



## **COOPERATIVE EDUCATION REPORT**

An overview of Nepalese Tech Industry: A co-operative study with  
SMTM Capital

Written By

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### **Abstract**

This report contains an overview of Nepalese Tech Industry with a case example of SMTM Capital, a tech company in Nepal where I did my co-operative education fulfilment under the BBA- Finance and Investment program within SIAM University. This co-operative education report focuses on emerging trends, challenges and opportunity the Nepalese Tech industry has on their hands. Drawing insights from industry reports, case studies and my first-hand experience, this report offers insights on both company specific and industry perspective.

The Nepalese tech industry, though nascent, has been experiencing rapid growth, with over 500 IT related companies operating within the country. A significant portion of these companies export IT services to other countries demanding for cost-effective solutions. The industry has witnessed tremendous growth in terms of IT service exports in the past few years, while supporting the foreign currency reserves of the nation. In 2022 alone, a total of USD 515 million worth of IT service has been exported through 106 companies.

The report delves into SMTM Capital's key values, product offerings, organizational structure and strategic initiatives. It also examines the challenges faced by the industry and how SMTM tackles or plans to tackle with such issues.

Furthermore, the report offers recommendations to SMTM Capital and the broader tech industry as a whole. During the co-operative study which lasted 3 months, I believe both SMTM Capital and the Nepalese tech industry have many opportunities in the coming future. The organization chosen in the study may be benefited by further investment in marketing, talent development, industry infrastructure and more. Whereas, the industry in general would run more efficiently with regulatory reforms with emphasis on STEM education fostering innovation.

Overall, this report shall serve as a perspective of a business student from within a rising tech company in Nepal. The report may also add value to stakeholders, investors and industry players seeking to understand the dynamics and opportunities revolving around the Nepalese tech landscape.

**Keywords:** Emerging trends, strategic planning and industry analysis



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Furthermore, I would like to thank all members of the SMTM Capital Team for guiding and mentoring me throughout my journey. I acknowledge that this report would not have been possible without the collaborative efforts of all those mentioned above. I am truly grateful for the assistance and involvement of each one of them.

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### **List of Abbreviations**

IIDS - Institute for Integrated Development Studies

BPO - Business Process Outsourcing

IT - Information Technology

ITeS - Information Technology-enabled Services

USD - United States Dollar

NPR - Nepalese Rupee

GDP - Gross Domestic Product

PEVC - Private Equity and Venture Capital

DCF - Discounted Cash Flow

CAPM - Capital Asset Pricing Model

ERP - Enterprise Resource Planning

ERM - Enterprise Risk Management

KPI - Key Performance Indicator

HR - Human Resources

ESG - Environmental, Social, and Governance

R&D - Research and Development

STEM - Science, Technology, Engineering, and Mathematics

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## **Chapter 1: Introduction**

### **1. Nepalese Tech industry at a Glance**

Nepal's tech industry is in a fairly nascent stage, with 500+ tech companies in the country. The major areas where Nepalese tech firms thrive are in the outsourcing market, reflecting the global shift towards finding lower-cost centers to mobilize a gig-based economy. In 2023, IIDS Nepal published a report stating that 106+ IT companies export services, employing 14,728 IT freelancers and 51,781 ITeS freelancers, with a total of USD 515 million (USD/NPR = NPR 130) in IT services exported in 2022.

The shift from internally developed teams to business process outsourcing has provided the Nepalese tech firms with the opportunity to initiate BPOs on a very positive note. The Nepalese diaspora lags behind in terms of accepting and utilizing newer technologies within traditional business practices. Due to the significant inflow of "IT students" produced every year, outsourcing current resources to other countries has been the best strategy for many firms. Services under the IT umbrella include product development, data entry, UX/UI integration, data analytics, website/app development, etc.

Amongst the 500+ IT companies in Nepal, only a portion of them are organized and follow the organizational structure and hierarchy seen in other businesses. Most companies in Nepal are formed out of entrepreneurial necessity, often serving as a tool to freelance to other markets. It is common to find many companies with a small employee count (less than 5) providing services to international clients, with many not falling under the tax bracket as well.

Under the IT companies in Nepal, I personally worked with SMTM Capital for my Cooperative Education (more on the company later).

## 2. Organization Profile

SMTM Capital is a multidisciplinary tech consulting and service provider and a fintech product company. It is Nepal's premier data vendor and provides data, analytics, and tools to more than 90% of the institutional investors in Nepal. We have the largest financial market database in Nepal.

SMTM has retail products within Nepal providing real time data and powerful analytics and insights to stock market participants. Very recently, SMTM has also started offering tech consulting and services to external companies (outsourcing).

### 2.1 Key Values

SMTM capital takes pride on their goodwill of clients earned through the company's diligence, ethical practices, and focus on innovation.

Some of SMTM Capital's innovations and pioneering activities:

- First retail product for capital markets
- First integrated desktop application for stock market research data, analysis and visualizations
- First (and till date only) integrated vKYC in Nepal
- First "non-crashing" IPO results hosting site for Nepal
- Fastest IPO allocation system in Nepal

### 2.2 Vision and Mission of the Organization

**SMTM Capital's Vision:** To be the leading provider of comprehensive data, analytics, and tech solutions in Nepal, recognized for our unwavering commitment to client satisfaction, integrity, and innovation. SMTM Capital not only envisions a future with development of tech industry within the country, but also globalizing the current Nepalese talent pool.

**SMTM Capital's Mission:** Revolutionizing the current financial and tech landscape of Nepal through innovative solutions, ethical practices, and diligent pursuit of excellence by empowering investors, businesses, and institutions with cutting-edge data analytics, tools, and services that drive informed decision-making and foster sustainable growth in the Nepalese economy.

## 2.3 SMTM Products

	<p>System <span style="float: right;">X</span></p> <p>Multi-platform application providing comprehensive data, analytical tools, advanced charting for Institutional Investors.</p> <p>Used by more than 90% of Institutional Investors in Nepal.</p>
	<p>Systemxlite</p> <p>Easy to access providing retail clients with an overview of companies with a strong focus on technical analysis.</p>
	<p>NPStocks</p> <p>Personal assistant that tracks your holdings and market in real time and alerts you of any significant events.</p>
	<p>PaisaiPaisa</p> <p>Nepali Interest rate comparison and financial literacy website.</p>
	<p>Data <span style="float: right;">Services</span></p> <p>Tailor made data solutions for corporate houses with customized dashboards for specific business operations.</p>
	<p>Flowvity <span style="float: right;">Capital</span> <span style="float: right;">Plus</span></p> <p>Complete KYC verification solution and Depository service built on our proprietary business process management solution.</p>

Table 1: SMTM product description (SMTM Capital, n.d.)

## 2.4 Product Families and ecosystem

SMTM Capital's proprietary products can be grouped into two halves; Investment analytics ecosystem and Flowvity ecosystem. These two ecosystems have many branches of products while the core mechanics and data remain the same.

### 2.4.1 Investment Analytics Ecosystem

What sets our products apart is their seamless integration with our proprietary financial data warehouse. This centralized repository ensures consistency, accuracy, and reliability across all our platforms, providing users with a solid foundation for their financial endeavors.

Creating a dynamic and adaptive set of elaborate programs has been the ultimate goal for SMTM. This provides us the control of what markets we want to tap into with the same set of programs.

Although market leaders in our domain, retrieving data within an emerging economy has been a journey. Countries with lesser advancements similar to Nepal have problems in case of getting the 3 main portions: Reliability, Accuracy and Completeness

In case of the Nepalese Stock Exchange, SMTM consists the following:

- Trading Prices and Volumes since 2007
- Financial Statements of all listed companies converted to a comparable and computable format since 2010
- Major stakeholders and institutional/ individual investors (1% holdings) data since 2022
- Mutual fund transactions and holdings, historical NAV (weekly)
- Basel Reports, interest rates and monthly statements of all banking institutions
- Insurance contracts, active contracts, investment areas
- Trading data related to all brokers since 2016

#### **2.4.2 Flowvity Ecosystem**

Flowvity Capital+ works as an all-round ERP/ERM software for financial institutions (especially for merchant/investment banks) including features from user management to business reporting tools.

Flowvity in itself is a large ecosystem with the ability to be integrated into different types of financial institutions and business transactions/operations. Firms however can opt out of certain features that may not be relevant to their operations.

The product is currently operational in 3 of the largest merchant banks in Nepal with positive reviews. A system of such kind may be implemented in financial institutions including banking institutions, investment/merchant banks, insurance companies, fintech (Payment Services) firms and more.

#### **2.5 Offered Services**

SMTM Capital's other half of operation lies around providing IT consultation and solutions. IT solutions consist various tasks including but not limited to website design, application design, comprehensive data analysis and UX/UI design.

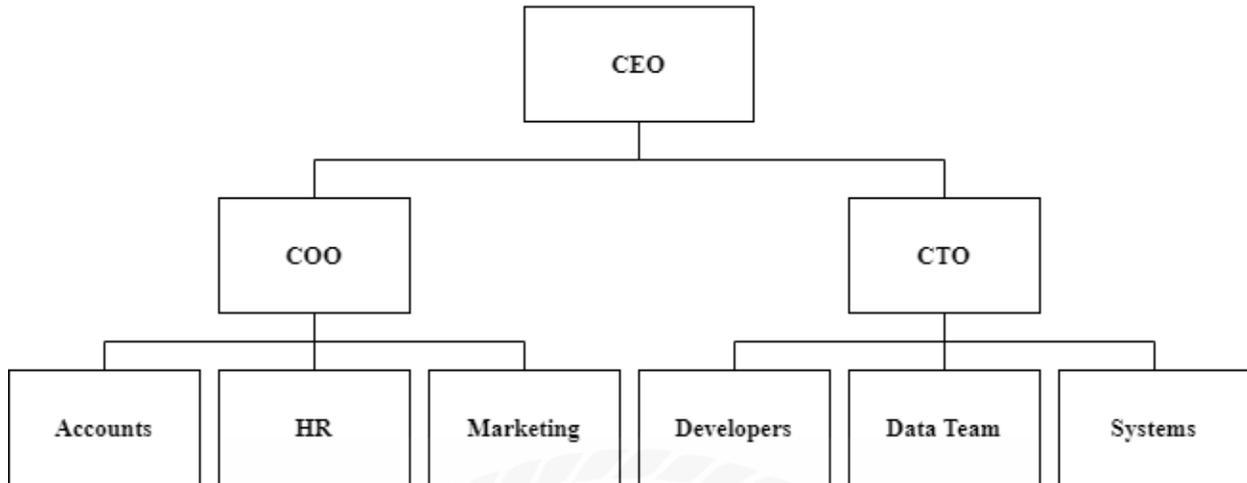
SMTM has a deep understanding of following programming languages and uses it to deliver innovative solutions to its clients.



Figure 1: Tech at SMTM (SMTM Capital, n.d.)

### 3. Organization structure

SMTM capital has a flat organization structure, managed by 3 core members, the CEO, MD and CTO of the company. The flat hierarchy is very visible and actionable during outsourcing gigs, all gigs are managed by the teams responsible and all of the revenue is shared among the development team itself. As mentioned by **Lee, S** (2021) in his report while studying Video Game developers, there is a tradeoff between creative and commercial success while adding newer levels in the hierarchy. This study is very relevant in case of SMTM capital, as they are focusing more on innovation and creative solutions rather than commercializing products.



*Figure 2: Organization Structure*

In the current state there are on 3 levels of hierarchy in SMTM Capital, there might be a switch to a newer structure to be more streamlined and focus on commercial sales.

#### **4. Reason to choose SMTM Capital**

While searching for companies I was looking the following things,

1. Learning Opportunity

An environment that would help me learn more and push me towards my goal

2. Firms in the investment domain

My goal and ambition has been to excel in the investment domain, I wanted to learn the industry practices within this industry

3. Comparatively newer firm

While looking for companies, I was more interested towards startups as that would provide me with a fresher perspective and also help me as an entrepreneur

4. Product Sophistication

I was looking into companies with sophisticated products in terms of technology.

5. Business Persona aligning with my goals

Besides cultural fit, I was also looking for businesses that have a business persona that would match with my personal beliefs to help me grow my current thought processes

SMTM Capital checked all the boxes, while providing me with an opportunity to test out my theories in practice. The organization's core values and vision and its dedication to grow in a sustainable manner was the primary reason for me to choose SMTM Capital for my co-op study. Upon contacting SMTM Capital, I was handed a test to check my financial knowledge and understanding of major concepts.

## **5. SMTM SWOT Analysis**

### Strengths

- Largest Data Vendor in the investment industry in Nepal
- Proprietary product versatility
- Goodwill and trust of the financial institutions in Nepal
- Skilled young workforce

### Weakness

- Less efforts on marketing and branding
- Higher competition in the outsourcing market
- Lower deal pipelines
- Language barriers and culturally fit

### Opportunities

- Expanding current products in other markets
- Global business trends moving more towards IT outsourcing
- Increasing tech advancements in Nepal
- Global AI wave

### Threats

- Business environment instability in Nepal
- Data sophistication of the Stock Exchange
- Nepal's international audits
- Migration of youth from the country

## 6. PESTEL Analysis

The PESTEL analysis is based on the IT environment of Nepal and may not include factors irrelevant to the industry. I have listed down events that occurred that have impacted the IT business industry during my co-op study, which might be useful to understand the current lay of the land.

### Political

Nepal's political environment has been unstable for quite some time now. However newer efforts have been made in various environments. The addition of youths in the political systems have been a huge boost in fastening the pace of government tasks.

Recent major events include:

1. Coalition of the government ("New coalition partners," 2024)

The current Prime Minister of Nepal, Pushpa Kamal Dahal disbanded the previous coalition and formed a new cabinet led by Maoist Centre Chair, the prime minister.

2. Emir of Qatar Sheikh Tamim bin Hamad Al-Thani visits Nepal ("Five MOUs to be signed," 2024)

The state visit took place on April 23<sup>rd</sup>, with the main goal of bilateral discussion in mind. This was a first high-level visit to Nepal from the gulf nation. There were a total of 5 MOUs signed among the two nations, including higher education and scientific research and in the field of youth and sports.

### Economic

Nepal's current GDP in the recent fiscal year was USD 41.3 Billion, which was an increase of 1.15%. However, in terms of local currency the GDP has increased by 9.07% but the NPR has gotten weaker by around 8.3% against the USD. The Nepalese stock market has a total market cap of USD 23.25 Billion, around 51% of the GDP.

Some major events in the recent days were:

1. Nepal Investment Summit 2024 (Nepal Investment Summit, n.d)

Nepal conducted its 3<sup>rd</sup> Investment summit on Aril 28-29, 2024. With over 1000 participants the event concluded with approval of investments totaling USD 70.2 Million.

Events as such would provide more structure and confidence amongst the Nepalese entrepreneurs and businesses.

2. Liquidity Crunch in 2022 ("The Ongoing Liquidity Crisis in Nepal," 2022)

Nepalese banks faced a huge liquidity crisis in 2022 with the businesses not being able to service their debt post Covid-19. This liquidity crisis is still seen in high non-performing loans in banks in the recent days, hence banks are being extremely cautious while providing loans.

3. Depletion of Foreign Currency Reserves ("The Ongoing Liquidity Crisis in Nepal," 2022)

In 2022 Nepal faced huge problems with decreasing foreign currency reserves due to high imports. The drastic amount of imports fueled by remittances from other countries was being accused for the problem. The Government of Nepal banned import of luxury goods on April 2022 to encounter this problem. This ban was later lifted on August 2022.

## **Social**

According to the census report of 2021, the total population of Nepal is around 29.1 Million out of which 15.7 Million are economically active (around 54%). Even with a high number of active population, Nepal faces problems with youth migration. With the youth migrating towards different countries to earn higher wages and have better lifestyle, the country has faced issues regarding skilled labor.

## **Technological**

Technological advancements worldwide has driven the climate in Nepal as well. However, Nepal's market acceptance in terms of technology has been rather slow. With major hubs being the only adaptive market (that too in a slower rate) the country's rural areas have issues arising from basic transportation and connectivity. However there are efforts being made to include rural Nepal in IT advancements in the later days.

Fintech Alliance Nepal (Fintech Alliance Nepal, n.d.)

Fintech Alliance Nepal became a member of Asia Fintech Alliance. FAN is a community that fosters the digital ecosystem in Nepal by connecting individuals through events and online

communities. Recognition of local business communities by international organizations is always a great addition to the Nepalese Ecosystem.

## **Environment**

Nepal is on the 2<sup>nd</sup> richest country in terms of water resources and has been known as an agricultural country. Hydro-electricity generation has the highest investment inflow from foreign partners and also dominates the stock market, as 91 of the total 249 listed companies are hydropower and alternative energy companies.

## **Legal**

Nepal as an emerging economy has a very tedious legal system. From the amount of time required to get jury dates to the cost involved in winning cases, the individuals in Nepal have very less faith in the legal system. In the recent days the system has been evolving, yet the pace seems to be wary of.

Some of the recent changes and cases are as follows:

Tax evasion case on an IT Exporting Company (“PM contemplating withdrawing,” 2024)

Cotiviti fall under one of the largest tech companies in Nepal, employing over 600 Nepalese citizens. This case was a dispute between the Department of Revenue Investigation (DRI) and Cotiviti, where charges against tax evasion and revenue leakages were filed. Nepalese companies have tax exemptions on exporting goods and services, however cotiviti being a fully owned subsidiary of an American company has created the problem. Cases as such would be viewed by foreign investors with a negative lens, making Nepal an unattractive market to invest. The public and other tech giants were not happy with this case and major voices have come forward.

## **7. Objective of the study**

- To provide an overview of the Nepalese IT industry, with a company specific case study
- To assess the challenges faced by Nepalese tech companies, including issues related to organizational structure, workforce dynamics, and market acceptance of newer technologies

- To provide recommendations/ strategic framework to all stakeholders involved in the Nepalese tech industry

## **Chapter 2 Co-op study activities**

### **1. Roles and Job Description**

I was assigned with the role of Research Analyst. Where my primary task would be around market research, industry research and stock market research. However, my role at SMTM has been fruitful on multiple avenues outside of my primary job description.

### **2. Activities and tasks completed**

- Banking Institutions Report

My first ever task with SMTM capital was to analyze a recent report prepared by the team and figure out a few answers. The report was a partnered effort in educating the general public about the current state of Nepalese Banks. There were 6 major questions and I was given 2 weeks to solve those questions and provide a report on it for further judgement.

- Insurance Industry Report

An industry report analyzing earnings stability of the insurance industry as a whole. This report was a personal project where I developed a few metrics to analyze the Insurance industry of Nepal. Theories developed by me were checked and tested by the team.

- Assisting and developing investment pitch-deck

During my stay at the firm, I got the opportunity to practice “sell side consulting” of sorts. With my previous internships and interests in PEVC industry of Nepal, I was handed the task of developing Pitch Decks, Valuation Models, Industry Analysis and Internal Pricing Mechanism in the area. The results were shared with active PEVC investors in Nepal.

Major Tasks:

- Financial modeling and Valuation
- Product ideation loops
- Industry Reports and Research
- Internal Pricing Mechanism
- Governance Research

This task had been a long term project to build a governance screener for Nepalese listed companies based on their disclosures. I developed a generalized governance framework for listed companies using only publicly available resources.

- LBS social entrepreneurship program

A social entrepreneurship consulting program conducted by the London Business School took place in Nepal. I was a part of the consulting program from the side of SMTM capital. I assisted in development of initial pitch decks, after the end of the program I also assisted the team to convert the inputs into actionable tasks.

- Stock market Research and Analytics

In my time at SMTM, I also performed statistical tests to test market inefficiencies and anomalies, where I was guided by the tech team in terms of code and model testing.

- Marketing and Media Content

Assisting the marketing team to develop educational content for the retail environment.

- Business Development and Strategy Plans

I also developed strategical framework for the company including social awareness inclusion, economic development initiation, business incubation enrollment and more.

- Domestic and International Client Pitches

I actively participated in domestic and international client pitches by assisting in pitch-decks and market research, while also learning about market psychology and needs.

- Education Series

I developed content to be published as education series which simplified investments and industries present on the Nepalese stock market.

## **Chapter 3 Learning Process**

### **1. Problems Case study based on the Nepalese IT landscape**

According to the IIDS report, including various tech related subjects there are a total of 9,000 IT students graduating every year and there are upwards of 500 IT related companies registered in Nepal. Out of the 500, around 106 are exporting services with a total employee count of 66,509. Just looking at these stats, it is clear that there is an overproduction of newer tech talent. The talents created are well informed, and the curriculum developed by colleges in Nepal are well rounded to the standard of the workforce.

However, the Nepalese business climate is hesitant to integrate newer technologies and views IT integration as a sunk cost. There might be multiple reasons for this ranging from cost efficiencies to literacy rates in the rural parts of the country.

The outsourcing companies fill this exact gap, as Nepal itself is not using the workforce, companies export services to international clients, which also pays a higher wage considering the extremely low minimum wage of the country.

The difference in wages with other countries has been attracting a lot of youths to travel abroad to study or work. Migration of youths of the country has created a tough competition among the Nepalese companies to retain talents for longer periods. The attractiveness of the foreign lifestyle has completely changed the job market for the newer entrants.

How relevant were the above problems in the case of SMTM capital?

In the case of employee retention, the largest factor would be the working environment and compensation provided by the companies. SMTM focuses very much on the employees and with a flat hierarchy structure, each employee responsible for external outsourcing gigs are also provided with full autonomy. The company does not retain any amount of the consulting revenue and pays out 100% to the employees as per their contributions.

The addition of outsourcing services has not just been a showcase of skills for service customers but also a necessity to increase cash flows required to retain existing employees. However, providing services has treated SMTM capital very well, in terms of international exposures for the proprietary products as well.

The proprietary products developed by SMTM for the Nepalese markets has the largest customer base in its class, with above 90% of market share amongst the corporate investors and 95% customer retention rate, SMTM brands itself as the largest data vendor in the investment industry of Nepal. Even with such high adoption rate, the market has not been able to fully utilize the products. Hence, SMTM capital has been collecting data for similar markets as Nepal in terms of GDP, population, number of listed companies and total stock market participants.

Products developed by the company have a huge skill requirement within the investment domain and the product itself. This skill although taught in business and economics schools in

Nepal are not prevalent in the industry due to various reasons. Investment firms in Nepal themselves consider installing an analytic software such as SystemX as additional cost.

In the case of retail product users, the activity in the analytics platforms have very high traffic when business environment is very favorable towards the stock market. The company has no formal marketing and sales team for the retail platforms. Considering the current market size SMTM's retail products have captured less than 1% of the total market.

## 2. Solutions

A simple matrix has been developed inspired by strategic planning principles of Mintzbergh. H (1994). The base of the matrix is the conversion of thoughts into actions. These strategies are more inclined towards corporate and business level.

Problems	Relevant Strengths	Strategy	Actions	KPI
Product sophistication leading to low market acceptance	<ul style="list-style-type: none"> <li>• Skilled workforce</li> <li>• Institutional customer base</li> </ul>	Investing in educational ecosystem	Product literacy programs and tutorials	<ul style="list-style-type: none"> <li>• Retail adoption in rural markets</li> <li>• No. of Market participants</li> </ul>
Deal flow in service markets	<ul style="list-style-type: none"> <li>• Competence and Brand value</li> <li>• Goodwill among competitors</li> </ul>	Bringing Nepal in the Global Tech Destination map	Partnership and IT Community building programs	<ul style="list-style-type: none"> <li>• Deal flow through community</li> <li>• Recognition of Nepal in IT landscape</li> </ul>
Youth Migration	<ul style="list-style-type: none"> <li>• Attractive domain</li> <li>• Workforce with academicians</li> </ul>	Learning and growth environment for employee retention	Building employee plans and capacity building programs	<ul style="list-style-type: none"> <li>• Employee retention rate</li> <li>• HR oversights</li> </ul>

*Table: Strategy Matrix*

### 3. Academia to Practice

I was able to contribute in many minor and major projects during my co-op period. Some of them are listed below with theories and concepts I used from my academic learnings as a business student.

<b>Tasks</b>	<b>Theories and Concept Applied</b>
Banking Institutions Report Review	<ul style="list-style-type: none"> <li>• Financial Institution Management</li> <li>• Macro-economics</li> </ul>
Insurance Industry Report	<ul style="list-style-type: none"> <li>• Financial Institution Management</li> <li>• Risk Management and Insurance</li> </ul>
Investment Pitch-deck	<ul style="list-style-type: none"> <li>• Industry Research</li> <li>• Sell side valuation and pitches</li> </ul>
Governance Research	<ul style="list-style-type: none"> <li>• Business Ethics</li> <li>• ESG investments</li> </ul>
Stock Market Research And Analytics	<ul style="list-style-type: none"> <li>• Pricing metrics</li> <li>• Statistical Analysis</li> <li>• Derivative Instruments Analysis</li> <li>• Debt Instruments Analysis</li> </ul>
Marketing and Media Content	<ul style="list-style-type: none"> <li>• Social Media advertising</li> <li>• Branding</li> <li>• Principles of Marketing</li> </ul>
Strategy Plans	<ul style="list-style-type: none"> <li>• Strategic planning and Process</li> <li>• Financial Planning and Process</li> <li>• International Business</li> </ul>
International Client Pitches	<ul style="list-style-type: none"> <li>• International Business</li> <li>• Culture Mapping</li> <li>• Business Analysis</li> </ul>
Education Series	<ul style="list-style-type: none"> <li>• Basic financial instruments analysis</li> <li>• Creative non-fiction writing</li> </ul>

*Table 2: Tasks completed and theories applied during co-op period*

## **Chapter 4: Conclusion**

### **1. Summary of the Co-operative Study**

During my co-operative education experience my academic skills and professionalism was tested at many instances. I was able to understand the current ecosystem of tech enterprises, and problems they have been facing. As a multi-disciplinary tech firm, the company provided me with all necessary tools and data while completing the tasks provided.

While being a finance undergrad, looking for opportunities in the investment field, I understood first-hand about data behaviors and problems that arise while handling them. Building connection between academic case studies in classes to real life events has been the highlight of my time in SMTM.

From management styles and the cohesive message a firm would want to advertise, everything came into place during my study. This would not have been possible without the autonomy provided by the flat hierarchy in the firm.

Overall, my cooperative education at SMTM Capital provided invaluable insights into the intricacies of Nepal's Fintech and investment industry, while also honing my skills in financial analysis, strategic planning and business development.

### **2. Self-Assessments**

Reflecting on my cooperative education experience at SMTM Capital, I am pleased with the personal and professional growth I have achieved during my short tenure. Here, I assess my contributions, newer skills developed and areas for future improvement.

- **Contribution to Projects:** I actively engaged in various projects during my co-op period, including analyzing industry reports, developing investment/client pitch decks, and conducting research on governance of listed companies and stock market analytics. I believe my contributions have added value to the team and helped advance the company's objectives while aligning to its core values.
- **Skill Development:** During my time at SMTM I was provided ample opportunities to learn and experiment with unique ideas. My major accomplishment has been learning to use

programming languages to further simplify financial analysis. This skill will not just be applicable in my career in financial analysis but in general business/enterprise or any kind of data.

- **Areas for Improvement:** While I am proud of my achievements during my time at SMTM Capital I recognize my flaws and areas for further improvement within and beyond my current domain. I aim to further enhance my technical skills particularly in data analysis and programming. This period has also made me realize a gap between my academic finance knowledge and the harsh reality of the market, this has driven me to think in a more practical way than quoting a book I read in the past few months.

### **3. Limitations**

- **Scope Limitation:** This co-operative report study was only based on a single tech firm in Nepal. Addition of other IT firms would make a more robust and in-depth case study to understand the current climate of Nepalese tech industry.
- **Time Constraints:** The duration of the cooperative education program has limited the depth and breadth of the study, allocating more time to extensively study business behavior would have helped me to explore the industry dynamics as a whole.
- **Access to Information:** Some of the data and work I did would hamper the firm's confidentiality code, hence such sensitive data has been omitted.
- **Bias and Subjectivity:** The study's findings and assessments may have been influenced by my personal perspectives, experiences, and biases

### **4. Recommendations to the Company**

- **Investment in Marketing and Branding:** SMTM capital despite being market leaders within their domain, a huge portion of the market, especially amongst the retail investors aren't known. Investing in targeted market campaigns and branding would be a crucial step forward for the organization.
- **Diversification of Product Offerings:** While SMTM Capital has established itself as a market leader in data analytics within Nepal, diversifying its product offerings could further strengthen its competitive position in different markets. The company should explore new product lines and services that complement its existing offerings and address emerging market needs.

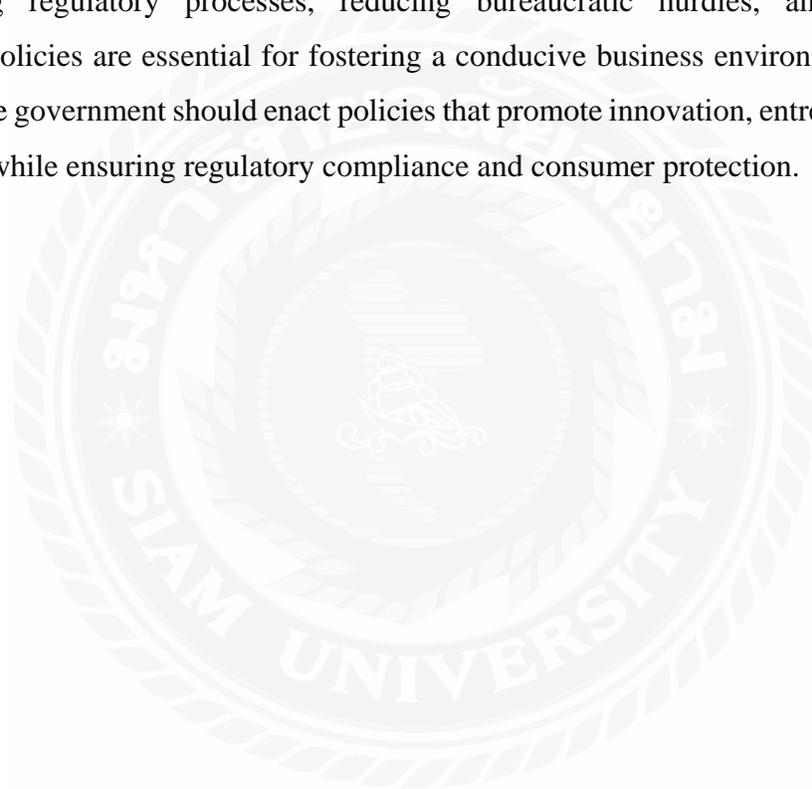
- **Talent Development and Retention:** Employee retention is crucial for SMTM Capital for further growth considering the brain drain problem Nepal is facing. Creating a talent development strategy to provide benefits for current employees and simultaneously attracting newer talents to SMTM would tackle the ongoing problems the industry is having.
- **Strategic Partnerships and Collaborations:** Leveraging the current brand value collaborations with other industry partners, academic institutions and government agencies to further develop the current goodwill while streamlining growth within all aspects.
- **Continuous Innovation and R&D:** Being a tech firm possessing such high expertise in the domain, innovation has to be rewarded amongst the team. Investing in innovation and R&D would not only help increase the efficiency of the organization but also help gain a better market position in the industry.
- **Switching the organization hierarchy structure:** As previously mentioned, the flat hierarchy structure has served SMTM by letting the team innovate themselves with cross-contamination of different fields which might not be efficient in a tall hierarchy structure. Keeping the benefits in mind, SMTM may have to include portions of a hybrid hierarchy structures for the sake of commercialization of outsourcing services.

## **5. Recommendations to the Industry**

Recommendations to the Tech Industry in Nepal:

- **Ecosystem Investments:** The Nepalese tech industry should prioritize investments in IT infrastructures including digital inclusion and literacy, connectivity and similar core structures of industry. This may be done through community building within the industry or tech forums. Problems relating to the industry has to be handled by collective problem solving.
- **Promotion of STEM Education:** To nurture a skilled workforce within the industry, Nepal should focus more on promoting STEM education at all levels while also providing opportunities to the upcoming market participants. This includes enhancing the curriculum standards according the need and requirements of the market while also providing them with areas to innovate.

- **Support for Startups and Entrepreneurs:** The stakeholders should focus on startups and entrepreneurship through incubation and business accelerator programs. Such programs can be delivered starting from very early stages starting from students to evolved business mentorships. This will provide guidelines to ambitious individuals to experiment with the current talent pool and resources.
- **Regulatory Reforms and Policy Support:** Streamlining regulatory process and reducing bureaucratic hurdles while providing equal opportunities to an inclusive tech enabled society should be the objective for regulators and the government bodies.
- Streamlining regulatory processes, reducing bureaucratic hurdles, and implementing supportive policies are essential for fostering a conducive business environment for the tech industry. The government should enact policies that promote innovation, entrepreneurship, and investment while ensuring regulatory compliance and consumer protection.



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