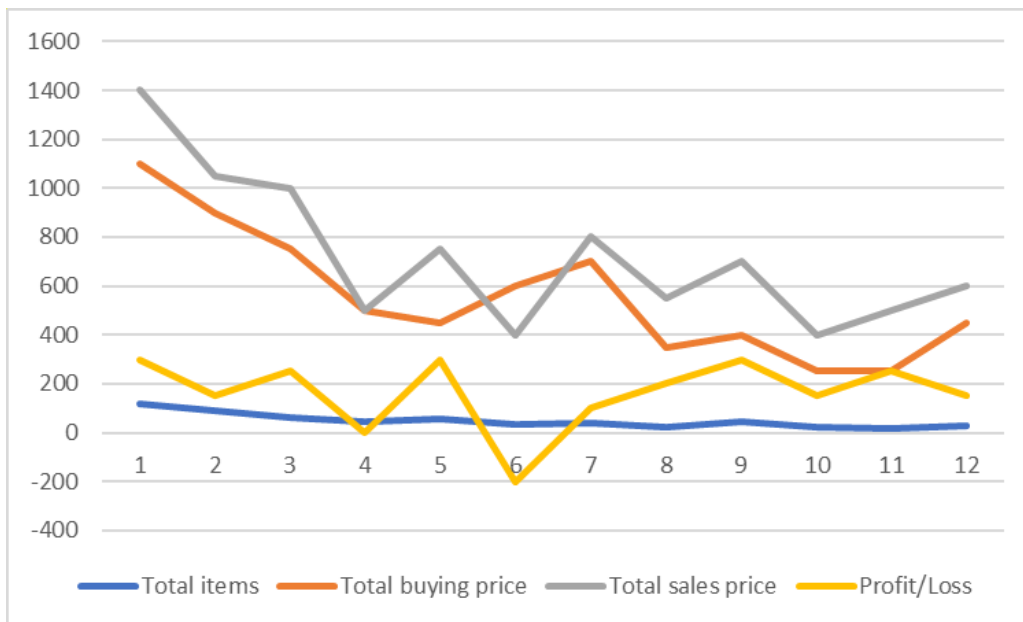
Ladies Fashion Sundhara company 2017 estimated products and sales

In the below table it shows the 2017 estimated products and sales. The data has been collected from Ladies Fashion to analyze the products sales and total products they bought for the selling. This shows only the estimated data of 2017. The price is shown in Euro in this table. The total items, buying products, sales products, and company profit and loss are described in this data collection.

TABLE 3. Estimated number of products sales 2017(Appendix 1)

Months	Total items	Total buy- ing price	Total sales price	Profit/Loss
January	120	1100	1400	300
February	90	900	1050	150
March	60	750	1000	250
April	45	500	500	0
May	58	450	750	300
June	35	600	400	-200
July	40	700	800	100
August	22	350	550	200
September	45	400	700	300
October	25	250	400	150
November	15	250	500	250
December	28	450	600	150

It can be concluded from table 3, that during the month of January, only 120 products were in the company and the total buying price for the products were 1100, the company sales 1400 and the company gain profit of 300. The highest amount of earning of company 2017 was 300. The company was the loss in the month of June with 200. The company were equal to amounts buying and selling was in April. So, this table shows the whole year of 2017 products bought and sales.



GRAPH 2. Total profit/loss

In graph 2, the blue color represents the total items of the company, the brown color represents the buying price for the items and the grey color indicates the total sales price of the products. The yellow color represents the profit and loss of the company in every month of 2017 in detail. The company loss with 200 in the month of June. The company was in profit in the month of January, February, March, May, July, August, September, October, November and December. The same amount of product bought, and sales were in the month of April.

TABLE 4: Daily business record of clothing business (KC 2018)

Date	particulars	folio	Amount (€)
2018-08-03	Product sales		96 14 15 25 12
	Total Income =		€162
2018-08-03	Paid to Rajesh supplier		104
	Paid to Nabin		4
	Foodstuff		6
	Office stationery		7
	Total expenses =		€121
	Total profit = (income-expenses) (162-121)		€41

The above table shows the daily cash record of clothing business. The income is recording in one side and the expenses on another side. The owner does the recording of product they sales and how much expenses were in business. As it is a small business, they record the business transactions in the simple paper. The records are handwritten in this business. The weaknesses of small size business areas they have fewer customers, fewer resources and business are less they don't use any big accounting files for recording business transactions. The Nepalese business record paper provided by the clothing company owner is shown in appendix 1.

5.5 Findings and Suggestions

The interviews made the thesis fruitful after knowing the importance of sole trader and the information of business how it is easy and risk to run the new business. The different theme has carried different findings through owner's point of view.

The theme one interview made clear information about the company and the owners. The owner of company describes about their company in detail. It shows the motivation of doing the business for trader. The owner has a different business and different experience in the related field. All the companies have owned different business such as A has clothing business, B has boutique, C has fish farming, D has pig farming, E has parlour and, F has grocery.

The second theme was the target customers and seasonality product sales. The company has different target groups according to their business categorization. Seasonality affects plays a crucial role for some sole companies. The interviewee said that sometimes business goes to loss and must bear it. Mostly winter season affects the sales because people usually visit less in winter in comparison to summer due to the cold and changed time schedule of the company. The owner closes the company earlier in the evening than the summer which affects their sale because working people can't visit the stores after their working day.

The third theme is a promotion. All interviewee replies their opinion about product advertisement very easily. Well, from this it came to findings that advertisement is not compulsorily needed for the sole trader. They answer they do promotion sometime by giving their name on newspapers and customers visit their company by seeing the company from outside. From interviewee, it clears out that single

owner doesn't do the advertisement of products regularly. In this technological world, people can promote their business through social media, blogs, advertisement (both electronic and paper), media, flyers and brochures.

The last theme is how to manage risks and ideas that should be given to new entrepreneur's. All interviewee provides ideas about how to manage risks and business ideas. Business does not get success easily, so it takes the right time, so the entrepreneur should have patience. The newcomer should know the risk management plan, so it will be easy for them to be secured in business. Business person should understand the possible risk that may occur in the company and should be preparing to mitigate those kinds of risk effectively.

5.6 The SWOT analysis of the interview

The SWOT analysis for the sole trader company plays a crucial role to meet the customer demands for the products. For a SWOT analysis to be useful, the company owner needs to be deeply involved. A SWOT analysis is a powerful tool that develops the business plan. This is not a work that can be delegated others. An entrepreneur can do a SWOT analysis if they are going to running a business.

TABLE 5. A SWOT analysis for a sole business plan

Strengths	Opportunities	Weaknesses	Threats
Quality products Reasonable price Independence of the owner	Easily established Less competitor Seasonal market	Unlimited liabilities Limited product Poor marketing	Closed anytime Deprived of government-provided benefits

Table 5 shows the SWOT analysis of the sole business. The strengths and weaknesses are internal to the company. The example for internal includes like location, who is on your team and intellectual property.

Opportunities and threats are external for the company. The external examples include prices of raw materials, customer shopping trends, and competitors.

There are many tools available for business organizations to understand the better business environment. It is the combination of four terms as strength, opportunity, weakness, and threats. The strength is the first component in the business which is primarily concerned. For the sole trader, the strength is the independence, the applying creativity. For the entrepreneur, it is always important to understand the strength and use it towards meeting customer satisfaction and need. The creativity of the owner is seen in this type of business. To understand the weakness of business is the most difficult part for the entrepreneur. The language barrier, poor marketing, import taxes, transportation, the limited product can affect the business. The opportunities are that it can be easily established, minimal government regulation. There are many opportunities for establishing a sole trader company in Nepal. For the new entrepreneur, it is good to know the information related to investment. The threats can be closed any time, deprived of government-provided benefits. Competition can be existing if more sole company establish in one place. The best solution for the entrepreneur is to analyze business with SWOT before establishing a business. The target market and interest to explore the business ideas and opportunities of the entrepreneur make the business gets success.

SWOT analysis must be flexible as it is used in a different variety of scenarios. The owner should be realistic about the strengths and weaknesses of his/her business. The audit should be short and simple and should avoid over analysis by the owner. The SWOT analysis makes proactive thinking, helps strategic and business planning. Once the SWOT analysis has recognized that it can be used for the short-term and long-term strategies for the business. SWOT analysis creates the opportunity to encourage the participation and bring the team together. The new entrepreneur should use a SWOT analysis as a piece of their planning process. The SWOT helps the organizations to be full of awareness of all the elements associated in a decision.

6 CONCLUSIONS

During the thesis writing the writer has gathered knowledge associated with starting a sole proprietorship in Nepal. The author has got the opportunity to know the market situations of sole companies. The author got the opportunity to interview six single owners of Nepal. The case study for this thesis was Ladies Fashion Sundhara, Kathmandu, Nepal. The author motivates to write a thesis about Sole proprietor of Nepal because there are many single owner businesses in Nepal and author want to collect the information of sole trader about how to handle and run the business. The thesis guides to the new entrepreneur for running the small business in Nepal. The thesis writing was educating for the author. The research was done with the semi-structured interview. The author is grateful to the interviewees as they were happy to share their feelings and experience about their business and they were co-operative too. The overall journey was fruitful as the aim of this thesis writing was clearly defined at the starting.

The objective of writing this thesis was to find the possibility of establishing a sole proprietorship in Nepal. There are many small businesses in Nepal who run by single owner investment. Many foreigner investors can be found in Nepal who is living there and running their businesses. Nepal is rich in natural resources. For a new entrepreneur, there is a great opportunity for running a business in Nepal as there is a growing market in Nepal. An entrepreneur can easily access legal process and no restriction on establishing the sole company.

The chosen of theories and theoretical part was a little bit difficult. To find the resources was rather easy as there were offline and online resources available. The relevant resources were chosen which were related to the thesis purpose of writing. The topics like rules and regulations in small business, the economic situation of Nepal and the market situation of the sole proprietor with the most remarkable challenges were covered. The writing of this thesis was to provide information to the readers for comprehensive reading by not letting them be confused. The learning from these theories guided the entrepreneur to go through right way to run the business.

The research helped the authors to know the different views and experience of single owner business of Nepal. The research method in this thesis has positive impacts on establishing a sole proprietorship in Nepal. The respondents were positive and satisfied with their business which provides good feedback for the new entrepreneurs. The best part is most relevant sources were the owner themselves. The suited research method was the qualitative method which was the best part of writing this thesis. The owner of

Ladies fashion, Sundhara, Kathmandu, Nepal has provided a good picture of his company and his registering file of a company. The findings were meaningful which proved reliability and validity of this study.

In conclusion, this thesis has tried to provide materials for the research on sole proprietorship of Nepal. The business owner should choose the right place and right time for starting a business. The marketing of the company also plays a crucial role in the success of the business. The advertising is not done properly in this sole business but also marketing methods are used frequently. The entrepreneur will get the knowledge of some business with a good plan and management system.

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APPENDIX 1

श्री गणेशाय नमः
२०६५।१३

राज्य का निर्यात	13250
राज्य का आयात	500
राज्य का निर्यात	730
राज्य का आयात	800
राज्य का निर्यात	15280

आयारनामी

12280
1730
1850
3250
1350
<u>90460</u>

APPENDIX 2

Hi, I am Sunita Subedi from Centria University of Applied Sciences, Jakobstad writing my final thesis. To finish my project, I need some facts and information about the sole trader company. So, I kindly request you to participate in this interview and highly appreciate your participation and will be always grateful towards you. Your answers to these questions will help me to find the possibilities of starting a sole trader in Nepal and it will provide ideas to the new entrepreneurs.

Theme 1: Information of a company

1. Can you describe briefly about the company since its establishment until now?
2. What was the motivation factor for you to start this business?
3. How much are you satisfied running this business?

Theme 2: Target customers and seasonality products sales

4. Are your targeted customers local or foreigner?
5. Does seasonality affect your business schedule and customer visit?
6. What kind of customer visits your company?

Theme 3: Advertisement of Products

7. Do you advertise your products through social media and if so, how?

Theme 4: Risks management and ideas for an entrepreneur

8. What type of risk is involved in this business?

9. How do entrepreneurs mitigate the risks involved in this business?
10. How would you suggest the new entrepreneurs to establish sole proprietor business?