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COMPETITIVE RISK MANAGEMENT OF SERVICES IN
HANDICRAFTS BUSINESS, NEPAL: SK HANDICRAFTS

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The main motive of this thesis was to identify the competitive risk and the approaches to manage those risk. The case company for the thesis is SK handicrafts which is located at Thamel, Kathmandu, Nepal. As my case company is a type of small scale industry. The author is targeting the difficulties which the company will suffer when they will import and export their handicrafts products in the developing country like Nepal. Nepal is a small country located in the continent of Asia. It is surrounded by the two gigantic and developed countries like India and China. The ambition for the thesis is to jewel the competitive risk and the problems which the small-scale industries like SK handicrafts will face including its exporting of products especially to European market, competitors in Nepal.

The research on competitive risk management was conducted based on handicraft business in Nepal. The case company is SK handicraft exports. Not only for the thesis the author is much interested to do his own business in near future so the main reason behind my research is my dedication towards entrepreneurship. The author has made the thesis so simple that it is not hard for other to understand. The author has described about the indication and examine the risk things that may occur at any time and any situation. So, regarding what are the pre-cure for removing such risk from the company so where the company can achieve the further goals. I am doing research how does SK handicrafts products will increase in the local and foreign level; how can we support the small-scale enterprise like SK handicrafts to grow bigger in Asian and European market and what are its competitive management methods to do their business run properly. The author had made a clear view of first the description what actual my table of contents is then after in the second paragraph I have described how the description are interrelated to my case company SK handicrafts.

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1 INTRODUCTION

Risk management refers to identify and monitor the situation that occurs unknowingly. It is kind of process which need the point of focal and the responsibility as well. In some condition the risk is identified at the proper time but the solution behind its measures are unknown. In such cases the future estimation and the great judgement is needed in the risk management process. For this reason, we need to identify, quantify, respond and monitor to control or manage the risk in the organization.

Risk can occur at any time in the organization. The proper management is must needed to sort out those risk. My thesis also includes the same kind of factor that is related to the risk and the steps to manage those risks. Though my way of writing the thesis is easy and understandable and the methods are also simple. The main motive of the author will provide the case company i.e. SK handicraft the ideas and knowledge, adverse effect of risk, solutions behind that and how does it will impact in the company after managing such problems at the given period in both sectors importing as well as exporting. For that reason, a detail conversation was done with Mr. Keshav Raj Pandey who is the owner of SK handicrafts exports about the risk and the risk management process. At the end of this thesis, recommendations will be provided to SK handicraft which will help the company and other to learn lots of things including the impact of risk, probability of tracking the risk, quick fix solutions and recommendation also.

1.1 Objectives of the research.

The overall objective of this thesis is to study the risk management process in a given company i.e. SK handicrafts and to discuss the approaches based on following company base. Simply via research, the risk management is defined as the way of identifying, analyze and reduction of uncertain investment decisions in the company. For eg controlling of the threats in the company by using the risk management strategies. The risk management strategies are accomplished by looking towards the size of the company.

For other objectives to find out the competitive risk and how to increase the exports rates of SK handicraft center of Nepal. It includes the following objectives:

- What can be done to increase the export of SK handicraft products in local and foreign level for SK handicrafts?
- How can we support the small-scale enterprise like SK handicrafts to grow bigger in Asian and European market?
- How will the competitive risk management measures help the SK handicrafts to run their business smoothly in the competitive market era?

The major finding of my research will influence other enterprises and motivates the various other small-scale handicrafts which helps the people to get the job opportunities also. This thesis research helps the SK handicrafts ltd, my case company to improve their business activities in future.

1.2 Conceptual framework

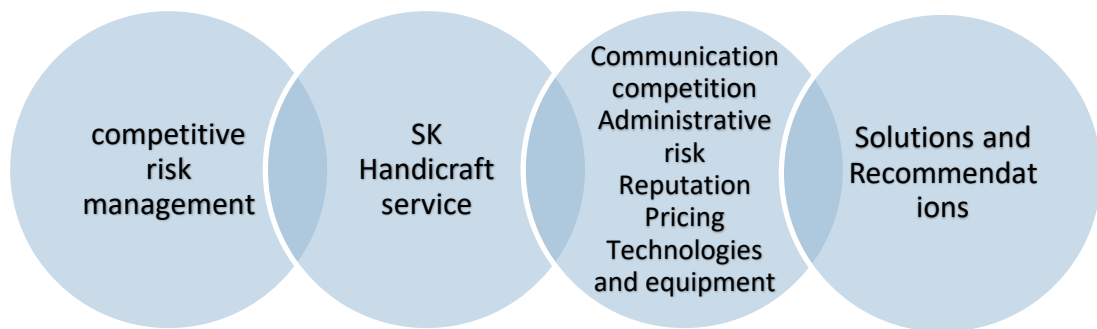


Figure 1. Conceptual framework.

Here, the above figure describes my conceptual framework for my thesis. The figure is quite easy to understand. Basically, the figure focuses on the risk management of my case company SK handicrafts. In the first circle the competitive risk management of the service is described by linking the SK handicrafts i.e. is on the next circle. After that what are the impacts of communication competition, administrative risk of the company. Then there is the reputation which includes the legal issues and registration contract needed to be done according to the government rules and regulations of Nepal. After that the pricing risk and what are the impacts of pricing competition, dealing and increasing of purchasing power of the customers and market price for the company is described. With the reasonable solutions and the recommendations which need to be performed for the company success and dominate the risk in the company is mentioned clearly in the end.

2 COMPETITIVE RISK OF SERVICES

In this thesis, the author has firstly described about the competitive risk. Like other risk competitive risk are also that kind of risk which will let the company to face the problem by declining in various factors that let the company to achieve success and grow healthier. Below is different competitive risk based on various factors.

2.1 Communication barriers.

Communication with the employees about the risk issues can increase the desire to participate in or otherwise influence the decisions about the control of those risk. Proper flow of communication is the one of the major factors for the company to maintain a community relationship. In SK handicrafts also, the manager of the company need to provide his employees by making available everything what they want and need. It lets the employees to know about the company matters already so that quickly action can be taken out easily. (National Research Council Staff 1988, 111)

2.1.1 Language problems.

The language problems will affect the company to take some sort of remedial measures while carrying out the business. Language problems may lead the risk communication. Successful risk communication is utilized only if the communicator is relevant for the learners to give his opinions towards it. The success only occurs in a business if the leaders and the employees work together. The decisions that has been given by the leader are implemented by the learners properly and individually. (National Research Council Staff 1988, 108).

2.1.2 Inappropriate communication facilities.

This is the generation of modern equipment's and technologies. The modern means and resources has made the impact of human life directly and indirectly. In every place the technologies are not available there will be lots of problems may occur. From a normal human being to the larger companies the technologies have made the impact for its own uses. So, the communication facilities are based on the what kind of company it is? If the company is big the larger will be the communication facilities and if the company will be small same kind of communications facilities is available there. In some part people prefer the simple and reliable communication facilities. If they don't understand them it is hard to meet the expectation of the people. These problems have its own impact on the business sector. So, communicating people about the risk communication including the facilities are the major techniques to control these risks. (National Research Council Staff 1988, 4-6).

2.2 Administrative risk

Administrative risk is simply mean by coordinating and administrating the employees by the leader or manager. The manager must have the skills to improve the performance, gaining trust and support the team members by minimizing the conflict in the team. It includes the acting actively, better communicator and managing own self as an administrator. The relationship of the administrator needs to be flexible in place of being complex. The administrator of the business or company also need to be active in selecting and prepare for the interviews. It will help to gather lots of ideas that should be further implemented. (Institute of Leadership & Management, 4th edition, 2004, viii)

2.2.1 Cost of reduction

Cost of reduction is the type of process in the organization which helps to ascertain cost and damages occur in the company for the achievement of the common goals of the business. It lets the company to remain competitive over the long term, since it carries some negative issues that impact the profit of the organization as the next division has been categorized. The cost of reduction in an organization is done to eliminate the unnecessary products and add new products. The products have their own importance, so the selection need to be done very carefully in this process. If the old products need to be changed then the employees including the administration department must have all the accounts including the bills and labor records. It is a kind of lengthy process. If the new product is launch in the market then the employees of the organization must have the ideas and ability to define that product among the customers including its cost, materials to the customers. (Steven M. Bragg 2010, 4-5)

2.2.2 Time management

Time management is the process of organizing and planning the time for the fulfillment of the given task in the given period. Nowadays due to the modern management technologies everyone including the organization or individual the success becomes the function of good fortune because of the fast-moving future of the activities. Due to which the globalization is increasing, new products, lower prices and faster delivery let the products with the shorter life cycle and the faster time to market. Faster the business faster will be sales is nowadays every companies motive. Its somehow good but it will carry lots of risk. The time management in the company for the products need to be carefully treat but not being committed in the hurry. The organization must analyze the feedback from the previous plans and then estimate the time to follow up that plan and fulfill in the given period. Otherwise the impacts or the risk in the time management may be dominated. (Richard Whipp, Barbara Adam & Ida Sabelis 2002, 32-33)

2.3 Reputation.

Reputation is the type of gathering of the perceptions including the clients, supervisors and the market which it delivers. Reputation management is one of the organizations is one of the difficult tasks because it is totally based on the judgement. In other words, it is totally depending upon the top level of the management. For the reputation of the company the top-level management carries the task and later he let other employees to decide that its right or not. So here if the employees who do not wants to carry out the management plan receive from the top level of management then it will somehow generate the negativity among the staffs and the managers in the sense of failure of control. (David Murphy 2008, 269)

2.3.1 Legal Issues

If we want to start the business, then we must register our company. The manager need to decide what kind of business that he wants to open whether it is small scale, medium scale or large-scale business. For this process it takes some charges. It is important that management took this issue very seriously from the company to take the risk of legal failures because it will make an impact on the reputation of the company directly. (Susan Singleton 2004, 24-26)

2.3.2 Registration

For the registration some requirements under the rules and regulations of the government need to be follow. It includes the name of the company like private, public, joint stock, partnership limited company. If it is sole trading company, then the detail information of the individual must be written clearly. The detail information of the

business address or where the company is located including its phone, website, fax number need to be illustrated. (Susan Singleton 2004, 24-26)

2.4 Pricing

Simply, pricing is the amount of money that is charged for a product or a service or value that customers exchange for the benefits of having or using the product or service. It is the only element in the market which produces the revenue, market share and profit of the company. Pricing is the one of the most important elements in for the company to sustain in the market. At the same time, pricing is also the major factor that contains lots for risk which is not good for the company to sustain in the market. So, for the company to cover up from the risk pricing is to first identify the risk that effects the company and operation. The risk that have high impact costs should be given more priority at first. The manager of the company need to analyze the risk of pricing which have high impact with less consequences. (Kotler & Armstrong 2016, 324)

2.4.1 Pricing competition

Price competition is one of the main factors in a business in importing and exporting of business all over the globe. If it is not carried away, then the risk of price competition will impact in its import and export side. It impacts on customers, company which includes production and distribution factors. Due to the competition of various market many businesses get collapsed and stop operating. So, it is also a kind of risk. The company need to be aware all the time about pricing competition and changes. The company must judge their competitor's decision. It is hard to identify the competitor's interpretation because the competitors can make an opening in the price of the company in different manner. for e.g. cutting out the prices for increasing the sales and huge market share. So, regarding this the competitor's analysis is very important by looking at the size, market value of the company. (Kotler & Armstrong 2016, 347)

2.4.2 Purchasing power of customer.

The company cannot set the price by manufacturing the product. The price is set for the product by looking at the purchasing power of the customer. If the purchasing power of the customer is low and the price of the product is high, then the product is useless. It will affect the importing and exporting of business. Then there will be the risk of purchasing power of the product. The way of managing the price whether it need to fixed price trend or the price need to be changed by looking at the customers and the situations. Nowadays due to the help of technologies the purchasing power and desire of the customer can be identified easily. These technologies including the internet services helps to deal with the customers according to the market structure. From the internet we can find the current product and the price identification from various other companies. The after if the purchasing power of the customer is known then the company can provide the best prices to their customers. It will help the company to keep safe from the risk also. (Kotler & Armstrong 2016, 307-308)

2.4.3 Market price

The most important factor in pricing strategy is to understand the nature of the market. We should know how the market is going and what the market price means. The marketers of the company need to understand the market price and then make the company price on buy and sell according to the market size and its operation. Without knowing the market price and value the risk like risk in equity i.e. higher the equity investment the higher the risk, unable to pay the debts which occurs bankruptcy because when the company is unable to pay then it enters in the bankruptcy process. After analyzing the market value and the competitors the selection of the market price is carried away. The market price for the product need to be decide by understanding the target market and positioning. Therefore, for the balance of the company or business and by analyzing the competitors the current profit maximization process need to be carried. It is one of the major process for achieving the market goal. It includes both demand and cost of various prices where the best market price need to be select in order to increase the profit. (Kotler & Armstrong 2016, 309)

2.5 Technologies

Technologies are emerging to have broad ranging impacts on many areas of life. Nowadays it has an impact on food, health sectors and environment also. When we look at the past and now various technological revolution has taken place which has changed the life of individual and company as well. The technologies are growing so that it makes the work so easy and reliable also. Those revolution came after developing from the research and analyzing of old technologies and redesign. (Edna F. Einsiedel 2008, 4-5)

2.5.1 Old equipment

Nowadays in the individual and in the field of business old equipment have been replaced by the modern means of technologies. For e.g. in the company before the modern equipment have been introduced people communicate each other with telephones and landlines. There will be the risk of using the old technologies than the new one. Before there were no computers and smart phones so the record of the business need to be kept in the books including the contacts of the customers. So, using of old equipment there is a risk. (Website of business.)

2.5.2 New equipment.

The new technologies will help the business in various sector. The modern equipment's like smart phones, laptops, WIFI etc. help the business to grow digitally. It will directly increase the efficiency of the business. The transaction, accounts and files that need to update via digital files without writing it time to time. It includes data collection, agreement, contract etc. The digitalization of the new technology helps the organization to run effectively because it helps to increase the efficiency. Nowadays the new equipment and technologies helps the company to survive in the competitive

world. The company can easily access its business information via various websites online on a day to day basis to its customers. It helps to take the order of the feedback from the customer. Nowadays due to the internet security the business data and information are kept safe and protected. The company information can be monitored time to time with the help of internet security. It directly helps the company of this era to grow faster and make a good image in front of its customers by understanding the buying behavior properly. (Website of Chron.)

3 COMPETITIVE RISK ANALYSIS

Here at first there are various processes of risk. But the risk analysis is the second stage. At first there is risk identification in the business. The risk identification is done by the managers of the organization by making the framework of ups and downs of the recent activities carried out in the company. Identifying risk includes two key activities and they are finding out the source of risks and opportunities and then identifying those risks and opportunities. As the risk identification is the type of process where the risk analyst makes the record of it which includes the ups and downs of the risk and opportunities in the risk file. After identifying that risk the risk management study is done by the analyst. The main function of risk identification is that to reduce the problems that leads the company to meet up its goals.

Risk identification is done by the help of questionnaires, interviews, company scenario analysis and brainstorming also. After the identification process the risk analyst of the company will follow up the risk analysis process. It is the process where judgement has to be made regarding the impact of risks and opportunities. In this case the process mapping of various data's is done for the achievement of the common goals. All the process is analyzed then the goals is to be measured to make the whole company goals. It is simply the primary process which is finalized by the combination of sub goals. In this case the internal view and external view need to be reflected which includes input, output and the process activities. (Robert J. Chapman, 2011, 159).

4 COMPETITIVE RISK EVALUATION

After the risk identification and risk analysis process the next process is risk evaluation. Risk Evaluation is the process of evaluating and examining the analysis of risk. It involves the important step of getting in the relationship between the risk and the opportunities in the business. When the results that has been carried out from the risk analysis process the risk evaluation helps to determine the impacts of risk and opportunities. It helps to make the aggregate impact or process clear by recording for finding out the results. The time allocation is more important to recognize the reliable results. The assumptions which had to be carried out is also made cleared in this process in the business. It includes some of the risk registering by assigning each risk and make it in risk categories. Then all the risk must be in the risk category that which risk need to be sort out by the company firstly, secondly and so on. Then after clarifying the inputs data the output data need to be focused in this process like investment results, sensitive analysis, risk analysis results. (Robert J. Chapman 2011,197-199).

5 RISK ASSESSMENT

Risk Assessment is the overall arrangement of the identified, analyzed and evaluated risk. It is very important in the organization because it helps to secure the company before some cause may happen. It includes the controlling measures to remove such problems before its effect. The risk assessment process helps to identify the hazard which includes the adverse effect of the company. Risk assessment is also the

commitment for the safety of the organization and the continuity of the work force also. For this the manager or the leader of the organization need to be focus more with the strong communication and motivation. If the organization achieve its goal by tackling every risk, then the management seems to be highly standard including the work force. The decision making is carried away in a very systematic manner for the company objectives and performance. The flow of communication is between the system of thee company is well functioned. Risk assessment is therefore very important for the proper decision making for the business. Risk assessment helps to visualize the risk that occur frequently in the organization. The essential factors of risk assessment can be brainstorming and knowing the products and services very well in the competitive environment. (N. Hurst, David R. Williams & Pam Marshall 1998, 56-59)

Time scale

Time scale is defined as the scientific inquiry of the different interval of time. It basically is in different phases that includes theory, observation and the interference. In the company also to manage the risk the phases of time scale have been derived. For risk measuring process in the company the risk analyst of the company organizes the time scale process in various interval. Risk are unpredictable, so they can happen any cases in the company. Time scale helps to determine which of the following risk need to be analyzed and made of judgement to fix that risk. It helps to cover up that risk in the fixed period whether it is long term risk which brings lots of loses, medium and short-term risk. Time is continuous, so it can happen at any time. Time scale is important because time is important for the company to discuss about the risk, collect and analyze the data because time is costly in the organization. Without knowing the value of time management and scale the goals and profit cannot be achieved. The flexibility of the company depends upon the management of saving the time for research proposal for the risk in various aspects. Time scale helps to manage the and deal with the issues, design and the motivation of the people who can actively participate in this process. The larger the issue the more time it will take to deal.

(Srilata Zaheer, Stuart Albert and Akbar Zaheer 1999, 736-740)

6 RESEARCH METHODOLOGY

6.1 Qualitative research method

Qualitative research method is based on the individual views and opinions. It helps to know about the individual behavior and what are his/her opinions behind the specific things. It is the easiest way to understand which other quantitative research method does not make it possible. Qualitative research method can be done so easily, and it is not also done in short period of time. Sometime different kinds of survey, data are also useless but only talking face to face or interviewing will help to find out the actual situation. For e.g. the sales of the X company is down and the product for the people are unfavorable. So, in this case data's and survey will show us the actual down sliding of the market but if the company need to know about the what is the reason of low market sales is talking face to face with the customers. Then after the company can analyze the risk behind this and make the decision of solving it. (Shuttleworth, Martyn, 2008, Qualitative research design. Experiment Resources). Thus, this method is flexible and easy to do.

There is various type of qualitative interview process. They are structured interview, semi- structured interview and narrative interview. The structured interview is the type of interview where the bunch of questions is arranged in an order by listing according to the category. It is also time saving interview because it is done in the short period of time. These types of interview are done especially in selection the candidate for the job where the selector ask the set of questions to the candidate constantly. It is useful because the ability of the person who is answering the question and how he manages to describe the given topic or question in his own way. The e.g. are like skype interview, phone interview etc. Secondly, there is semi-structured interview which is arranged also my arranging the setting the out blueprint of the given topic. Then these interview helps the interviewer to know about how the person will show his interest and understanding about the topic. Due to which new ideas and ways also can be

generate from these types of interviews. Then at last there is narrative interview where the action and experience have been measured. It is also the traditional way of taking interviews. The person who will define about the actions and experiences which he has faced or taken already about the topic. It is also the lengthy type of interview. (Heather L. Stuckey 2018).

6.2 Preparing questionnaire

In this thesis the author has arranged the bunch of questions in the research process to find the objectives and analyze the value of the research. The questionnaire has been arranged in such a way that the person whom the interview is done can clearly identify it and answer according to the thesis objectives. The questions are really easy to answer because it is totally related with the company because in this thesis the data is directly related with quality of the questionnaire arrangement. (Lewis, Saunders & Thornhill 2009, 361-363)

6.3 Data collection via interview

There are various types of data collection method. The data collection method is done by qualitative research method which includes the interview including the structured text like writings, survey comments, articles etc. Then there is unstructured text which covers the group, conversation. There is also a stress interview where people talk about the business losses and problems in the company. In this case people behavior may be different than other interview but the interviewer need to focus on the questions rather than the behavior of that person whom he is taking the interview. (O’Gorman, KD & Macintosh R, 2015. Page 119-120).

In this thesis the author is using the qualitative research method. As, there are various type of qualitative interviews. They are structured, semi-structured and narrative or unstructured interview. The author of the thesis is using the structured interview. It is because it is simple and easy. It is less time consuming also. The survey and identical

data can be managed in a less period. The survey is beneficial for the thesis to gather the insights. (Heather L. Stuckey 2018).

According to the structured interview, the author of this thesis will ask the questions to the manager of SK handicrafts by making some questionnaires that is related with the thesis objectives. The interview is done via phone. It helps the learners to understand the knowledge of the business which the author is experimenting. This method will help the thesis to examine the meaningful information if the author of this thesis will go on taking directly to the person. This method is best way to do the inquiry even we cannot meet the person directly. It is the time of modern technology, so we need to use the technologies like cellphones, internet etc. to gather the insights. It is one of the examples of the proper utilization of the technologies. There are also other ways to collect the data's they are quantitative research which includes survey, data, graphical diagram etc. So, for this thesis interview is the best and easy option to collect the data. It helps to know the behavior and individual perception of the individual after the arrangement of the questionnaire. Interviews helps to make a clear view of questioning and answering. Therefore, it is so informative for the future entrepreneur. We can adapt our abilities and change the level of perception via interviewing the people who are giving their dedication in the business sector in the present. (O'Gorman, KD & Macintosh R, 2015. Page 119-120).

6.4 Reliability and validity.

The reliability and validity are the most important aspect that is directly based on the research which will increase the strength of the thesis. The reliability helps to identify the flexibility, strength and the balance of the research. The greater the strength of the research the higher it will be flexible and easy to understand. So, reliability helps to make the research more flexible and known as the balancing measure to identify the objectives. The validity will focus on the thesis questionnaire and its importance. It is totally based on finding the conclusion from the answers of the research questionnaire. (Gray 2004, 256-257). The liquidity of the research findings is most essential factor in this thesis. Therefore, reliability and the validity are totally related with each other. To make the thesis reliable the most important factor is improved version of the

questionnaire in the supervision of the thesis supervisor and the author. That will help the thesis to strongly connected and valid as well. (Bryman & Bell 2013, 157-160).

The survey was done on 28th of May. The structured interview is implemented so the author and the person or the manager of SK handicrafts have accomplished the interview via phone to meet the purpose of the thesis objectives.

The interview with the manager of SK handicrafts will support the research on this thesis. The research is done to ascertain the competitive risk analysis with the help of various sources including various authors ideas which they have written in their books, articles regarding the topic in this research. Since, the research is done by taking the small-scale business of Nepal i.e. SK handicrafts so it is designed in the same way by looking at the company structure. The interview which is done are based on the thesis topic and focusing on the competitive risk process. The questionnaire is based on how the competitive environment does will make an impact on the business sectors and how to overtake these factors for the achievement of common goals has been discussed. The questionnaire is very important for the identification of research findings and conclusion based on objectives. The survey questionnaire consists of 10 questions which carries the competitive risk of exporting and importing of products of the company for getting the valid data. The manager is very eager to answer my every question which is arranged in this thesis research which clarifies the expanding of reliability and validity in this research.

7 EMPIRICAL STUDY

7.1 SK Handicrafts

Nepal is famous for various kinds of business which includes handicrafts business also. Handicrafts business are so much popular in Nepal because it is manufacture in the same country. Specially, such handicraft business is made by own hands with the simple tools and equipment. As for the handicraft business the essential raw materials

are also manufacture inside the country including paper, fibres of different plants, textiles etc.

Likewise, the case company of my thesis the company is called SK handicraft exports. SK handicrafts is in the heart of Nepal, the capital city called Kathmandu. Inside Kathmandu it is in the main place of which is 29 Jyatha street Thamel. Thamel is one of the famous places in Kathmandu especially for foreign peoples. Many foreign people visit there for fun, business, music, book stores, for different foods and restaurants etc.

As the best place for tourist for shopping including Nepalese people. SK handicrafts also manufacture its products by itself at wholesale prices all over the Nepal. After manufacturing the handicraft products like especially pashmina. Pashmina is one of the famous handicraft clothes which is made from the skin of “*Chyangra*” that means a kind of goat mostly found in the mountain region of Nepal. Other handicrafts products include wool, cotton clothes and other woollen products including cap, scarf, socks, sweater, trousers, singing bowl, prayer wheels, metal craft, Lord Buddha statue including other garment products like cap, t-shirt, trousers etc. are manufactured in SK handicrafts. (Website of SK handicrafts).



Figure 2. SK handicraft Pashmina (woolen shawl), Nepal. (Website of SK handicraft, 2017)

7.2 Communication barriers

SK handicrafts also supply its goods to other Asian and European countries. There the people speak various languages because they are different from Nepalese society. If there will not be the flow of good communication with the buyers, then it will affect the company directly. After that the selling of goods to international market will automatically decrease for SK handicrafts. Besides that, it will make a negative mark whether the products of the company are best in the market. So, dealing with the customers in the international level SK handicrafts need to select the best employees who can deal these kinds of risk in communication easily.

Most of the workers are illiterate and from various ethnic caste in SK handicrafts. Almost most of the workers in such companies are from various culture. The language they speak are different from each other due to the variation of the caste. In such situation the manager of SK handicrafts needs to communicate and provide them the messages that what is happening in the company in according to their language pattern within Nepal. In case, of exporting the company need to select the good candidate that he/she will not face the language problems in foreign market. That person can easily let his customer to make understand about the SK handicrafts manufacturing products. Then it will let the company to get success in language risk.

SK handicrafts need to get all the communication facilities like phones, internet, fax machines, landlines etc. because such kinds of facilities are needed for the company in its daily basis in every branch in the office time. For e.g. the customer inside Nepal or SK handicrafts can buy and sell the products only via phone or by directly going to Thamel where the company is located. If the customers from Europe and other Asian countries need the products then it need to update quickly so that the communication risk may not occur via phones, email etc. The appropriate communication facilities will let the company to manage the communication risk.

7.3 Administrative risk

In SK handicraft, the manager as an administrator have the ability to supervise and coordinate his fellow staffs in order to build the trust in the company. If the administrator of the company is weak then he may not able to motivate the trust between the company and the employees. Whereas, the employees themselves do not get motivated only by the administrator because the employees must have the ability to communicate with each other. SK handicrafts must have the ability to satisfy their customers among the Nepalese market and in the European and Asian market also. The ideas need to give in as such a way to the customers that what are the differences between that old products that the new one. Then if the staffs of the company can define the products by showing its importance then the products itself start to get sold in Nepalese and foreign market. It will then directly support the importing and exporting rate of SK handicrafts and eliminate the risk in cost of reduction process.

7.3.1 Cost of Reduction

SK handicrafts must organize the cost of reduction process to control the company from risk. It's because they use various kinds of raw materials in the company while manufacturing their handicrafts products. The administration department including the employees must have the ability to select the new products by eliminating the old products. The cancelation decision of the product is done by looking at the standard list price for e.g. commission, buyer discounts, material costs, scarp cost, packaging cost, shipping cost. SK handicrafts also need to remember that the cost of reduction process need should be in the given period. It should not be lengthy, so in this case time management is important.

7.3.2 Time management

If the company want to launch the new product by doing the cost reduction but will not be able to fulfill the time to manufacture the new product then it will be a big loss

for the organization. It is because in one hand it has eliminated its old products and later it lets the customers to subscribe them the new product but will not be able to give them in the proper period. It will make a negative impact on the customers demand. For e.g., SK handicrafts supply its products in Asian and European market like Germany, Poland, Spain etc. If the customers from the country wants the products from SK handicrafts on the date but due to the problem of time management if they are not able to export the products from Nepalese market to the European market, then it is the big loss and negative feedback from the customers as well. So, time management is one of the important factors for the company for value and social responsibilities and ethics also. Here is the given diagram which can be easily understandable.

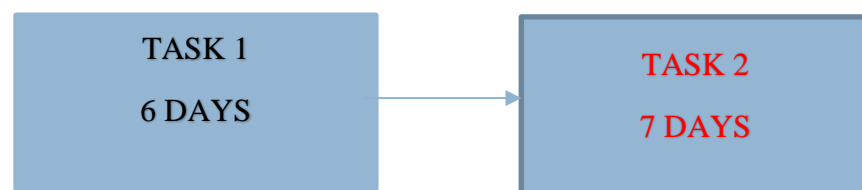


Figure 3. Time planning process for SK handicrafts

Here, I have illustrated the figures for time management process to secure the company from risk in time management. Here the task 1 and task 2 which is the start of the activity and finish of the activity. If the new products starting to be launch in the organization then SK handicrafts have divided the employees for task 1 and task 2. Half of the staffs are responsible for the starting of the activity and half are responsible for the finishing of the activity. If task1 is delayed and cannot complete its task in 6 days, then Task2 employees cannot start the work and finished the products to launch in the market. So, these factors will help SK handicraft to be safe from the risk in time management.

7.4 Reputation

Reputation risk might be seen in my case company also. To remove all above reputation, risk the manager need to carry out the task in such a way that it favours every employee. SK handicrafts need to focus on the business ethics, services, responsibilities towards its customers. The proper flow of communication strategies among the staffs and the manager also help the company to diminish the reputational risk. In case of SK handicraft if there is failure of reputational risk then the company need to formulate the action to manage the crisis with each other. The risk behind this is if the company is not able to do all the contracts and do the legal document then the government of Nepal will not able the company to access their services. There will be the legal issues and the case will be filed in the name of the company. After that the company will lose its business and reputational damage may occur.

7.4.1 Registration

In context of Nepal, like other companies SK handicraft also need to submit the application in the legal format to the department. Then the department will decide the how is the size of the company and charges the fee according to the company structure. According to section 3 Private Firm Registration Act, 2014 of Nepal the company need to fill out the form including its name, address, objectives, functions, name, address of the owner and his/her parents. For Nepal it the following registration fee need to be paid which for the company. In all over South Asia Nepal GNI per capita is 730 US dollar. The distance frontier (DF) shows Nepal in 105th rank with the scale of 59.95 out of 100 for exporting its business over South Asia. (Website of World bank, 2017). SK handicrafts have made the application to the company registrant's office of Nepal in the legal format with the documents including Memorandum of Association, license from the authority. Since SK handicraft is the private limited company so they don't require Article of Association in Nepal.

7.5 Pricing

In case of SK handicrafts, the pricing factor need to be analyzed properly. For being safe from the risk of pricing competition the company need to study the customer value. When customer will buy the product, they exchange the product with the price. If the price is reasonable by looking at the products benefits, then it is said as the good pricing strategy. If other handicraft companies are manufacturing the product with good benefits in a low rate than those customers will chose that product directly. If, the price is higher by looking at the product cost then the company need to convince the customers about the product value. This will help us from risk in pricing competition. The manager should understand about the market price also. It includes some future predict of markets, past events of the its business in import and export rates. How much is the sales in the last year by differentiating importing in Nepal and exporting in other countries. After that SK handicrafts need to use the old and applicable data for forecasting. This will help to know about the marketing behavior and setting up the market price.

The risk of pricing can be occurred at any time. By looking at the internal and external factor of the company. It includes some of the environmental factors. There are lots of other handicraft business in Kathmandu so before setting the price what kinds of impact its price will have on other parties in the environment by analyzing other handicraft companies pricing as well. Otherwise, SK handicraft charges will fall one that low to produce for the profit and high for the demand. To remove the risk of pricing the company need to build up the strategy in such a way that offers the combination of products, prices and favorable for customer needs. After that risk of pricing can be sort out for SK handicrafts. For e.g. if it wants to export its handicrafts products like pashmina, cashmere blanket, meditation shawl in Europe or some other Asian countries and the product price is too high which the other handicraft company offers in a low-price rate then it will affect the pricing strategy. People will buy from other companies because they will get the same level of product in low budget rate. It is also one of the pricing risks. So, remove that risk the above pricing strategy need to be analyzed properly.

The import rates and export rates after setting the pricing strategy by considering the handicrafts products the marketers of the company need to convince the buyer within Nepal for importing and other European and Asian countries for exporting. The rates should be different from Nepalese and other countries. The importing and exporting rate need to be different. Importing rate does not need the travel cost whereas the export need them. It is also one of the reasons for low rate within Nepal than other countries. In case of export rates for the handicrafts products if the price which the company offers is higher than other handicraft companies then they need to lower the product sales. It will help to decrease the risk of purchase.

7.6 Technologies

7.6.1 Old equipment

In context of SK handicrafts if the old equipment's are used then it will slow down the exporting of business. SK handicrafts usually do their business via online, so they need WIFI in the work time to time to take the orders from the customers. If it won't be available, then it will directly decrease the business productivity. The older equipment's and machines used to manufacture the handicraft products are slower and less powerful than the modern ones. So, it will directly put an impact on the reputation of the company. If SK handicrafts do not have computers and online information, then the customer from Europe and Asia or out of Nepal won't be able to be updated about the company products. So, there will be miscommunication and the wrong impression from the company quality of services. SK handicrafts will not able to catch up the opportunities to run their business market properly.

7.6.2 New equipment

SK handicrafts usually, it supplies its products to the foreign market, so it need to use the modern means of technologies by lacking the traditional use of technologies. In

case of Nepal many peoples are aware about the modern machines that is used in the company so for those employees the guide to use that kind of machines should be given. If those people won't know how to manufacture with the new equipment's, then it will affect the company. There will be the risk of having technologies also. The website of the company about the products need to be up to date so that customer can know the information about the products. The sales team should have knowledge about the modern equipment properly. The time of delivery and the products that is ordered via online should be replied at the given period. If not, then the customers will not remain in patience to take reply from the same company and will choose the next option. It will keep it away from the technological risk.

7.7 Competitive risk analysis of SK handicrafts

These are the few descriptions of the risk identification and analysis in the company. In this thesis, we are discussing about the competitive risk analysis. As we know that for SK handicrafts we need to identify the competitive risk and after that the way to analyze it. Competitive risk is defined as the competition between the activities in between the company to company or people to people to become more successful. It is also known as the open challenge between each other. In the case of SK handicrafts how to overcome from the competitive risk is that first the competitors need to be identified. There may be other handicrafts companies in Kathmandu which are operating same kind of business which SK handicrafts operates. At first, SK handicrafts need to identify its competitors from the company point of view and understand other company way of doing business. It includes identifying the competitors from the market point of view also. The following figure can describe it clearly:

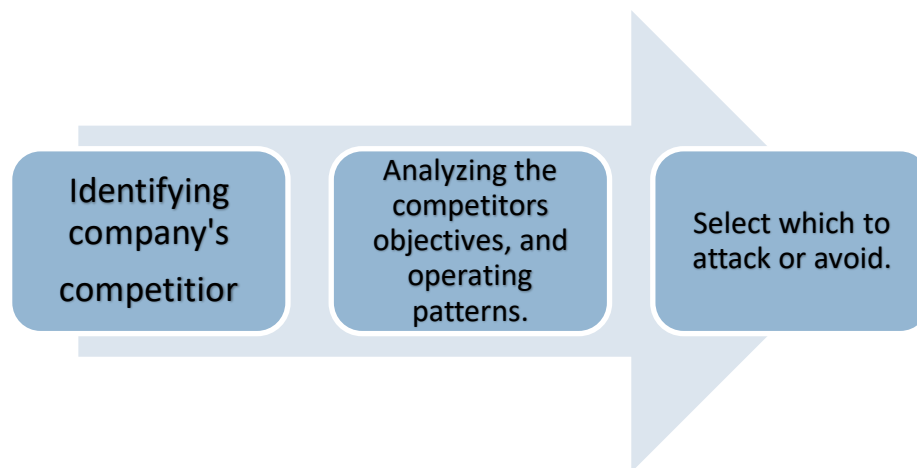


Figure 5 Steps in competitive risk identifying and analyzing. (Kotler & Armstrong, 2016. 569)

Here in the figure help SK handicrafts to manage the risk analysis process. After identifying the competitor's current profitability, market share growth, cash flow, technology, equipment, leadership and goals. Then after finding out the competitor's objectives then it's time to analyze the competitor segments and new ideas should be discovered. In this competitive analysis process the identified risk by doing research of other competitors where attack at first the weak competitors because it is not so lengthy and easy.

In case of SK handicrafts, the risk analyst or the manager of the company need to focus on place where he can find his customers at first which other competitors can find out. It helps the company to meets the customer need at first where other competitors cannot exist. For e.g. if the company will export its goods from Nepal to other countries then the with the high production cost and manufacturing if the company got chance to deliver the products in the given period. Then, it creates the great customer value and gain more market share. If SK handicrafts analyze the risk of competitive analysis, then it will surely create the higher customer value. If the customer value is created, then the charge of the product is incasing high also customer will buy the products. It will then help the company to earn higher amount of profit. If the company is on lead,

then it will surely reflect the good competitive analysis has been carried in the business.

7.8 Competitive risk evaluation of SK handicrafts

In case of the SK handicrafts, by taking the above risk evaluation process we need to make a clear vision. The risk evaluation is same but what ideas we need to derive by focusing on the competitive risk evaluation for the company. First, the company need to make a clear strategy to perform well. If the competitive risk is identified and analyzed the company need to evaluate the outcomes clear which is best for making profits. In this process the company manager need to make the proper diagram of their competitive environment which helps them to share the problem with other employees. The possible outcomes including the past importing and exporting of handicrafts business records after its analysis. Risk evaluation helps the company to make the close relationship with customer in terms of loyalty and customer life time value if the company know other competitors that cannot match up the expectations which SK handicrafts can offer to its customer. These are all the important features of risk evaluation process which will make the company safe before falling to the surface of competitive risk. (Robert J. Chapman 2011,197-199).

7.9 Risk assessment

In case of SK handicrafts also risk assessment will play the major role if such measures were applied. For e.g. by looking at the employees or workers of the company. As SK handicraft is a small sale industry but for manufacturing handicrafts items like its best items singing bowl, prayer wheels, Lord Buddha statue etc. There are other garment products like sweater, cap, t-shirt etc. These all products need the various machines and tools to finalized it. So, without having knowledge to run the machine someone will get hurt so in this case risk assessment is done by identifying the hazard by knowing all the consequences. It's because workers are the manpower of the company and without the workers SK handicrafts are not able to face the competitive

environment. So, it is directly and indirectly a kind of risk where the risk assessment method is done. Here they are divided into two main categories that will be make this process clear.

Time scale

In the case of SK handicrafts also, the time scale process shows its importance like let's take the daily sales of the company are determined by the part of the month which the day occurs. So, to find out the risk whether the company need to appoint the risk in a month or to the accounting year. We can figure out whether is it long term, medium or short term. If it is long term, then the manager of the company need run in day to day basis for making the harmony between the buyer and supplier. It should be fixed as soon as possible because long term risk has its own problems. It can be sort out by going to day to day basis but too more time to accomplish.

By looking at the competitive environment the long-term risk for SK handicrafts are new technologies, changing of customer views so due to which the company need to focus on new growing opportunities in the fast-growing market. Therefore, this process is long also. By looking at the medium-term risk including the risk of whether the company increasing its assets by making an interval of time like 5/6 months. By taking account of it medium term risk can be sort out. The short-term risk is shorter, but it has its own effects like in case of SK handicrafts this short-term risk may occur in the sales, capital and operation productivity. It carries less effects and can be sort out easily also, but the company need to take care of it otherwise it can transform to long term risk also.

8 RESEARCH ANALYSIS

8.1 Competitive risk of SK Handicrafts

The competitive risk of SK handicrafts is overcome only when the competitors are well known and identified. The way of doing business is not the same. It is different according to the company. By using the qualitative approach of collecting the data and interviewing with the manager of SK handicraft about the competitive risk. They are discussing the things related to their competitors by understanding the competitive environment. The plans are made inside the company and the necessary measures are carried out to supply products in local and foreign markets. The latest technologies and the machines which the SK handicrafts lack at the present situation and are unable to increase sales compared to other competitors for products like garments, pashmina and other handicraft products will be managed as soon as possible according to the manager of the company (appendix 1).

The company risk is identified and the way of handling that risk is still in pending. The treatment which needs to be done already is going slow in the company right now. The fast approach of handling the competitive risk is carried in the short period of time. Due to that the competitive environment research is not done properly. It is directly and indirectly making impact on the sales of SK handicraft. In addition, if they want to establish a new product in the market without research then it lets the competitors move faster their sales. SK handicrafts will take time to overcome from that risk from the new product in the market. They have given high priority to the competitors but the research behind their competitors is not enough.

SK handicrafts have its own advantages and disadvantages in the competitive environment. The advantages are that SK handicrafts is a type of small scale industry so the capital and the sales that which the company holds is not in large amount compared to other small, medium and large-scale industries. SK handicrafts exports are majorly located at the heart of Kathmandu i.e Thamel, Jyatha road which is the main center market area. Therefore, they have their own regular customers and inside and outside the country. If the risk is occurred in the company so the managers and the

employees can easily handle. The disadvantages are that the competitors of SK handicrafts near its route or place in Thamel are mostly medium scale industries. They have large amount of investment and large amount of sales in comparison of SK handicrafts. The raw materials of SK handicrafts are limited by looking at the size of the company. The materials which the other companies near Sk handicrafts uses the good raw materials to produce their goods. SK handicrafts is only caring about the large competitive risk, but the other short-term risk is not sort out properly. The manager and the employee are not focusing on the short-term risk which is hampering the company slowly.

8.2 Marketing risk of SK Handicrafts.

After the competitive risk SK handicrafts need to take care of the marketing risk also. They need to overcome the marketing risk which is hampering the business in this present situation. SK handicraft has submitted the application in the legal format to the department of government. Being a small-scale company SK handicrafts has already paid the chargers fee according to the section 3 Private Firm Registration Act, 2014 to the government of Nepal. This helps the company is legalized and can operate its activities freely without any restrictions from the government of Nepal.

According to the manager of SK handicraft some of the factors that is related to the marketing like creating, distributing, pricing and promotion of the products and managing the relationships with the customers are given the higher priority than before in the present. This will let the company to take actions and identified the problems related to the market. Then after the marketing plan is ready to precise. The author has found that all the members are not well educated in SK handicrafts, so the highly skilled people need to be focused in order to make the marketing plan by making the marketing budget for the first two to three years. This will let the company to focus on import and export their products in other international market also.

9 SOLUTIONS

9.1 Competitive Rivalry Management

The competitive rivalry will make an impact on the company which will make directly bounce the sales which the company is expecting. It is the world of business, so the new companies and market are growing day by day. The new market will take some time to gain the profit and make it customers, but it will make crash the sales limit from the previous one. For that reason, the company need to learn some tactics to overcome that risk.

Likewise, SK handicrafts also have the pressure from the competitive market. It may include the competition based on product, price, advertisement. It can be the higher risk for the small-scale company like SK handicrafts to grow bigger. SK handicrafts need to analyze, evaluate the risk in the given period of the time so that they can take some actions to overcome from it. SK handicrafts should not take the actions without doing research. If the decision making is done without knowing the risk, then it will be the clear opportunities for the competitors to move forward. In the case of the cost if the competitors are operating the same product in lower rate than SK handicraft then the company may have to sell the products the lower price to overcome from the problem. SK handicrafts need to focus in the innovation including the new technologies which the competitors are using in the present and the competitor's strength and weakness also. It will help the company to move forward and do its best in the market. SK handicrafts imports its products in the Nepalese market and exports its products on international market. So, the regular customers need to be given more attention and priority so that they are unable to choose other services and products.

9.2 Service Management

Service management is one of the important factors which helps the customers and the company to be inter related with each other. If SK handicraft will provide the good

products and services according to the customer choice and preferences, then the relation between the customer will always remain on trust. For the good service management every employee including the manager and the employees need to be responsible. In case of SK handicrafts, the employees are responsible for concluding the work to be done. The budget accounting also needs to be done because it is also one of the factors for good service management. The owner of SK handicraft needs to check the budgeting and accounts time to time including his accountants. SK handicrafts members should be free to contribute their ideas, knowledge, opinions and then after the best ideas should be taken in action. SK handicrafts members should be kept in day to day progress of the business by providing them the awareness of the business aims and objectives. It helps the people to be aware about the risk of the company.

9.3 New entry of product management

New product in the market is done from the idea generation. For making the entry of the new product in the market the company needs to generate many ideas to select the better one. SK handicrafts should always operate the meetings to form new ideas by looking at the competitive and marketing environment. The company can pick the ideas from its employees and should motivate their employees to think up the new ideas to launch the new product in the market. By understanding the competitive environment, the innovation of the new handicrafts other product for the company should always learn about its pros and cons. If the products are unable to run in the local and foreign market, then what kind of impact it will make or the risk from the product should be already categorized.

Another way of launching the product in the market or doing the product management the customers ideas and opinions can also be carried out by learning and listening them. The customers choices never remain the same so the new products like handicrafts, garments, pashmina from SK handicrafts is launch so just give some time for the customer to analyze that product. Then after that the questions and complaints start to come. After doing the survey the SK handicraft can get some idea from it so that the company will get the benefit after launching it to the local and foreign market.

10 SOLUTIONS AND RECOMMENDATIONS

In the recommendation part the author recommended the risk management approaches which should be focused more. The recommendation is based on the new strategy which SK handicrafts need to perform. The SK handicrafts managers including his staff members need to overcome the problems of competitive risk and the marketing risk. As the author have mentioned that the risk identification is done but the managing approach for that risk is still pending. So, for that reason the company need to perform the fast approach to handle the competitive risk at first otherwise it will not pressurize the company to operate the activities in future. Then after managing the competitive risk the sales of the company product need to be carried out comparing to the previous year. The raw materials of the company should be always in the stock by looking at the present and future. The new technologies need to be established according to the changing of customers taste and behavior. After that the major thing that need to be followed is the marketing risk where the creation, distribution, pricing and promotion of products which the customer wants, and need should be managed in the proper period. By making the proper marketing plans the company always be ready for the customers. The budgeting should also be done in the proper way by looking at the sales ratio of the company.

As the author found from the qualitative approach, SK handicrafts import and export its goods to other countries also. For that reason, the highly organized staffs should be taken in the priority for communicating with the foreigners in the international market. It will let the company to meet the expectation of the people outside Nepal also if there is proper flow of communication. There must be the proper leadership skills in the company from the manager to improve the performance, maintain trust and skills to motivate the employees in the day to day life. The administrator head and the employees must have the flexible relationship between each other. The cost of reduction need to do where the proper decision making is done by doing the brainstorming between the company employees and after that only the new products should be launched in the market. The proper flow of time management should be in practiced where there won't be any delay in the decision-making process to handle the risk. The legal issues including the registration need to be focused all the time which can maintain the good reputation in front of government and customers. In the risk

analyzing and evaluating process only large or high risk should not be measured but also other medium and short-term risk should be categorized. The risk is harmful whether it is short term or long term. It should be sort out at the certain period with proper strategies. If the risk is identified the main thing is to sort out no matter it is any kind of risk.

In the nutshell, the author recommends these above strategies and measures which will help the company like SK handicraft to grow bigger than now. It will let the company to increase it sales and improve at the fixed period. Therefore, it won't face any kind of problem in near future if it can manage the risk at the present and further will achieve its goals in the local and foreign market all together.

11 CONCLUSIONS

The main ambition of the research was to identify the competitive risk and the approaches to manage that risk. It includes the suggestions that has been provided to the small-scale companies including its competitive risk management. In this thesis the author selected SK handicrafts exports as its case company to study. Its competitive risk, risk analysis, evaluation and assessment were analyzed of the case company. The author of the thesis has used the qualitative approach through the online interview via skype to find the solutions and recommendations and some suggestions for SK handicrafts. The theoretical parts of the thesis topics are made in a such a way that it can be understood by going through it. In this thesis the knowledge and ideas form the thesis has helped the author to indicate and examine the risk that can occur at any time and any situation. So, the author has made some suggestions and pre-cure for removing such types of risk from where the small-scale company like SK handicrafts can achieve it further goals. The suggestions were based on the increasing of the handicrafts products in the local and foreign market by looking at the competitive environment.

By interviewing the manager of SK handicrafts, the author has analyzed and evaluated the competitive risk management in the present situation in context of Nepal. After

gathering the ideas from the research, the author achieved the approach to control those risk in the company. SK handicraft is located at the heart of Kathmandu i.e Thamel which is always the business and marketing sector of Nepal. The main aim of interviewing the manager of SK handicraft was to identify problems of the SK handicraft that it is facing from the competitive market or from another small-scale handicraft business in Nepal. The other problem included was how the company is tackling with that risk and how it will impact the company if not cared or managed at the proper period. This determined that the size is one of the important factors for the company to handle the risk. If the company is small it will face the small risk and if it is not managed, then that small risk will be going to get large in future. So, for that reason the risk management approaches are be carried out in the small industries, medium or larger industries. The way of handling the risk is different in such companies.

SK handicrafts is the sole trading company, so the author was unable to get the accounting report. It is because if it is shown then the author can find out the percentage of sales that is fallen or risen in some given period. From that the measurement of the impact of competitive risk can be done in sales of the product. However, the author has also provided the recommendations and suggestions which are very beneficial for the learners to know about the company objectives. The interviewed data will also help to learn about the situation of the business and its management. The figure will help to provide the clear view about the risk which will occur in the daily basis in the business. It focuses on both import and export risk of products. The author has described the strategy for the competitive risk that is carried out but the detail research behind the factors is still lacking. The strategy need to be more reliable and should be focused not only for the local markets but also to the foreign markets.

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APPENDIX :1

QUESTIONNAIRES

INTERVIEWER: PRAJWAL CHAND

INTERVIEWEE: MANAGER OF SK HANDICRAFTS, MR. KESHAV RAJ PANDEY.

1. How does the export of your products will increase in local and foreign level of SK handicrafts?

At first, we need to understand our competitive environment. For that reason, we need to discuss these things with our employees. We need to analyze the risk from competitors which will decrease the sales of our business. By analyzing the risk and after that we will apply those measures to supply our product in local and foreign market. This will increase our products within Nepal and other foreign market also.

2. What are the latest competitive risk that you have tackled?

As we all know that Thamel area is the business place of Nepal. There are other handicrafts business near to our company. Some other middle scale handicrafts near us have maximizes their sales by using the latest technologies and machines which our company lacks at that moment. It was a bit costly where we are unable to manage that product at that time. So, due to that newly designed machines for the product like garments, pashmina, handicrafts products like metal craft etc. for finishing increases the manufacturing rate and products sales increases automatically.

3. How did you manage that latest competitive risk?

Yes, after knowing this we start to analyze this risk. We found that these risks are making impact on our sales. For that reason, with the help of all our employees and through various business contact, we are able to deliver those latest technologies in our company also. Now, our company manufacturing rate

is higher than before, and sales data also shows that we are able to increase our product in foreign and local market.

4. Are the company employees able to use the new technology? What are the feedbacks from your employees about the new machineries?

We have concluded to buy the machineries directly after our employee meeting. Every employee of our company feedbacks is positive, so we decided to use the new technology by replacing the old one. Of course, there are other workers who are unable to use the new technology because they don't have the knowledge in that field. So, for that reason we select our skilled workers who are good at machineries things and for the workers who are unknown about it are using the old equipment which they use before.

5. How you manage the raw materials to manufacture the products in your company?

The raw materials which we used in our company are locally available in our own country like for garments products and usually pashmina. For those products we import our raw materials from the mountainous region. There we can find the fur and skin of yak, sheep, chyangra (goat). Those products are directly distributed from those places to our company manufacturing department with the agreement from the government of Nepal.

6. What are your predictions to improve your business and make it broad in upcoming days?

Basically, we are focusing on our export business rather than import. Export helps us to deal with the international customers from different parts of countries like Asia and Europe. There we can get the good value than importing. By taking the importing business also in one hand, nowadays we are increasing the export business market. For that reason, we are developing the new marketing structure, good quality products, investing more in our

exporting products. So, therefore nowadays the exporting business structure is higher than the past years. We think predict that after researching and focusing again and again our prediction of accomplishing goals in our business will rise up.

7. What will be the risk if you invest more in exporting business than importing? Will it hamper your customer or business from importing sector?

We don't think so that it will hamper our customers near to our place. They are our regular type of customer. But somewhere, we invest and give more value to the exporting products but that will not affect our regular customers. We will give them the same product which according to their wants and needs. The quality which they found before in our handicrafts, pashmina, garments products remain same as before. I think if they will find it same as before with the quality, we think it won't hamper our business especially to our exporting business which are focusing more nowadays.

8. How do you sell your products? Who are SK handicrafts customers?

We sold our products like by wholesaling for the import business. Some agent from our company also there to offer our products to large scale industries of Nepal. Especially, for the Nepalese customers we sold our customers in a fixed rate or in wholesale. Our customers inside Nepal are various large scale and medium scale industries, public enterprises. Sometimes they need the large amount of materials, so we provide them which are in our stock. Other customers are like mainly individual consumers. For exporting our customers are mostly individuals, various other companies who contact our company and order the products which are required with the given period of time. Then we transport those products from Nepal to them in the specific period of time.

9. Have you understood about the competitive risk and its impacts?

We have understood about the competitive risk. We know our competitors well enough. The impacts are not long term, so we have easily managed those risk which we have faced till now.

10. Have you done research on such competitive risk-based analysis in your company import and export business?

We predict that competitive risk can occur surely at any time. We know that our competitors are also increasing day by day. The innovation and ideas are emerging from time to time for the new competitors. But no such effort regarding the competitive risk is done. I think nowadays we are busy in forcing on more profit rather than risk analysis.

