

**Prayash Uprety**

**BUSINESS PLAN: IMPORTING GARMENT CLOTHING FROM  
NEPAL TO FINLAND**

**Case study of Himalayan Trade Fair**

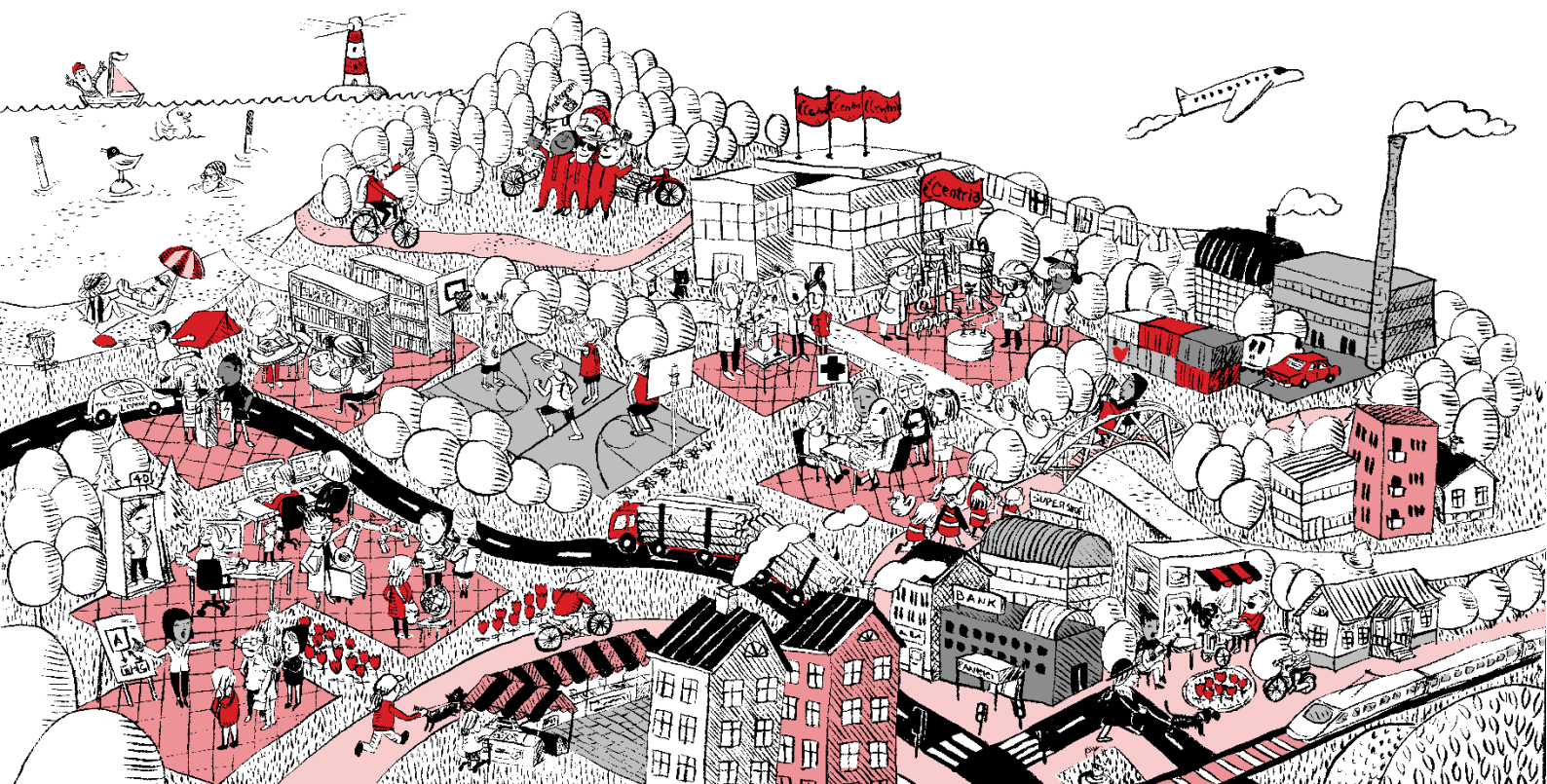
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## ABSTRACT

<b>Centria University of Applied Sciences</b>	<b>Date</b> Dec 2020	<b>Author</b> Prayash Uprety
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<b>Name of thesis</b> BUSINESS PLAN: IMPORTING GARMENT CLOTHING FROM NEPAL TO FINLAND Case study of Himalayan Trade Fair		
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<p>The thesis aims to create a complete business plan for importing garment clothing from Nepal and selling it in Finland. This thesis illustrates a complete process of preparing a business plan theoretically as well as practically for importing garment clothing from Nepal to Finland by illustrating the opportunities and threats regarding this business.</p> <p>The thesis also discusses the ways of importing and exporting the products from Nepal to Finland. In addition, the thesis acknowledges the current situation of garment industry in Nepal and type of products which can be imported to Finland. This thesis provides the company an ideal and simplistic way of preparing a business plan.</p>		
<b>Key words</b> business plan, export from Nepal, garment industry, import in Finland.		

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## 1 INTRODUCTION

Garment industry basically means the business enterprises which are involved in the manufacturing, transporting, and retailing of clothing wear. These clothing wears are generally produced by different kinds of textile fibres such as cotton, wool, fur, synthetic, etc. In today's modern world garment clothing has become fashion wears that expresses a person's culture, profession, society, and style. As per the market demand textile fibres are carefully designed and manufactured into diverse fashion wears and then transported to different domestic and global markets around the world for its consumption. Garment industry has also generated many employment opportunities and is contributing significantly to the economy of the nation. Nowadays production of garment clothing has shifted from developed nation to developing countries due to the cheap cost of finished goods. Due to this many developing countries such as Nepal are benefiting and seizing this opportunity to uplift their exports and economy through its clothing industry.

The study aims to make a realistic business plan for importing garment clothing from Nepal to Finland. This study will help to research and analyse the feasibility of importing garment clothing and selling them in a competitive market in Finland. Since I am from Nepal and now living in Finland, researching such a kind of business model is very appealing. Given that, the objective of the thesis is to comprehend a business plan so observation of all the factors affecting the business are analysed.

In the theoretical part, description of the importance of formulating a business plan before established any business has been given. Every organization should prepare a business plan in advance of starting a business and present their idea and vision behind the business. In this thesis the garment industry in Nepal and the types of products that can be imported in Finland has been illustrated. Then the next chapter demonstrates a step-by-step process of the import-export procedure. A proper explanation has been delivered regarding the rule and regulation of the import-export process between Nepal and Finland and all the required documentation has been clarified.

This is a practice-based thesis where I have conducted a research on the Himalayan Trade Fair owned by Yagya Adhikari. Himalayan Trade Fair is coordinating business by importing garment clothing from Nepal and India and selling it in Finland through various means. Pragmatic and realistic data has been collected with the help of email and telephone interviews conducted with Mr. Yagya Adhikari and other supportive information has been gathered through many references from online sources and books. In

the course of this thesis, I have gathered immense experience in researching any specific topic and comprehending the research process and techniques to complete a report.

The commissioner institute of this thesis is Himalayan Trade Fair. This firm is a precise representation of the organisation the author was contemplating for. Himalayan Trade Fair is a private organization set up in 2010 in Finland. At first, it has imported various kinds of working garments, organization shirts, covers, etc. For retail clients, promotion was done fundamentally through cooperation in the presentation, exhibition, and fairs. A business card was given to customers as a greeting which helped immensely in functioning as an advertisement. Later in 2015, a store was opened in Itäkeskus, Finland under the brand name but they have shut down due to financial instability of the organization. This organization does not have any retail location and it just depends on exhibitions and fairs in summer to sell its items, the proprietor is planning to focus on digital marketing by computerized advertising and selling through online stores. This proposal contains a practical information collected from Mr. Yagya Adhikari to prepare a business plan for importing garment clothing from Nepal to Finland.

## 2 HIMALAYAN TRADE FAIR

The Himalayan Trade Fair has been established in Finland by Mr. Yagya Adhikari in 2010 with the objectives of selling clothes in Finland. These clothes are mostly manufactured in Nepal and India and imported to Finland for retailing propose. In Nepal, they have two manufacturing plants, one in Kathmandu and another in the mechanical zone of Bhaktapur. Simultaneously they have one manufacturing plant in Noida, India. They sell wide assortments of exceptionally prepaid easy-going garments, adornments, caps, and scarfs for ladies. Their garments are designed by Antti Ali Leikkala and Marja Tuomari in Finland after concentrated evaluation and feedback by clients, and afterward, the planned sketches are sent to Nepal and India for a model or basically to make the product. The designer garments are fabricated, and the item is sent back to Finland. On the off chance that any adjustments are required, the item is sent back once more, if not, the item is requested with depiction, request amount, conveyance date, shading, and size. This organization does not have any retail location and it just depends on exchange and fairs in summer to sell its products, Himalayan Trade Fair passes on business card and brochure to its customer with its contact details. So, the customer can contact the organization in the future. (Adhikari 2020.)

In 2015, Himalayan Trade Fair opened a store in Itäkeskus, Finland but due to lack of sales, the store had to shut down. The retail location in Tenesmus, Itäkeskus is closed as it was not beneficial to run due to high rental fees and low sales. Right now, the organization does not have any physical store and only plan to sell its product through exhibition and fairs and online stores. It has it warehouse in Espoo and Jokioinen, Finland where the products are stored. Presently this organization generally underlines in B2B Business, and it is generally dynamic in exchange for reasonable and open business sectors to sell its products. Himalayan Trade Fair also takes orders in bulk from business in wholesale price and manufacture the clothing from its factories in Nepal. This B2B business model is very successful for the organization as it helps in cash flow and workflow in the organization. Earlier Himalayan Trade Fair was committed for B2B business administrations like providing garments to Finnish clothing companies and other companies from Amsterdam, Paris, Frankfurt, Tallinn, and Stockholm and was predominantly selling them in wholesale through a business relationship referral. Now, Himalayan Trade Fair is inactive in Finland since 2019 as the owner Yagya Adhikari is in the United States of America for expanding his business there. He will be soon returning to Finland and continue his company Himalayan Trade Fair here in Finland in the summer of 2021. (Adhikari 2020.)

Himalayan Trade Fair has been importing garment clothing from Nepal and India since 2010 and selling them here in Finland through various means. Different kinds of products can be imported from countries such as Nepal, India, Bangladesh and sold here in Finland and in the case of Himalayan Trade Fair, they sell assortments of extraordinary designed easy-going garments for females, adornments, caps, scarfs, shawl, and bags. Since they are selling their items generally during summer, they need to know the taste and inclination of the Finnish clients, so they are selling the product on different exhibitions and fairs to know the Finnish taste and Himalayan exchange reasonable by breaking down the objective client's tastes and preferences. Himalayan Trade Fair is focusing just on summer garments even though in Finland the climate is generally chilly, focusing on winter garments is important as they are additionally intending to begin internet selling rather than simply selling on summer celebrations. (Adhikari 2020.)

Himalayan Trade Fair price their products according to their target customer and their target customers are middle-aged women. As pricing is a fundamental component of the promoting mix, Himalayan exchange reasonable necessities to set equipment price to cover their cost. Nonetheless, the price should fit with what the market is happy to pay for the quality of the items. It is more significant for Himalayan Trade Fair to know its rival's evaluating approaches to set the price for the items since they will probably sell their items utilizing the online platform very soon, they have to present different limits including bunch limits and understudy parameters just to draw in the clients. Right now, they have their items' price extending from three euros to sixty euros. (Adhikari 2020.)

Himalayan Trade Fair has its way of promoting its products. Promotion is a basic component to raise client familiarity with a product or brand for producing deals, furthermore, making brand reliability, however on account of Himalayan Trade Fair, they are not all that dynamic in advancement plan as they exclusively rely upon exchange and fairs in summer. Additionally, even while selling in the celebration no pre-exercise was done like advising the steadfast clients through Facebook and other online media. Presently principal promoting strategy of Himalayan Trade Fair will be giving needs to the online store; they will be underscoring Google promoting and website improvement to focus on their clients. (Adhikari 2020.)

### **3 BUSINESS PLAN**

A business plan is a composed record that portrays in detail how a business is typically run and characterizes its destinations and how it is to approach accomplishing its objectives. A business plan spreads out a composed guide for the firm from every one of a marketing, budgeting, and operational viewpoint. Business plan strategies are significant archives used to draw in speculation before an organization has set up a demonstrated history. They are likewise a decent path for organizations to prop themselves on the track up forward. Although they are particularly valuable for new organizations, each organization ought to have a strategy. In a perfect world, the arrangement is investigated and refreshed occasionally to check whether objectives have been met or have changed and advanced. Occasionally, another strategy is made for a setup business that has chosen to move toward another path. (Hayes 2020.)

To dispatch your own clothing line business, having an appropriate business plan is of major significance. Finding a specialty in the garments business needs due to examination and investigation of the sort of garments you need to create. Fundamental market examination for the client base for the style specialty you are going for can be an incredible method of getting acquainted with what could work for your strategy. The clothing industry has been reformed and re-changed over the ages. Garments and apparel business will consistently have buyers, with the garments business developing at the pace of 14.1% per annum. The clothing market held a value of 8,680 million dollars in the most recent year alone. Subsequently, a garments line is a phenomenal business premise whenever showcased well. The following are the aspect to consider before preparing a business plan. (Upmetrics n.d.)

#### **3.1 Why a business plan is needed?**

When composing the business plan there should be addressed the question: What is the motivation behind the business? It is fitting to predict that somebody who needs to get familiar with the particular business but without a business plan a person knows nothing about the organization`s work, the possible clients and contenders, market circumstance, money related perspectives, and so forth. The business plan should respond to the entirety of the inquiries that may have the option to see how the organization will work. To work, the strategy must be made in a composed structure. Nonetheless, the composed arrangement must be clear and compact, basically composed, and simple to grasp. Nonetheless, all plans must have a typical structure and comparative arrangement. All the plans' key data must be associated with



one another. Planning of the marketable strategy for the case worldwide exchange organization began from the gathering of the information about the field of importing garment clothing from Nepal to Finland. Composing the strategy itself happens in the wake of researching and breaking down the writing about the theme. The marketable strategy's goals and methodologies to contact them are laid out. (Disalvo 2020.)

The first and most vital part of dispatching an attire line is to discover your garments' specialty. While it may appear to be appealing to have plenty of items under your image, it is in every case better, to begin with, a little specialty of items and grows. Choosing what clothing would sell – shirts, exercise wear, formal wear, and so on and assembling the arrangement likewise is very necessary. The next stage is to sort out what the beginning financial plan would be agreeable for the organisation. Examination of all business roads where the venture is required texture sourcing, creation cost, bundling, and promoting. Having a financial plan assessed for every road is basic before drafting a arrangement. The production of garments will be one of the most basic variables for the image. Before getting a financial specialist ready, it is a good thought to sort out a channelized and simple method of creation and the work of laborers it would require. The advertising, regardless of whether neighbourhood or more extensive should be considered. With regards to a dress line, plan and advancement are of outstanding significance. The organisation will need such imaginative experts in the group who can focus in on this viewpoint. Guaranteeing your garments are quality-controlled ought to likewise be a fundamental advance in the arrangement. It is very important to maintain the quality of the product. (Ward 2020.)

### **3.2 Benefits of business plan**

A business plan is a significant and key device for the business organization. A decent business plan not just assists the business organization with achieving the particular goals essential for them to cause business thoughts to succeed, however it likewise encourages them to accomplish present moment and long-term targets. Likely speculators or loan specialists need a composed marketable strategy before they give you cash. A simple depiction of your business idea is not sufficient. All things considered, guarantee you have a careful business and monetary arrangement that shows the probability of progress and the amount you will require for your business to be fruitful in the long haul. As a business enterprise, having a marketable strategy assists you with characterizing and spotlight on your business thoughts and techniques. You focus on monetary issues, yet additionally on administration issues, human asset arranging, innovation, and making an incentive for your client. Having a strategy encourages you to distinguish

possible entanglements in your thought. You can likewise impart the arrangement to other people who can offer you their assessments and guidance. Distinguish specialists and experts who are in a situation to offer you priceless guidance and offer your arrangement with them. A strategy is a specialized device that you can use to make sure about venture capital from monetary foundations or banks. You can likewise utilize it to persuade individuals to work for your undertaking, to make sure about credit from providers, and to pull in possible clients. Making a business plan includes a great deal of thought. You have to consider what you need to do and utilize that as a beginning stage. It should not be muddled. (Longo 2019.)

At the point when you plan your business right, you can get a clearer image of the business in general. You can without much of a stretch draw an obvious conclusion regarding system and strategies, and everything is simpler to work out. A start-up has to make a personality and spotlight on building that character. It is normally characterized by the objective market, and the items and administrations fitting to coordinate their necessities. It is difficult to do everything simultaneously in a business. At the point when planning a business, a firm can arrange things as far as their significance and apportion work, assets, and time in a productive and vital way. When you plan your business viably, you can check your suspicions, keep tabs on your development and see new improvements directly from the earliest starting point, permitting a corporation to change as needs be. When a planning is done adequately, organization will set desires for themselves and a method by which a company will have the option to follow their outcomes. Continually survey of the strategy regarding what you expect and what in the end occurs can be done with the help of business plan. (LaMarco 2018.)

#### 4 GARMENT INDUSTRY IN NEPAL

In 1974, America allocated a quota system in the garment industry for developing nations naming it MFA (Multi-Fiber Arrangement) which led to the garment revolution in Nepal. It fitted developing nations such as Nepal very well and the garment industry boomed and became the 4th largest export industry of the nation very quickly. MFA finally collapsed in 2004 AD. And so, did the garment industry in Nepal. (Bhattarai 2017.)

Since then, Nepalese textile industry has been gradually growing and creating a market for itself and now 2020 Nepalese garment industry is the largest exporting industry in terms of foreign currency earnings and is the second most source of the nation's foreign currency revenue-generating business after the tourism industry in Nepal. Some of the major exporting markets of Nepalese garments are the USA, Canada, Germany, France, Netherland, UK, Switzerland, etc. Since the garment industry is more of a labour-based work less investment is required which helps to create more employment opportunities which support in the advancement of developing country like Nepal. (Ministry of Industry, Commerce and Supplies 2016.)

Nepal is one of many growing South Asian nations that assumes a considerable part in the worldwide instant manufacturing of the clothing industry. These mass-delivered materials have become a staple fare from Nepal; however, they have additionally standardized the deceptive acts of quick design chains inside the nation. Throughout the most recent twenty years, Nepal has attempted to direct both financial and moral issues inside the piece of the clothing industry. The most recent couple of years have created a move towards a more promising time to come for an object of clothing laborers. Different kind of garment products are manufactured in Nepal such as ready-made garment clothing, pashmina products, hand-knotted woollen carpet, handicraft products, leather goods, and gold and silver jewellery, etc. Textile (Infomedia 2020.)

There are many amazing products that can be exported from Nepal, but I have allocated three main products from Nepal which are famous in the international market and easy to sell. They are Leather products, Ready made garment clothing and pashmina products. These are the topmost exporting items from Nepal, and I have explained them as follows.

#### 4.1 Leather products

Leather is one of the major exportable things in Nepal. Nepal has been assembling and sending out assortments of leather products like coats, satchels, belts, handbags, shoes, and boots. The monetary advantages of the development of the leather business in Nepal will be felt by the state in general as well as will profit poor country farmers that in any case would not get the pay created by the offer of their raw leather. With legitimate showcasing, speculation, and instruction, leather can get one of Nepal's essential trades. This will fuel the financial turn of events and will likewise profit the more modest provincial networks that are the wellspring of the extra leather gracefully. (Ministry of Industry, Commerce and Supplies 2019a.)

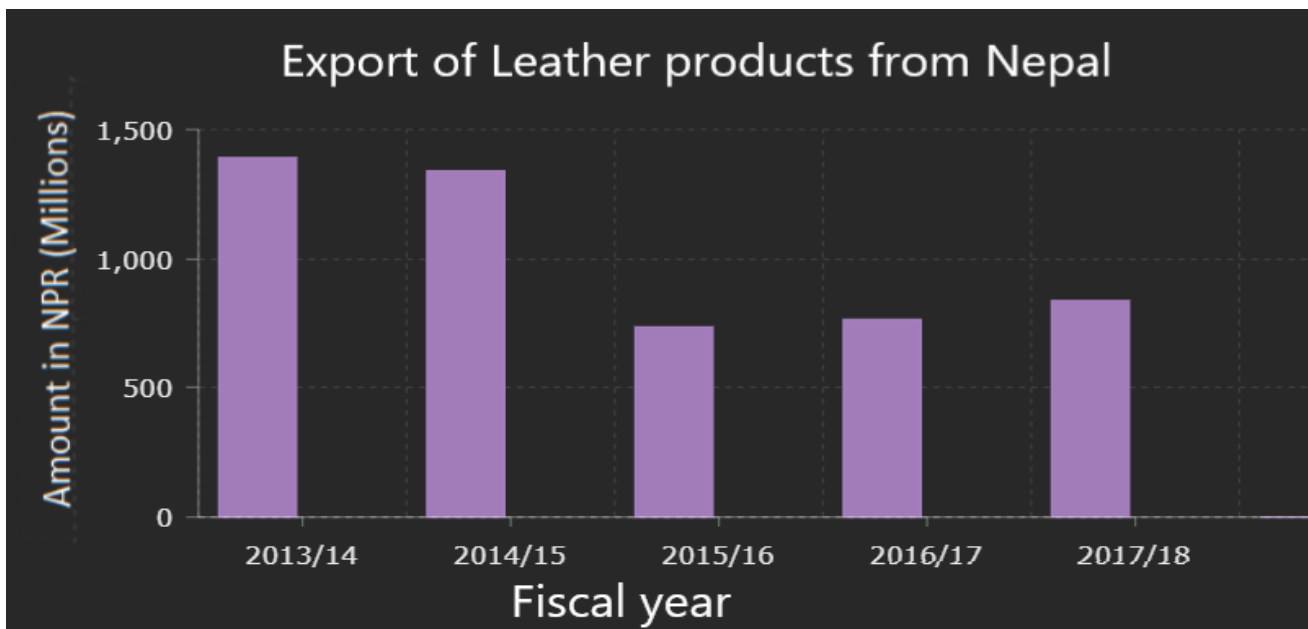


FIGURE 1: Export of leather products from Nepal (Products from Nepal 2019)

Nepal is exporting leather merchandise to more than 20 nations. The driving fare objections for leather merchandise are Italy, India, China, Canada, Japan, the USA, U.K., Israel, and France. Around 80% of the cowhide created inside the nation is traded and staying 20% is utilized to make footwear in the homegrown market. The article of clothing industry in Nepal likewise imports a limited quantity of good quality covers up for making shoes. Many of the leather products makers have sent out items in the global market. Nepal traded 13.42 million sq. ft. of leather product in the monetary year 2017/18. The leather products have huge potential in the market. (Products from Nepal 2019.)

## 4.2 Readymade garments

A wide range of clothing products comes under readymade garments such as pants, shirts, Caps, Coats, T-shirt Trousers, etc. Readymade garment product has a huge demand internationally and Nepal is one of the important hubs for manufacturing readymade clothing product. Importers or buyers give orders according to their style and design to different manufacturing factories in Nepal and this manufacturing factory has been able to fulfill these demands. Different varieties of ready-made products are produced in Nepal. (Ministry of Industry, Commerce and Supplies 2016b.)

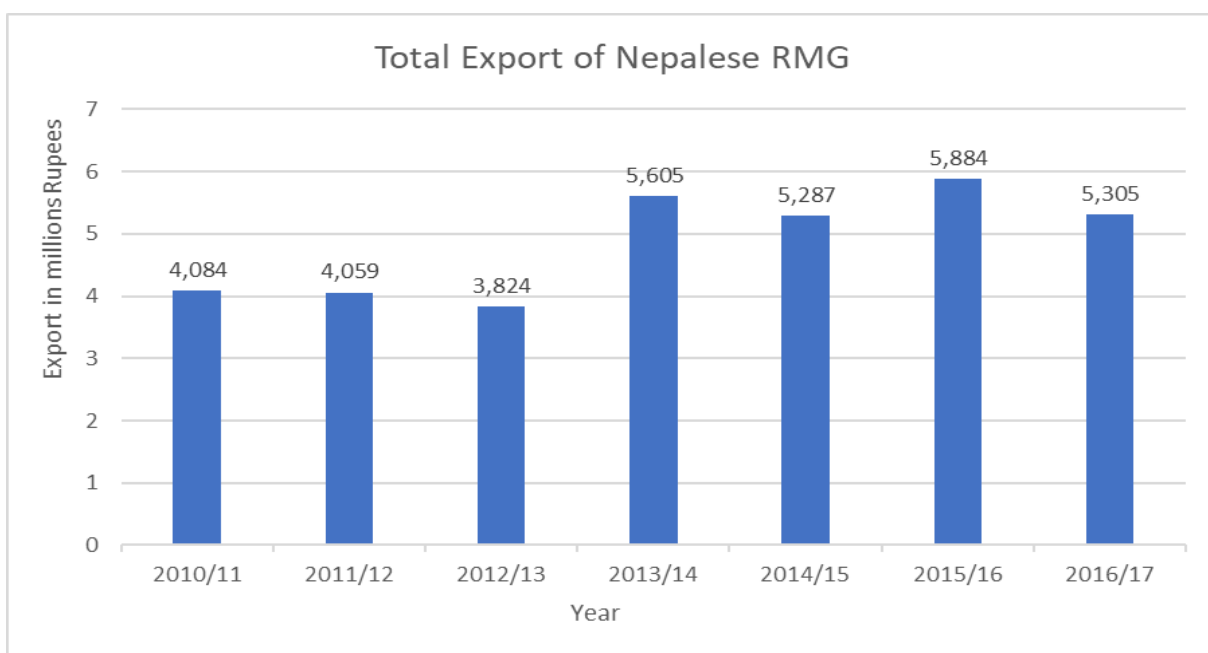


FIGURE 2: Total export of Nepalese RMG per year. (Ministry of Industry, Commerce, and Supplies 2016.)

The worldwide interest in readymade clothing things is very encouraging for Nepal. Piece of clothing production is moving from developed nations to developing nations in ongoing many years. As indicated by the ongoing report distributed by WTO, the world's market of an article of clothing sends out was \$708 billion out in 2014. China, Bangladesh, Vietnam, and India are the main 4 countries of clothing exporters in the world, while the USA, EU, Japan, Hong Kong, and Canada are top merchants. The USA is the biggest merchant of pieces of clothing in the world, while Vietnam and Bangladesh are the most quickly developing nations in assembling readymade articles of clothing. (Products from Nepal 2019.)

### 4.3 Pashmina product

Pashmina item has become the third biggest abroad export item of Nepal after readymade clothing and leather products. Nepali Pashmina item is a sort of handiwork, which can be viewed as a handcrafted excellent woollen result of multipurpose use. The fundamental raw materials utilized for creating pashmina items are 'Pashmina Yarn' and 'Silk Yarn' in addition to colours and synthetic compounds. Nepalese Pashmina enterprises require bringing in all these raw materials from China and India and Chemicals and colours from Europe and India. Fineness, delicateness, warmness, gentility, strength, and craftsmanship are its characteristic highlights of pashmina products. (Ministry of Industry, Commerce and Supplies 2016c.)

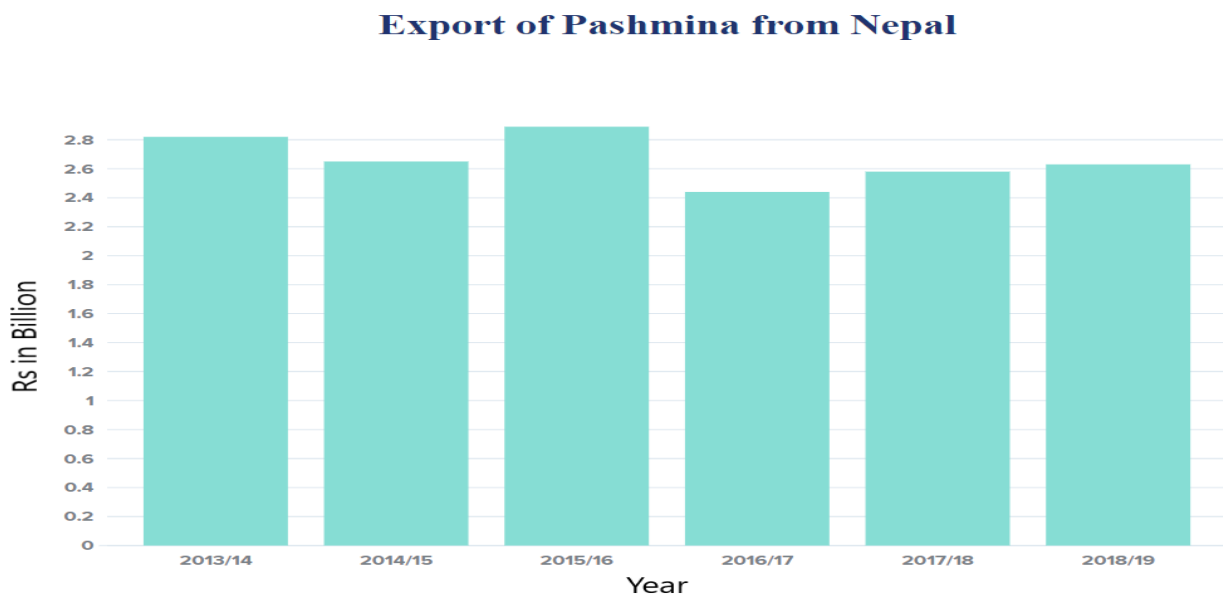


FIGURE 3: Export of pashmina products in comparison to other products. (Khanal & Khanal 2020.)

The first pashmina creation on the planet is exceptionally restricted as it is created from the fleece of Himalayan goats, which is limited because of climatic conditions. China delivers around 70% of the world's cashmere; Mongolia produces 20 percent, and the leftover 10 percent of is created is in Afghanistan, Australia, India, Iran, Nepal, Pakistan, and somewhere else. In Nepal, practically all pashmina ventures are packed in the Kathmandu valley. Just around 5 percent of the complete creation in Nepal is devoured inside the nation; the leftover 95 percent is sent out to the global market. Homegrown market devours pashmina items of around NRs. 2.5 billion; worldwide purchasers request items worth NRs. 2.27 billion. Nations like the USA, Italy, Canada, UK, France, Japan, Germany, and India are the significant fare objections of Nepali pashmina items. Nonetheless, this item is sent out to 47 nations over the world. (Products from Nepal 2019.)

## **5 IMPORT AND EXPORT PROCESS**

Buying and selling goods and services between two foreign nations is known as international trade. Buyers are importing, and sellers are exporting their goods and services. A product is imported or bought from a foreign nation so the goods can be sold in the importer's country. Exporters sell a product which is manufactured in the local market to a foreign customer or a nation. Import and export are the backbones of international business as import and export facilities to strengthen the national economy and helps grow the global market. Some nation has advantages in certain resources and skills while in some countries have shortages of these resources and skills. So, buying and selling goods and services between nations takes place to balance the shortages of resources and services for smooth operation. Furthermore, importing resources and services also triggers if the product is cheaper in the overseas market compared to the local market, from which individual customers can benefit with better value and more options. (Saylordotorg n.d.)

First, a company will need a valid license before starting the practice of import and export activities. Many important documents are required before we get into the import-export procedure. The importing and exporting rules will impose an on respective goods according to trade agreements between importing and exporting by custom authority. These tariff/tax varies from the product as per their category such as raw materials, finished goods, packaged food, industrial goods, etc. So, the procedure to import and export garment clothing can be different from other products as it falls under the readymade clothing section. Different import-export laws are also imposed by Nepalese and Finnish custom authorities. Following is a detailed explanation of these different rules and regulations for the import and export of readymade garment clothing from Nepal to Finland. (Cogoport 2020.)

### **5.1 Export process in Nepal**

The export of products from Nepal to different nations is directed by several laws and guidelines. Exporters need to consent to these administrators and need to follow clear procedures. If any organisation needs to begin export or import of business product from Nepal, it is needed to have a lawful business in Nepal. Additionally, register with VAT. Division of Customs under the Ministry of Finance is also needed who also managed in gathering customs duty and improve exchange help. All exporters must acquire the export, import code (EXIM code) which is given by the Department of Customs of Nepal.

The export records needed in Nepal depends up on the trade policy of Nepal government, the nature of goods exporting from Nepal. The documents required for export from Nepal is also based on the product exporting, multilateral, bilateral or unilateral trade agreements, and other trade policies of Nepal government. Point by point documentation on these phases of export has been explained independently as follows. (howtoexportimport.com 2019.)

The company must be registered and obtain an exporting license to take part in the export business. On the off chance that the exporter is a private or public limited company, the exporter addresses the Company Registrar Office to get the registration certificate. The exporter needs to acquire a business registration certificate for a single ownership firm or partnership firm from the Department of Commerce, within the Ministry of Commerce. The registered company is required to be selected by the local tax office. The tax office gives an annual assessment of enlistment authentication. The Inland Revenue Office or Department of Inland Income should be reached to get the Registration Certificate from Permanent Account Number also known as PAN. This authentication must be renewed yearly within the initial three months of each monetary year. Then a current bank account is needed to be opened in a commercial bank in the name of the exporting company for performing financial transactions related to the export. All the financial transactions will be done through the bank by wire transfer. A separate account for foreign currency is also needed so that the exporter can receive the payment in foreign currency. VAT (Value Added Tax) registration is essential. After the company is registered in VAT the exporter gets the facilities of duty drawback on the purchase of raw materials and intermediate goods to produce export goods. This means the company will not have to pay extra tax on raw materials and equipment needed for the company, this duty drawback will reduce the cost of export goods which will empower business and increase competitiveness. (Zoder 2016.)

After the registration and documentation process is finished now, we move on to establishing the contract with the buyer. The buyer and seller negotiate the product and the price. When an understanding among exporter and purchaser is reached, an export agreement can be signed between the two companies so the importers send a purchase order which specifies products, quantity, price, terms of payment, packaging, mode of delivery and date is the consignment. When the purchase order is received from the importer the exporter prepares the Pro Forma Invoice. A Pro-Forma Invoice provides the information regarding the price and other details of the product which will allow the importer to open the Letter of Credit (L/C) in the name of the exporter. The bank takes the guarantee of the payment to the exporter once the shipment is delivered to the importer. The shipment of the consignment is handled by a reliable



cargo company. Logistics can be done either by air or by the shipping cargo. The airway bill shall be given to the importer so that they can track the shipment and receive it. This is the stage when the product is ready, and all the document is cleared by the customs authorities. All the documents should be provided to the importer by the exporter so that they can receive the consignment from their custom authority. After this, the payment for the exporter can also be processed. These documents are legal proof that the shipment has been delivered to the importer so that the bank can release the payment if the negotiation has been done in L/C as the mode of payment. (Zoder 2016.)

## 5.2 Import process in Finland

Most of the textile and garment clothing products are imported in Finland since the manufacturing cost of garment clothing is very expensive in Finland. So, garment clothing is imported from a developing country such as Nepal where the manufacturing cost is very low. Where the production of the garment product might be decreasing but the demand for garment products has been increasing every year and the import of garment clothing from Nepal is also increasing every year. (World integrated trade solution 2019.)

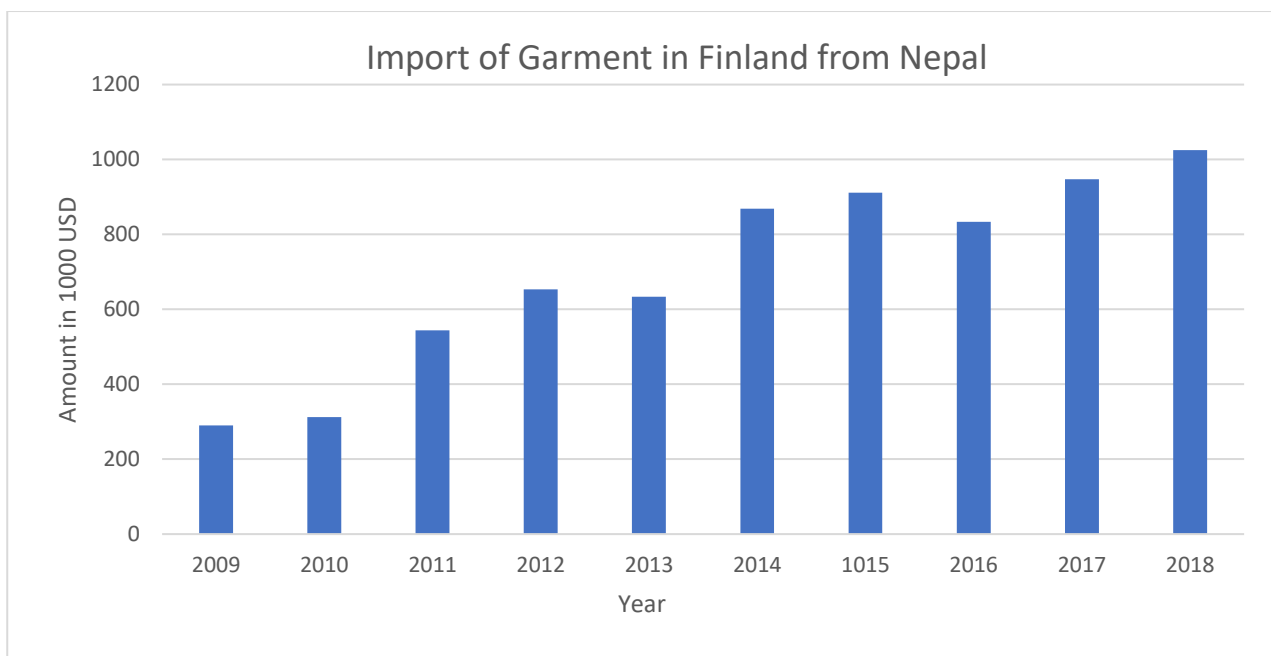


FIGURE 4: Import of Garment Clothing in Finland from Nepal (World integrated trade solution 2019)

First, the company must be registered and obtained a license to import garment clothing from another country. Then the identification of the potential supplier is very important as catalog, samples, price, and payment conditions are acquired from the supplier so that the importation process can go-ahead. (Pratt 2013.)

After choosing the suppliers, the product and price have to be decided with the supplier and the importer shall provide the purchase order document to the exporter which will have detailed information regarding the type and quality of products, price, etc. This purchase order is the legal document and holds the power of legal action if any of the orders is not meet up to standard by the exporter according to the purchase order. (Templete.net 2018.)

Pro forma invoice is sent to the exporter with all the detail of the product. It tends to be utilized by trade to apply for an import license and an open letter of credit account to pay for the goods. Pro forma receipt ought to be made cautiously by the dealer since it very well may be exceptionally hard to change the cost in the last invoice. The exporter additionally uses pro forma receipt for a trade license. For this situation when a shipper from Finland chooses the supplier, then the person in question can ask pro forma receipt from the provider and do all the fundamental courses of action. (Segal 2020.)

Transport is basic for the advancement of the financial assets of the country. It assists with moving materials from regions of low utility to regions of high utility and increases the value of the item. Cargo should be insured to ensure against loss of products while they are shipped. Estimation of protection is dictated by various variables such as pressing, course utilized, methods of transportation, and accessibility of load protection watches. The protection will cover the least cost and is determined by including 10% in the cost given in the agreement. (Kenton 2020.)

Duty and tariff are a tax gathered by the government while moving products starting with one nation then onto the next. The different nation has a distinct tariff in distinct products. Each item has a specific code. The primary thing is to discover the Tariff code for each imported product. The custom obligation is commonly determined as a level of custom worth and a few merchandises are exposed to explicit obligation, for example, weight or number of duplicates. Shipper ought to likewise pay VAT which is determined on the absolute estimation of merchandise which incorporates import obligation and other obligations just as transportation costs. The most widely recognized VAT in the EU is 23%. (Tulli 2020.)

A cargo broker or agent is an individual or organization which is associated with the preparation and additionally the development of merchandise across global limits for the sake of another organization or person. They assume a basic function in worldwide exchange as most exporter and essentially all the shippers use cargo forwarder. This assists with reduce paperwork and beat the administrative difficulties which encourage merchants to focus on the center business measure. They just use cargo advances and make all the plans without anyone else in Finland to decrease the expense. (Truckerpath.com 2017.)

Terms of delivery are significant elements for organizations associated with the global exchange. Each gathering engaged with worldwide exchange ought to know about their obligation and duty. The selection of terms of conveyance can be affected by different factors, for example, business conditions, enterprises, nations, and organizations. The most significant variables to decide dealings between two gatherings as the two players need to go through immortality cash and bear less danger. (Logistiikan Maailma 2020.)

The safety of any products will be reviewed as per the EU standard and any product which poses harm to consumer health will be rejected by Finnish custom authorities. This rule applies to all the products which will be imported to Finland so the product shall be checked properly so that any substances in the product shall not harm consumer health. (Tukes 2020.)

There are many ways to make the payment, but a letter of credit is regarded as the safest method of payment for both parties. It is a commitment made by the bank for the benefit of the purchaser that the installment will be made if all the terms and conditions are fulfilled. Exporters lean toward this installment strategy as it very well may be hard to get data about the unfamiliar purchaser. L\C additionally guarantees the purchaser that the individual in question gets merchandise as requested and no installment commitment emerges until the great shave has been conveyed as a guarantee. (Kagan 2020.)

## 6 PRACTICAL PART

Practice-based thesis depends on logic and reasoning. Practical in this setting identifies with genuine results of an event or experiences though the implication identifies with the sensible relationship between the occasion and the outcome. Practical information is gained by everyday active experiences. In other words, practical knowledge is gained through doing things. While constructing this thesis, practical information has been gathered with the help of Himalayan Trade Fair, who have speciality in importing Nepalese clothing and garments selling them in Finland. The author has conducted interview with Himalayan trade fair owner Mr. Yagya Adhikari to pick up their assessment and forecast in this industry. This data collected have help to compose this thesis and to prepare a business plan for a new company.

### 6.1 Data collection

In this thesis, important and valuable data have been collected by primary and secondary methods of collecting. The essential information was gathered through email interviews and phone interviews with Mr. Adhikari. The commissioner is conducting the business of importing garment and textile clothing from Nepal and selling them here in Finland. Mr. Yagya Adhikari was very helpful and supportive to share his experiences and challenges to performing such business in Finland. Auxiliary information was gathered through work area research, books, articles. The information got was more theory-based in the Nepalese and Finnish economy and other information concerning imports and exports. The inquiry questions were sent to the commissioner by email and other important information was gathered by phone call. Telephone interviews were also done over email meetings to get more exact outcomes and to have standard collaboration with the interviewee. Email might have been a better choice to arrive at respondents and get various perspectives, however, it must be recalled that it can take a long time and a slower pace of reaction might have been accomplished. This was done to make the commissioner familiar with the issue be talked about. The inquiries are connected to the reference section. The motivation behind the interview was to collect information to prepare a business plan by comprehending the challenges of conducting such business by bringing in products from Nepal and selling them in Finland. In the thesis, due to the constraint of access to the respondents and the subject's expert information, the author embraces semi-structured interviews to choose the information.

## **6.2 Framework and data analysis**

The thesis has the motivation to prepare a business plan for a new company. The interview is one of the most utilized strategies for the practical exploration. It is a person-to-person discussion. It gives an occasion to get detail top to bottom from the commissioner. It assists with gathering exact information about individuals' motivation, emotions, and prospection on a specific thought or an occasion. It relies upon the questioner's experience on how much information can be gathered. In the interview with Himalayan trade fair owner to ask about the difficulties and their pattern in the exportation of garment products into the Finnish market just as to gather primary information.

Mr Yagya Adhikari has provided valuable information about their mission and vision as well as a business description of the Himalayan Trade Fair. Next, products and marketing techniques of Himalayan Trade Fair were explained to me by the commissioner. Subsequently, clarification of the target market and competitors of this business were achieved with the help of the interview. I have separated and demonstrated data comparable to the Finnish market and ongoing procedures of the firm. From that, the I have concluded and analysed the data to prepare a business plan for conducting similar business in Finland.

## 7 NEW BUSINESS PLAN

As the purpose of this thesis is to prepare a business plan for establishing a clothing store in Finland. Many research through many online resources, government publications, and informative books has been done. Having finished with the exploration it has given the idea that the garment business is the correct sort of business to start, as this is the perfect time and Finland is the ideal spot. As we know competitors of the organization are the similar individuals selling similar products, right area, nature of clothing, assortments matter the most. There are rivals in each sort of business that is the reason we have been committing towards working hard. The absolute initial step for any organization is to get its personality, so that it can begin to buy the necessary hardware and sign the agreements with different organizations. As for the advertising it is a worry, currently, we can use various methods for marketing products. Be that as it may, advancing the business is a significant piece of any business. The alternatives that are picked to advance the advertising are expounded on social media and other online marketing tools and through exhibitions and fairs.

It is fundamental for the firm to upgrade trade items' quality and raise the item's opportunity. To direct this, the creation's cycle must be overseen as per guidelines and arrangement of oversight to limit weaknesses and slip-ups. It is important to take out items that have terrible quality since great items will bring high notoriety for the firm. The firm must have different items to be reasonable for the evolving tastes and needs of customers.. These days, when style issues are pulling in progressively consideration of customers, a push act needs development and stylization. Brands need quite a while to shape, so building up a brand is not simple. In the non-industrial countries, a large portion of items manufactures and sold in different acclaimed brand names. At the point when rivalry's level between providers is expanded, customers will have a pattern of picking items which coordinate with their solicitations depended on the brand. Nowadays, because of the establishment's structures, numerous items having great quality are not subpar compared to mark name products that are enlisted for use under other notable name brands.

After finalizing all the research and result in the feasibility of importing garment clothing from Nepal and selling them in Finland, following business plan for the firm has been concluded. This is the complete planning for any organization with inspiration for conduction similar business here in Finland.

## **7.1 Business plan for the clothing business**

One of the issues looked at by an entrepreneur is the way to compose a business plan with the goal that it will appeal to the financiers. The writing will offer some wide responses to the issue, however marketable strategies are hard, to sum up. Each strategy is explicit to its business thought. An arrangement composed of a manual may not be pertinent to the reason for which the plan is utilized. To comprehend the difficulty better and discover a few answers an examination was set up that works successfully as a contextual investigation. A business plan is written according to the theory presented in the literature research for a business idea. Maybe, an instant business plan might have been utilized and changed, yet it was believed to be more important for the reason if the strategy was written in a genuine setting. The genuine situation adds greater legitimacy to the aftereffects of contextual analysis than a theoretical business plan would. (Price 2011.) The following business plan is prepared with the help of Himalayan trade fair strategy and business experiences.

### **7.1.1 Executive summary**

This part incorporates a general depiction and prologue to the strategy. The sort of business activity, mission, values, targets, market, the board, staff, item or benefits alongside other general data is quickly portrayed in this segment; with point by point, depiction to be gotten under the own specific segment. A Vision Statement depicts the ideal future situation of the organization. Components of mission and vision explanations are regularly joined to give an announcement of the organization's motivations, objectives, and qualities. Be that as it may, here and there the two terms are utilized reciprocally. To have a viable methodology promoting arranging organizations need to have a distinctive mission and vision. The mission resembles an explanation that discusses the current prompting its future through the vision, on the other hand, resembles an explanation that discusses what is to come. (Grossman 2020.)

The firm has a mission of specializing in unique clothing and accessories and to encourage customers to be experimental with new clothing styles. The objective is to understand what the customers' needs and taste are and to make these products open 24 hours and easily accessible the product to its clients through various means. To be exact making the services accessible using the web and making their clients mindful about its brands. The vision of the company is to initiate new style in the market without changing the entire wardrobe of the customer.

### **7.1.2 Business description**

This part portrays the history of the organization from the start to the goals and mission of the organization. At first, the business premises, address, and contact address are composed. At that point, the historical backdrop of the organization is portrayed if the organization is a current one else shrewd startup-plan is depicted. The legal segment of the organization, association, sole endeavor, collaboration is depicted. Subsequently, the business exercises the remarkable selling purpose of the item and administrations will be dissected. Additionally, the serious edge of the organization over the contenders will be portrayed with realities. The long haul and short destinations of the association, the board foundation, and the time of the business activity are moreover characterized. (Blakely-Gray 2020.)

Since the new clothing business is being established in Finland and the products are imported from Nepal, this business has a very good prospect in the future because garment clothing is 100% cotton, wool, fur, synthetics fibers so they are very high in quality. These quality products are also very new in Finland because there are not many Nepalese garment products in Finland. So, the customer has a new product in the market to explore. The major point of the business to prosper is the cheapness of the products as manufacturing clothing is very cheap in Nepal. So, this business has very good potential as customers can buy high-quality Nepalese garment products at very cheap price and the products are of new designs which Finnish customer has not explored yet.

### **7.1.3 Products and services**

In this segment, a description of products and services offering or plan to offer by the business is clarified and how the products and services will be priced. The products or services with the competitors with the competitors is done to come up with the advantages the customers get while doing business with the company. Future products or services planned by the organisation to offer is also explained here. The products and services section of the business plan is the focal point of the business. While different segments of your business plan are significant, the products and services area is the core of the business and the point around which each other portion of the business plan is built. (Duermyer 2019.)

As the product and services of the business will be selling Nepalese garment clothing in Finland it is very important to compare products and prices with other competitors in Finland. Nonetheless, the cost will be cheaper than the competitors as finished garment clothing is very cheap in Nepal and the price of



the product would fit with what the market is happy to pay for as per the quality of the items. Products are going to be the ready-made garment products of Nepal which are fabricated of 100% wool, cotton, leather, and pashmina products. In the beginning, the company will provide services through exhibitions and fairs before establishing a physical store in Finland. The company will also sell the products through online store to the customer.

#### **7.1.4 Market analysis**

The market analysis section of the business plan comes after the products and services area is ought to give a point-by-point outline of the business plan to sell the product and services in, including insights to help the cases of the company. In this segment client depiction, market need, client division, rivalry, market interest, the pattern of the market, and so on is dissected. The appropriate responses to the accompanying inquiries are replied through this segment: What the market is? What are client needs? Who are the clients? Where is right to start? How to contact them? Who are the contenders? Instructions to reach the clients quickly and give them better product and services? (Gregory 2019.)

There is a huge market prospect in Finland as people here in Finland are very fashionable and stylish. Any clothing business has a good business opportunity in Finland and establishing a garment clothing business will help to capitalize on the huge market prospect of this business. The target customers of the firm are the working-class individuals with the age group between 25-65 ladies who need high quality products. The majority of products are for ladies as women tend to shop more than men. Some men products will also be displayed to encapsulate masculine market.

#### **7.1.5 Sales and marketing**

At first, the current selling technique is portrayed, the upsides and downsides of the current selling technique are drawn and if vital another methodology is inferred. The objective market is engaged and specialty promoting plans are drawn forward. The contenders' approach, estimating procedure, selling technique advancement crusades are other comparative advertising terms are inspected to come up with a reasonable arrangement. The sale and marketing plan should recognize the advantages clients will get. Focusing on what clients get rather than on what firm gives will show the character of the organisation and builds a new perception of the organisation. (Haden 2018.)

Initially, the business will sell the products through exhibitions and fairs to understand the market perception which will also allow the business to save the operating cost in the early days and second step will be to sell the product through online stores before establishing a feasible store in Finland. This initially saved cash can be used for online marketing through Facebook ads and Google ads. Having a goal-oriented advertisement and advertising it regularly and constantly towards the target customer is the major strength of the corporation. Products and services will stand out from the competition

### **7.1.6 Competitors analysis**

The competitors of the business are the organizations in a similar industry. Competitors are the individuals who depend on the same business field also, deal with a comparable or an equivalent product. The competitive analysis part of the business plan is fundamental. Realizing the opposition is as significant as knowing the product and the client. Market gaps advise where to build up the products and inward shortcomings advise where the association is vulnerable to losing clients. A strong competitive analysis is a method of indicating that the organization knows precisely where they remain among the fiercest rivals and the firm has an approach to out-move the competitors. (The Startups Team 2018.)

According to the Himalayan trade fair, formerly settled primary competitor is Marimekko and other developing competitors are Aurinko, Nepaleska, Garuda, and Indiska. These are the competitors the company has to face before entering the market. These rival companies are well established and sell only branded products. The company is new in the market and establishing a brand is the biggest task of the business. The products are also Nepalese garment products which are not easily found in the market. In a sense it is an unexploited market. Untapped markets are equally exciting and terrifying to speculate. The test of the organization is to show that these untapped markets do indeed exist and that the firm can handle them rapidly and proficiently before the competitors arrive.

### **7.1.7 Financial forecasting**

Financial forecasting is fundamental to secure advances, pull in the loan, and to make the business reliable of the business. This forecasting is fundamental to get the banks, speculators and different gatherings appended towards the business. Monetary estimating is additionally basic to realize the business pattern, which encourages the entrepreneur to comprehend the bearing of the business. It is regularly the

positive conjecture which pulls in the enormous speculators towards the business. Potential accomplices will likewise be pulled in towards the business if the figure is positive. (Richards 2019)

In the beginning, the company would need the initial investment for buying the products from Nepal and importing them in Finland. Then the company is going to reach out to the customer through the exhibitions and fairs and online stores so the initial investment would be very low as there will be no rental expenses and very low staffing cost. The planning of the business is done in such a way that the preliminary investment would be very small and gradually increase the investment once the business gradually increases. Financial forecasting looks very good for the business as the cheap Nepalese garment clothing can be sold with the good margin in exclusive Finnish market.

## 8 CONCLUSION

The principal thought of the thesis was to make a practical business plan for importing garment clothing from Nepal to Finland and selling it in Finland as well as to research how feasible it is to conduct such business in Finland. I chose Himalayan Trade Fair as the commissioner company for this thesis to gather the pragmatic information and made an honest effort to cover all potential ways to deal with all aspects of this business plan. At first, I contacted the proprietor of the Himalayan Trade Fair to break down the current circumstance of the organization which goes about as a rule or structure for our proposition. I secured all conceivable theoretical components with different solid online assets and books which go about as a reason for conducting such business. I later examined the case organization with business analyzing instruments. So, in the long run, I conceived the real business plan which incorporates the idea and process of executing a garment clothing business in Finland.

The research target of this thesis has been accomplished, as this proposal can give a guideline to an organization or individual who needs to import garment clothing and material from Nepal to Finland. The theoretical part covers all the overall measures from import-export procedures and an overview of how to prepare a business plan. Moreover, an interview with Mr. Yagya Adhikari the owner of Himalayan Trade Fair was conducted, and many references from online sources and books were taken which was a very useful experience that helped me to achieve the objectives of this thesis.

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**APPENDIX 1**

- Following are the interview questionnaire conducted with Himalayan Trade Fair Oy owner Mr. Yagya Adhikari:

**1) When was Himalayan Trade Fair established and who founded the company?**

- *Himalayan Trade Fair was formed in 2010 by me, Yagya Adhikari.*

**2) What is the fundamental goal of Himalayan Trade Fair?**

- *Himalayan Trade Fair was created with the purpose of selling accessories, jewelry, textile fashion clothes for older ladies which we make in Nepal and India. Since we sell assortments of clothing and other accessories particularly for older ladies, our fundamental design is to arrive at the objective clients at first in Finland and later across other European nations utilizing advanced selling approaches. We plan to provide clothing and other items at a low cost.*

**3) What are your target clients?**

- *We are now focusing on working-class individuals with the age group between 25-65 common ladies who need high-quality products.*

**4) How do you design your clothing product?**

- *I take the help of two of my friends who design clothes in Finland. They are Ali Leikkala and Marja Tuomari who gives me sketches and model. Then I forward them to our factories in Nepal which are located in Kathmandu and Bhaktapur and another one is in Noida, India. After they fabricate these clothes, they send me those products.*

**5) What are the materials that you use in your items?**

- *It depends on clothes; different clothes require different materials. Usually, our products are made by 100% cotton, wool, fur, synthetic items as it does not have any unfavorably susceptible impact.*



6) How do you import your products from Nepal and India?

- *Since most of our products manufactured by inhouse factories in Nepal and India. Our products are normally delivered to me, but I must appoint a freight forwarder here in Finland to pay the customs charge and VAT to obtain my products.*

7) How do you sell your product?

- *Our primary means of sales right now is by exhibition and fairs. Before we rented a store in Itäkeskus, Helsinki but due to a lack of manpower and financial instability we had to close the store and since then we are only focusing on exhibitions and fairs. We give our business cards and brochures to every customer who visits our stall in the exhibitions so that they can contact us in the future.*

8) What are the strengths of your company?

- *We produce top-notch 100% cotton, wool, fur, synthetic clothes which are durable as it does not shrink, and colours do not fade away. Our products are different than normal Finnish market as we use an unconventional method like designing and manufacturing our products but in a small-scale business. We also maintain good sales margins in our product as the cost of the product is also very low as it's an inhouse business.*

9) What are the weaknesses of your company?

- *The absence of a feasible store is one of the weaknesses, yet the brand name is another one. Himalayan Trade Fair is not a noticeable clothing brand, I have noticed that Finnish customers are very brand conscious. So, without any feasible store and good brand name, it is hard to set up a company in the Finnish market.*

10) What is the normal pricing of the product?

- *Since our items are focused on the normal working-class individuals, our items extend inset from 10 euro to 50 euro.*

**11) Who are your primary rivals?**

- *Our formerly settled primary competitor is Marimekko and our other developing competitors are Aurinkoa, Nepaleska, Garuda, and Indiska.*

**12) What are your present marketing procedures?**

- *As of now, we have our warehouse in Jokinen, Finland and we are selling our items through various exchanges furthermore, fairs particularly during summer. We even had a store in Itäkeskus, yet because of the high rental cost and need for the workforce, it had to be closed. So, at this moment our primary marketing tool is exhibition and fair.*

**13) Do you have any future marketing plan?**

- *We do not have any presence in social media and do not have company websites. In the future, we are intending to digitalize our administration utilizing various web-based media, sites like Google marketing, Facebook advertising, and site design improvement. Also, on client relationships with the executives.*

**14) How would you foresee your business to develop?**

- *Our company will slowly grow as an online company as selling goods online will help with saving a lot of cost for renting a shop and enrolling manpower as the most astonishing number of customers are shown up on the web. We also see the opportunity to expand our business in other European nation as the European Union have cooperative trade rule and regulations.*

**15) Why is your company inactive since 2019 and when will you resume your company?**

- *I am in the United States of America since 2019, searching for the possibility of expanding the business here. I came here with the planning to return to Finland in the summer of 2020 but due to the current Covid-19 situation, I could not return, Now I am planning to return to Finland in the summer of 2021 and resume the business.*