



FORUM FOR INFORMATION TECHNOLOGY NEPAL

"IT FOR ALL"

नेपाल सूचना प्रविधि मञ्च

सबैको लागि सूचना प्रविधि



Youth & ICT Entrepreneurship: *A highly prospective and demanding factor for Socio-economic changes in developing countries - Case Studies from Nepal.*

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Background:

- Entrepreneurship is the process of identifying, developing, and bringing a vision to life. The vision may be an innovative idea, an opportunity, or simply a better way to do something. The end result of this process is the creation of a new venture, formed under conditions of risk and considerable uncertainty."
- An estimated 300 million young people between 18 and 30 years old around the world are unemployed or underemployed. Majority of them belong to developing countries.
- Around 20% of these young people have the potential to become entrepreneurs and yet less than 5% do.
- How ICT is linked to entrepreneurship to create a real value for the society.
- Nepalese ICT Scenario and entrepreneurship prospect.

Nepal: Country Profile

- Situated between two giant neighbours India and China, Nepal has a total land area of 147,188 square kilometres.
- Topographically divided into mountains with (highest peak in the world Mt. Everest), the hills, and Terai.
- 23.2 million people of more than 60 caste/ethnic groups with diversity in terms of ethnicity, languages, culture.



Quick History: ICT sector of Nepal

- 1968 : Computer Introduction in the country for Census IBM 1401
- 1974: National Computer Center Established
- 1985 Personal Computers available in Nepal paying Nepalese currency
- 1990 Liberalization on imports of equipment
- 1996 Ministry of Science & Technology Formed
- 2000 First IT Policy Announced
- 2001 National Information Technology Center Formed
- 2003 High Level Commission for Information Technology established
- 2004 : Electronics Transaction Act officially declared.
- 2005: Revised IT Policy, Nepali Unicode, Localization of Microsoft window, office XP and Launch of NepaLinux.
- 2006: First IT park started to function .

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National IT Policy

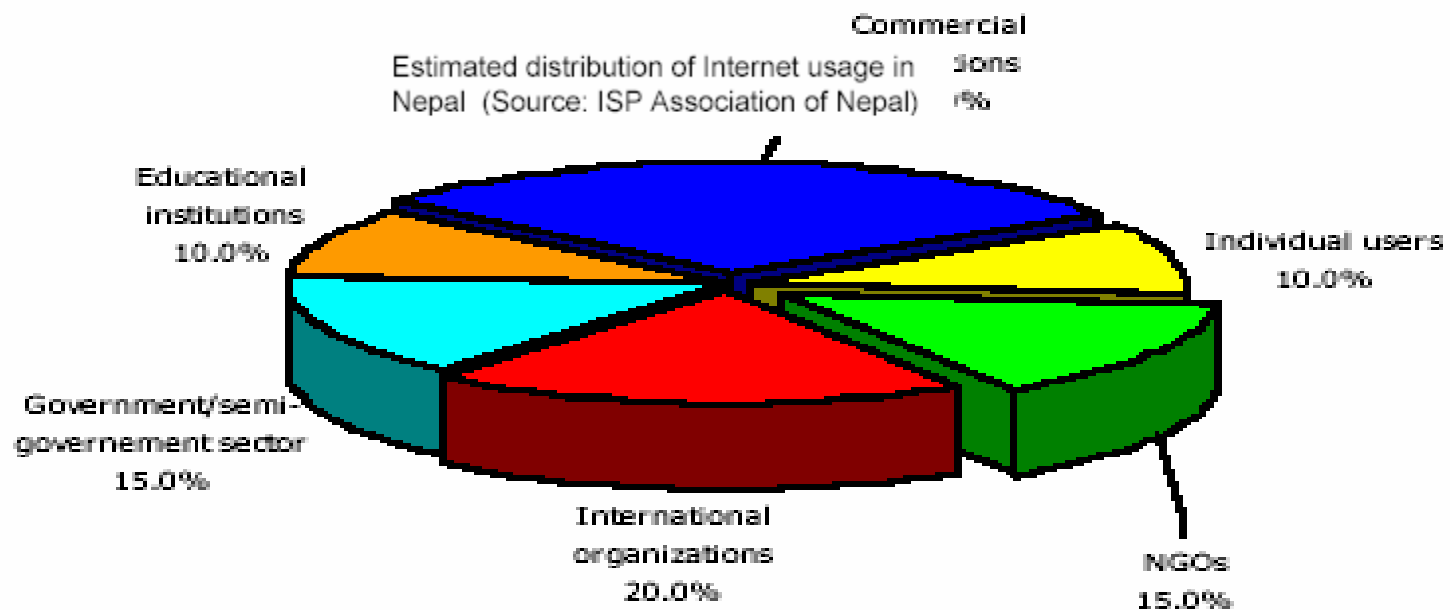
- IT Policy 2000 was formed and revised in 2005. The Broad objectives are:
 - **To build a knowledge-based society.**
 - **To establish knowledge-based industries.**
- Infrastructure, broadband, content, application, education and training, promotion Industry and business has been dealt in Policies.

Current Position: Access of Technology

● Telecom

-Basic Telephone company:	2
-Cellular Mobile:	3
-Internet with Email (ISP)	40
-Vsat Network providers:	13
-VSAT Service Users:	88
-Rural Telecom Services:	1
-Fax Mail	28

Estimated distribution of Internet usage in Nepal (Source: ISP Association of Nepal)



ICT Human Resource

- Four Universities and affiliated colleges providing ICT education courses.
- Intake capacity in 2005 was about 7000 annually.
- Many private and multinational ICT training institutions like NIIT, New Horizon, Aptech, SSI are providing professional courses.
- Microsoft, oracle and Cisco certification courses ,RHCE etc. are provided by various ICT colleges and institutions

a) e-Commerce

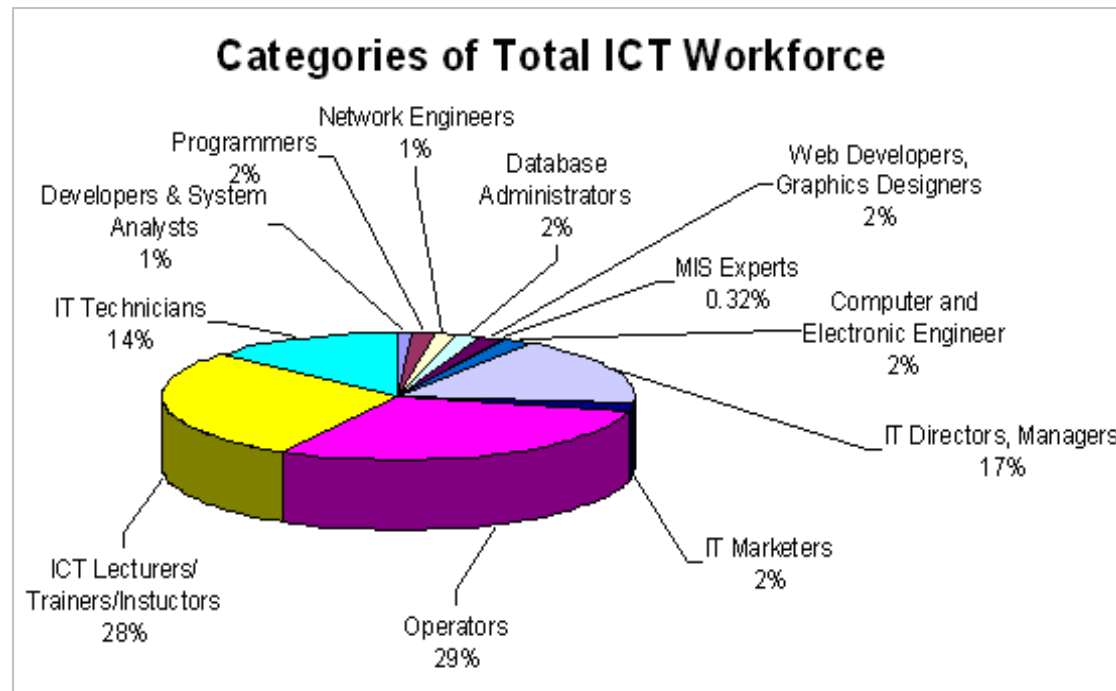
	B2B e-commerce transaction 1-10	Business Intranet sophistication 0-10	Commercial web sites(% of total web sites)	Domestic VC investment in e-commerce (% of total VC outlay)	Competition in dotcom 0-10	Prevalence of internet start-up 0-10	Use of Internet based payment system 0-10	Sophistication of online marketing 0-10	Composite Index CX
NEPAL	1	0	65	0	0	0	0	0	
Kathmandu	1	0	65	0	0	0	0	0	1
Lalitpur	0	0	65	0	0	0	0	0	0
Bhaktapur	0	0	0	0	0	0	0	0	0
Parbat	0	0	0	0	0	0	0	0	0
Sunsari	0	0	0	0	0	0	0	0	0
Pokhara	0	0	0	0	0	0	0	0	0
Mahendranagar	0	0	0	0	0	0	0	0	0
Morang	0	0	0	0	0	0	0	0	0

b) e-Government

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	Government effectiveness in promoting the use of ICTs 0-10	Availability of on-line government services 0-10	Extent of government web sites 0-10	Business Internet based interaction with govt. 0-10	Composite Index CXI
NEPAL	4	0	3	0	
Kathmandu	4	0.25	4	0	3
Lalitpur	0	0.25	4	0	2
Bhaktapur	0	0	4	0	2
Parbat	0	0	4	0	2
Sunsari	0	0	4	0	2
Pokhara	0	0	4	0	2
Mahendranagar	0.25	0	4	0	2.0625
Morang	0	0	4	0	2

ICT Workforce



Young Entrepreneurs' Forum (NYEF) @glance

- Empowering Positive Business Thinking.
- Help young entrepreneurs to gain a better insight into the present status of key business sectors of tomorrow.
- Facilitate exchange of experience between successful entrepreneurs and young fresh graduates with knowledge ,information and novel ideas.
- Nepal Youth Business Initiative: capacity building of new technopreneures.

Software Industries in Nepal:

- Five ISO 9001:2000 certified company, more than 50 small scale and few international companies are currently involved in software developments.

Opportunity:

- Cheaply and readily available skilled human resources (7000 IT graduates ,professionals and Programmers.
- profound cost advantage over our competitors
- Benefited by the time zone difference to carry our the BPO like call center, Medical transcription etc.

Challenges:

- Lack of access to the international market and knowledge of the global IT business.
- Ineffective implementation of Cyber law and IT Policy.
- Lack of foreign investment in IT industry due to conflict, political instability.
- Priority not defined by the government for IT industry.
- Lack of mentoring and micro financing provision to establish a new business venture.

Business Process Outsourcing (BPO): means of Global Networked Business.

•BPO is the delegation of one or more IT-intensive business processes to an external provider that in turn owns, administers and manages the selected process based on defined and measurable performance criteria .

Motivation factors: why BPO is gaining ground

- Factor Cost Advantage
- Economy of Scale
- Business Risk Mitigation
- Superior Competency
- Utilization Improvement

Types of Services Being Offered By BPO's

- **Customer Support Services** :virtual customer service center through e-mail and chat on a 24/7 and 365 days basis.
- **Technical Support Services** :round-the-clock technical support and problem resolution for H/W,S/W etc.
- **Telemarketing Services**: interaction with potential customers .
- **Employee IT Help-desk Services** :technical problem resolution and support for corporate employees.
- Data Entry Services / Data Processing Services , Book Keeping and Accounting Services , Internet / Online / Web Research, Form processing, Medical transcription etc.

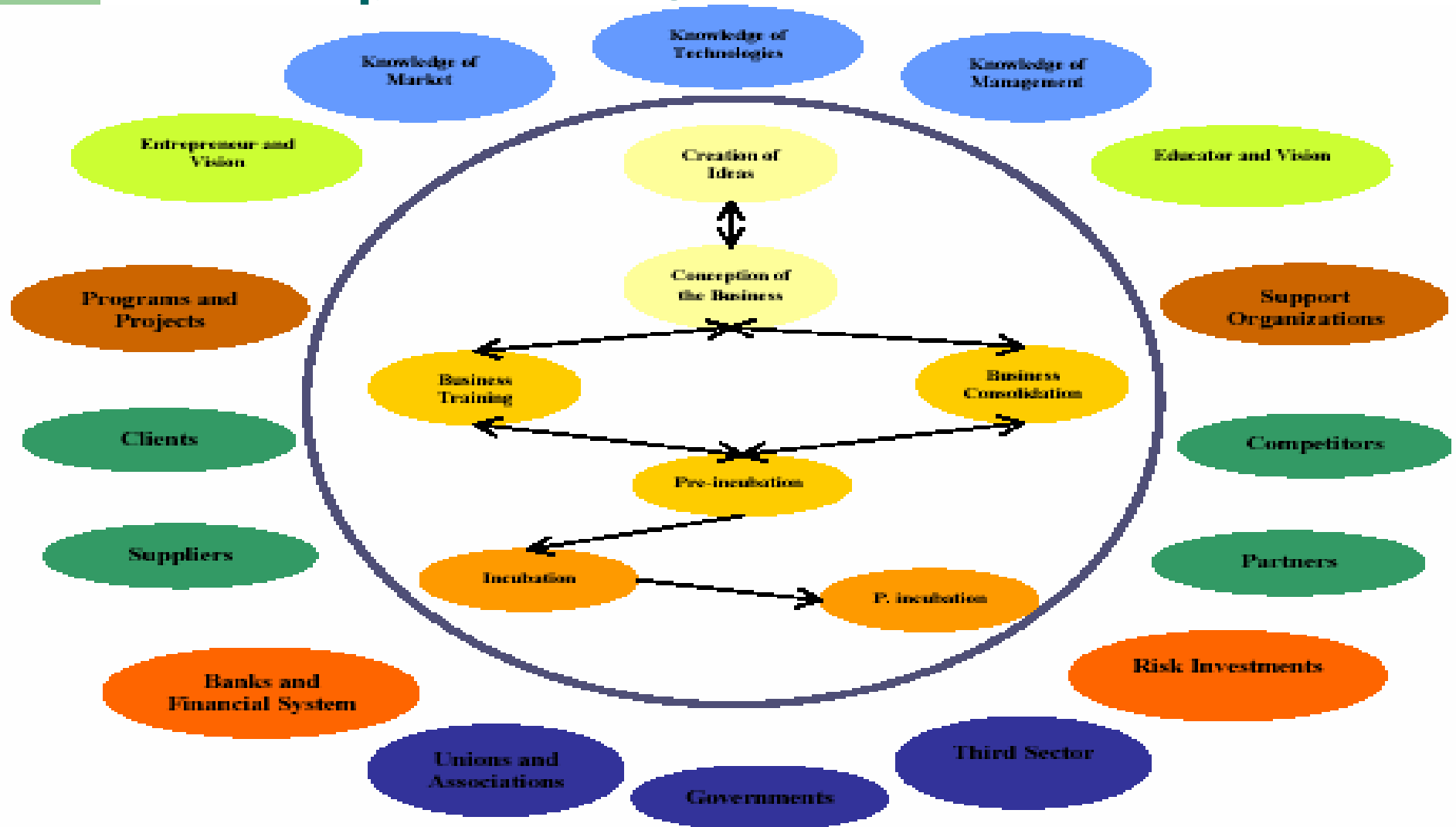
Challenges for a HR Professional

- Customer-companies tend to demand better results from outsourcing partners than what they could actually expect from their own departments.
- Brand equity, Standard pre-job training, Benchmarks , Lack of focused training and certifications

Key To success

- The key to success in ramping up talent in a BPO environment is a rapid training module. The training component has to be seen as an important sub-process, requiring constant re-engineering.
- Remarkable employee benefits .

Creation, Development and Management of an Entrepreneurial Culture.



Conclusion

ICT Entrepreneurship can have a powerful and direct impact on Socio-economic development through:

- Employment generation.
- Contribution in national economy with BPO and S/W export.
- Automation of business enterprises.
- Backbone for the Implementation of e-governance, E-commerce, Telemedicine to improve the livelihood of common people ,build a information society.

Conclusion

Urgent Necessity:

- Effective implementation of the IT policies and Cyber law .
- Government should have defined development priority, distinct effort to explore and attract foreign investment in IT sector.
- Access to start-up funding for technically feasible and economically viable IT projects.
- Business Incubator centers to 'convert Job-Seekers into Job-Creators'



Thank You !!