ENTREPRENEURSHIP DEVELOPMENT IN KATHMANDU

abilities
entrepreneurship
money
action
management
entrepreneur
incubation
performance
solutions
collaboration
finance
innovation
risk
partnership
market
initiative
responsibilities
manager
business
owner
training
services
accelerator
venture
leadership

UNDP Nepal Accelerator Labs

10
INCUBATION CENTERS/ TRAINING PROVIDERS

3 GOVERNMENT

Entrepreneurship development related activities such as trainings, counseling, grants and subsidized loan

7 NON-GOVERNMENT

Six private incubation centers/ training providers, and one INGO providing entreneurship related trainings/ skills
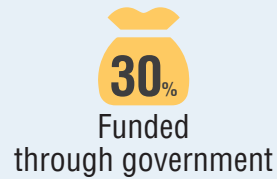
All the non-government incubation centers/ training providers are registered under Office of the Company Registrar (OCR) or Social Welfare Council (SWC)

Average staff composition of incubation centers/training providers
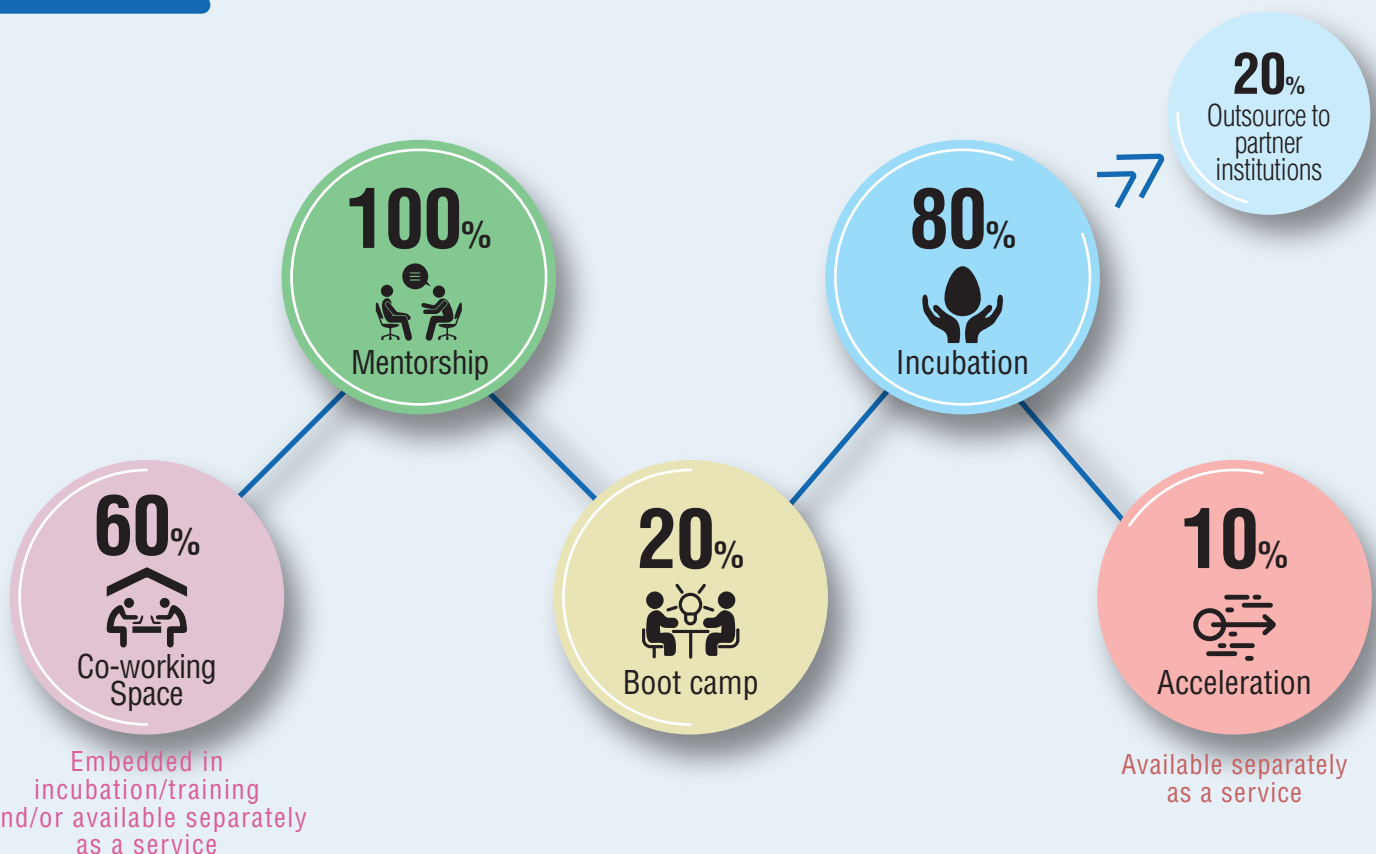
60% Male

40% Female
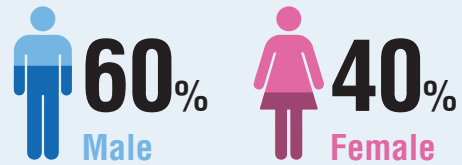
Funding

Almost **50**% of the incubation centers/training providers have private and other funding sources

30% Funded through government

20% Funded through grant or donation

Services

100% Mentorship

60% Co-working Space
Embedded in incubation/training and/or available separately as a service

20% Boot camp

80% Incubation

20% Outsource to partner institutions
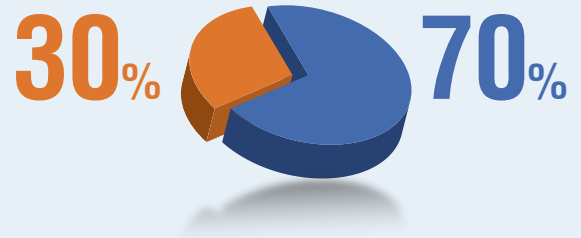
10% Acceleration
Available separately as a service

Incubation/ training process

- Only **30**% of incubation centers/ training providers had their programs predesigned. **70**% of the incubation centers/ training providers first identify the need from the participants/ candidates, then design or modify the existing program and finally deliver the program.

30% **70**%

- **50**% of the incubation centers/ training providers do not have post-incubation/ training support embedded in their incubation program.

50%
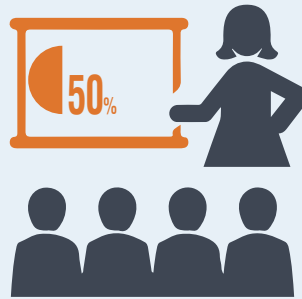
- When asked about the strengths of the program, **50**% of the incubation centers/ training providers responded saying they provide more rigorous and hands-on experience such as mentorship, bootcamp, etc. during the training, **20**% responded saying they are pioneer organizations to start the training in their respective field and the remaining **30**% did not respond at all.

50%

They provide more rigorous and hands-on experience such as mentorship, bootcamp, etc. during the training

20%
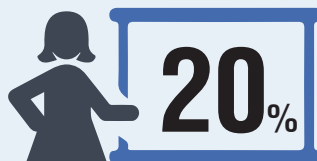
They are pioneer organizations to start the training in their respective fields

30%

Did not respond at all

Selection of potential participants/ candidates

- All the incubation centers/ training providers called in applications via mail, online forms or written forms.
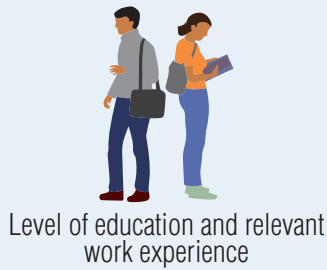
- **60**% of the incubation centers/ training providers used advertisements to call in the applications. The advertisements were circulated through social media or newspapers or banners in public places.

advertisements

- Potential participants/ candidates are selected for an interview to present their ideas. **70**% of the incubation centers/ training providers welcome ideas from all backgrounds, **30**% have a specific criterion aimed at a sector to select the ideas eligible for incubation/ training.

70%

Welcome ideas from all backgrounds

30%

Specific criterion to select the eligible ideas

- Common criteria for candidate selection

Level of education and relevant work experience

Impact and creativity of the presented idea

Government incubation centers/ training providers and INGOs prioritize GESI(Gender equality and social inclusion)

Incubation/ training resources

- All the incubation/ training programs and the services offered by the government incubation centers/ training providers are **free of cost**, whereas, all non-governmental incubation centers/ training providers **charge a specific fee**, which they say is subsidized.

- Only **20**% of the incubation centers/ training providers interviewed offer over **10** months long incubation/ training program. The remaining **80**% offer incubation/ training programs ranging from **1** week to **4** months.

20%
10 months

80%
1 week to **4** months

- **50**% of incubation centers/ training providers even hire external consultants to assist the entrepreneurs.

50%

- **50**% of the incubation centers/ training providers offer operational support in the form of legal assistance, market linkage, credit linkage and tools assistance, the remaining **50**% do not offer operational support.

50% Offer operational support

50% Do not offer operational support

- Only **20**% of the incubation centers/ training providers offer marketing assistance in the form of branding and packaging and organizing various events to promote the entrepreneurs.

20% Offer marketing assistance

- **Almost half the incubation centers/ training providers** provide coworking space which they say is currently under- utilized by the participants/ candidates.

- Almost **40**% of the incubation centers/ training providers do not offer any kind of funding support after the completion of the incubation/ training, the additional **40**% offer funding as seed fund or debt financing or compensation and the remaining **20**% are government organizations who offer funding in the form of seed fund or subsidized loan or grant that range from USD **2000** to USD **5000**.

40%
Do not offer any kind of funding support

40%
Offer funding as seed fund or debt financing or compensation

20%
USD **2000** to USD **5000**
Offer funding in the form of seed fund or subsidized loan or grant
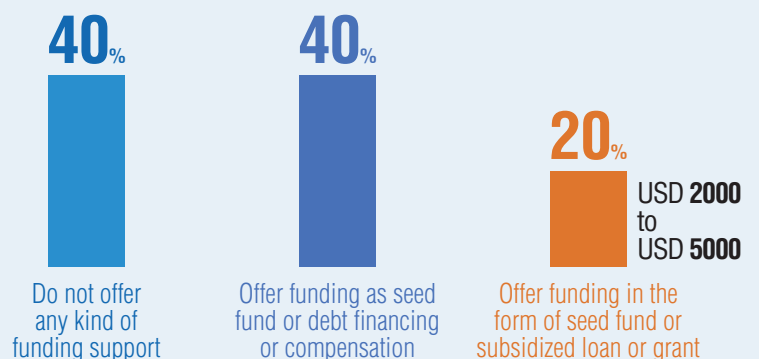
Post-incubation/ training support

- **40**% (**75**% government & INGOs and **25**% non-government) of the incubation centers/ training providers provide post-incubation/ training support as a part of training. Additionally, **30**% of them provide post-incubation/ training support based on the needs and requirements of the candidate, and the rest **30**% do not provide post-incubation/ training support at all.

40%

75% Government & INGOs

25% Non-Government

Provide post-incubation/ training support as a part of training

30%
Provide post-incubation/ training support based on needs and requirements

30%
Do not provide post-incubation/ training support at all

- Promotional partnerships and partnership sourcing are **mostly observed in all the incubation centers/ training providers**.

Performance of the participants/ candidates

- On an average **63**% of the participants/ candidates who attended the incubation/ training program are male and the rest **37**% are female.

63% Male

37% Female
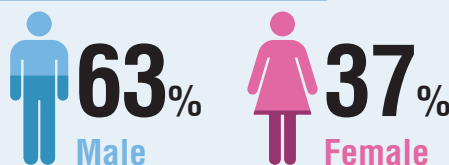
- The average success rate of government incubation centers/ training providers ranges in between **80**% to **85**%. More than **70**% of the non-governmental centers did not disclose their success rate. The remaining **30**% have an average success rate of **65**%. More than **50**% of the candidates who receive training from government institutions are inclined towards agricultural sector rather than service or production sector because of the training and subsidy provided by the government, and the ease in which the loan is provided with minimum collateral or no collateral.

Government incubation centers/ training providers — All of them have an average success rate of **80-85**%

Non-government incubation centers/ training providers — **70%** did not disclose

30% have an average success rate of 65%

50% Agricultural sector
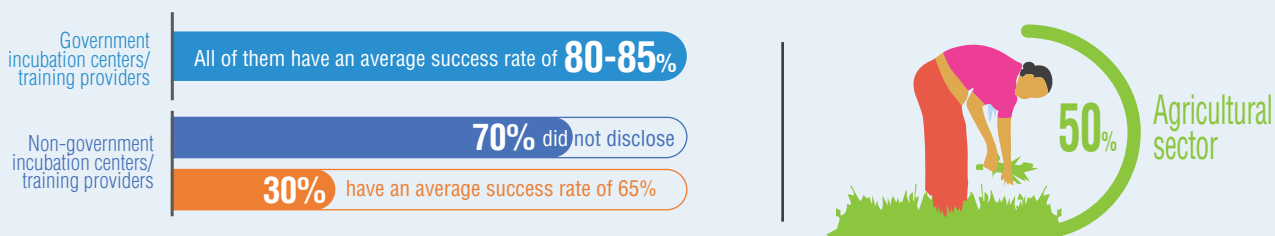
- The key reason for the success of any business/organization is hunger and drive that motivates the entrepreneur to grow the business/organization. Additionally, a candidate is successful if he/she remains more engaged and focused during the training sessions. Another important reason for success is the willingness to invest in business/organization.

- The most common reason for failure of any business/organization is limited access to finance. Family pressure to continue studies, poor exposure in the relevant field and blaming external environment such as government policies, market conditions and not focusing on the goals set are a few additional reasons of failure.
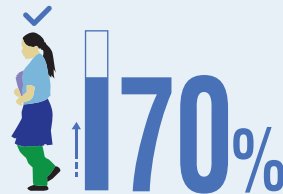
Challenges

Pre-incubation/ training

- During the pre-incubation/ training phase, almost **90**% of the incubation centers/ training providers face challenge in selecting and hiring a professional/ skilled trainers to deliver the training.

90% Incubation centers/ training providers lack professional/ skilled trainers to deliver the training
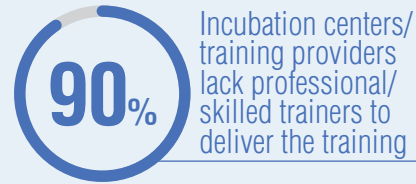
- Selecting the right participants/ candidates for the training is another challenge that **70**% of the incubation centers/ training providers face.

70%

- Furthermore, designing and finding participants/ candidates specific to sponsors needs are other challenges that **30**% of the incubation centers/ training providers come across.

- Similarly, political influence in government funded programs and acitivities to select referred participants/ candidates, profit oriented partners and traditional methods of learning are some additional pre-incubation/ training challenges faced by government incubation centers/ training providers.

Post-incubation/ training

- Post-incubation/ training phase is a large unmapped territory as more than **50**% centers do not provide post-incubation/ training services directly after completion of challenge. Therefore, out of the **50**% who offer post-incubation/ training services, aligning team members together in a competitive market remains the most common challenge. Additional post-incubation/ training challenges include evaluating the effectiveness of the program and helping the participants/candidates build sustainable business/organization models.

50% Incubation centers/ training providers do not provide post-incubation/ training services

50% Incubation centers/ training providers provide post-incubation/ training services
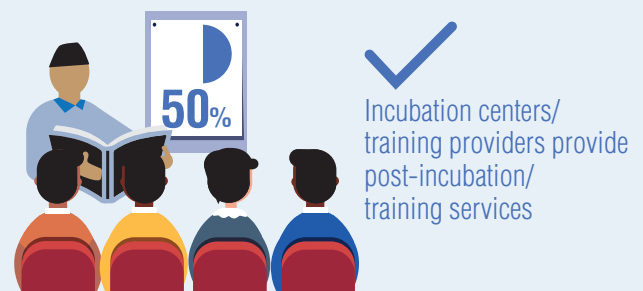
Current solutions

- Organizing workshops in an interactive way or sector analysis are the two major approach that **40**% of the centers implement. Additional **40**% of them do not have any strategies to deal with the challenges and the rest **20**% reach out to diverse group of experts and trainers and corporate contractors.