



Prem Bahadur Saud



Prem Bahadur Saud (left) and Roshan Dahal (right)

Prem Bahadur Saud is 21 years old and the oldest son of Seti Keshav Pauroti Udhyog's (SKPU) proprietor, Mr Dhan Bahadur Saud. Prem operates the business in Sanfe Bazar, Achham.

'My main objective in starting a business is self-employment and to provide work for local, unemployed youth... I'm doing business not only for profit but for family reputation and my own goodwill.'

RAP3 CONNECT first met Prem in December 2015 when seeking businesses interested to receive short term business consultancy support via CONNECT's partnership with Kathmandu University School of Management (KUSOM).

CONNECT's partnership with KUSOM is part of our work to improve the Enabling Environment for doing business in the Mid and Far West. All students undertaking a Masters in Business Administration (MBA) with KUSOM are required to complete a three week Rural Enterprise Service placement. KUSOM partnered with CONNECT to offer placements in CONNECT districts, with students providing business consultancy services to businesses identified by the CONNET team.

SKPU was amongst the first 10 businesses to receive consultancy support via the partnership¹ and, like many of the entrepreneurs and business owners RAP3 CONNECT linked with KUSOM MBA students, Prem hoped to receive guidance and training across many areas business expansion, cost minimization, developing a business plan, salesmanship, promotion and general management.

SKPU, established in 2007, is a small enterprise; primarily a bakery though they also deal in spices and grains. The bakery's most popular product is pauroti. At the time of the placement, the average, daily revenue from the bakery was approx. NPR 6,000 and average, daily revenue from the mill NPR 1500. The business had nine male employees between the ages of 17 and 34 years.

Prem was considering investing in a semi-automated packaging machine for bakery items and wanted support to evaluate the return on investment.

¹ To date, CONNECT has matched 25 business with MBA students via our partnership with KUSOM.

KUSOM MBA student, Roshan Dahal, spent three weeks with Prem and completed a cost benefit analysis and return on investment on the packing machine. The result was a recommendation to invest. Roshan summarized his recommendations to Prem as follows:

- Invest in a semi automated packaging machine in the near future;
- New packaging will increase the shelf life of products creating an opportunity for expansion into neighbouring markets;
- Diversify product range over the next 1 to 3 years;
- Focus on improving quality of products; and
- Maintain daily accounts using new bookkeeping system.

Thanks to Roshan's guidance, Prem is now able to calculate the per unit cost of production and keeps track of the businesses income and expenditure.

During the placement, Roshan also noted that conditions for employees could be improved and encouraged Prem to provide health and safety equipment. On a recent visit to Prem's premises CONNECT was pleased to see that Prem had acted on this advise, providing staff with Staff are wearing safety equipment including mask, helmet, glove and gumboots.

But the impact of the placement extends beyond the recommendations submitted in Roshan's report. During the placement Prem and Rosha discussed bookkeeping, marketing, business planning, costs and pricing, product lines, supply chain and sales and retail positioning. And, Prem learnt how to use Youtube.

Prem has since used his new knowledge, accessing online video tutorials to learn furniture making techniques, and has established a furniture business. He hopes to open a premises in Sanfe bazar soon.

The start-up of this new enterprise has meant SKPU hasn't yet invested in a packaging machine as Prem is currently focused on furniture production and continues to sell oil, four and rice in the local market. He is confident that over time he will be able to expand beyond the local market. He also knows that there is demand for the bakery products so he wants to re-initiate the business and purchase a packaging machine as Roshan recommended.

Despite decreased bakery sales, overall Prem estimates that SKUP's turnover and profits have increased between 10 and 15% in the two years since he received business consultancy support via CONNECT.