

## Panthi Dairy: An Entrepreneurial Venture in Pokhara

Sushil Kumar Pant

PROCESSED DAIRY PRODUCTS ARE comparatively new phenomena in Nepal. Dairy Development Corporation (DDC) established by His Majesty's Government processed and sold milk products in Kathmandu. Later it expanded its services to major urban centers of Nepal. DDC started serving for Pokhara market in 2033 B.S. with pasteurized milk. Later it started to process ghee, butter, yoghurt, cream and ice cream.

In due course of time, Pokhara started to see several producers selling dairy products. Most of them sold in unbranded forms. However, some of them began to sell in their own brand name. One of them is Panthi Dairy. It is one of the most popular dairies of Pokhara.

Resham Raj Panthi, the owner-manager of Panthi Dairy hails from a traditional peasant family of Lekhnath Municipality of Kaski district, western Nepal. The family used to grow sugarcane and other traditional farm products for its survival. As the majority of Nepalese farming families, Panthi family was also economically not so sound. Hence, Netra Lal and Ganga Devi, Resham's parents and their nine children had hard time to give them a decent standard of living.

Resham, being the eldest among the siblings, had to find some source of income so that the younger ones can be brought up in a better way. Therefore besides studying in Prithivi Narayan Campus, Pokhara, he started giving tuitions to survive. The first assignment was given by Mr. Ashok Palikhe, a prominent businessman of Pokhara. Resham earned Rs. 300 a month by tutoring Palikhe's children. This money helped him to live and study in Pokhara. After some months, he started to serve for a popular doctor's clinic as an assistant which lasted for a couple of months. He found a new job in Ganesh Himal Zinc factory as a site-in-charge where he earned a good amount for himself and the family. However, he was not happy with what he was doing. Hence left the job after six months and came back to Pokhara.

In Pokhara he started his first business venture which was a shop selling sewing and tailoring materials. Unfortunately, the business did not do well and Resham left it after six months. He once again started to explore new business and began to sell traditional sweets in Pokhara. The fortune was not with him even this time. So he was forced to leave the business after another six months of trial. In the pursuit of exploring the future Resham went to Biratnagar, an industrial town in eastern Nepal where he worked in a factory. Once again, he left the job after some time and joined a restaurant as an assistant.

### 1. The Beginning

While working in the restaurant Resham's entrepreneurial eyes saw a small vendor selling ice creams. After some time he started to develop interest in the trade. Hence he talked to the vendor and began to learn the nitty-gritty of the ice cream production and marketing. He continued this process for about six months. He left Biratnagar and headed to his hometown, Pokhara with a confidence to establish an ice cream shop. Resham went to the government office and registered Panthi Ice Cream Gharelu Udyog, a micro enterprise producing and selling ice cream, on 5th Chaitra 2045, and withdrew Rs. 100,000 to

buy a small scale ice cream making machine. The machine he wanted to buy was not available in Nepal so he went to Delhi. But the fortune was once again not in his favor. The relation between Nepal and India was deteriorated. India blocked the border making it almost impossible to import goods into Nepal. The delay obviously caused loss but was unable to discourage him. Panthi patiently waited for the relation between the two countries to become normal which happened after the restoration of democracy in Nepal in 1990. Then he was able to bring the machine to Nepal. In the meantime, despite being unable to import the machine Resham was not sitting idle. Rather he started to sell milk in small quantities in the traditional way. He opened a small outlet for that very purpose.

Finally, Panthi Ice-cream Factory was established in Ashadh 2047, and its product was in the market. Ice cream was of a moderate quality and priced accordingly to suit the school going children and other urban youngsters who could not afford for established Indian brand ice cream like Kwality and Neerula's available in the market. Consumers quickly and happily adopted the brand and Panthi began its long success story right from the inception of the establishment of his factory.

### **2. The Success**

Today it is one of the competing brands with better quality still moderately priced. It has its own restaurant type outlet in Gairapatan, Pokhara. Besides, some other retailers also sell the brand. Panthi Dairy sells only vegetarian items besides the milk products in its restaurant. They include Vegetarian and Paneer Momo which is quite popular among the customers. The restaurant and the factory employ thirty employees including several Panthi family members. Total investment in the business is NR.15 million until now. Out of this investment, only 2 million is the loan financing. Hence Panthi Dairy has healthy financial condition. The company sells huge quantity of milk, ice cream, yoghurt, cream and other milk products. All of them are doing extremely good business and the family is making its name in the business circle of Pokhara. Panthi is greatly assisted by his wife Raj Kumari who looks after everything in the factory giving the opportunity to Resham to concentrate on marketing and product development. He is also assisted by his brother who is trained in the Netherlands in dairy product development, especially in the ice cream.

### **3. Future Plans**

Panthi Dairy's has many future plans which include producing flavored milk and sweets as well as non-vegetarian foods in a separate kitchen so that all types of customers can be attracted. The plan also includes producing 10 thousand liters of milk a day. For this purpose, Resham is also hiring a dairy consultant from India. In addition to existing products, the future products include fruit juice and Indian foods such as Chat, Samosa and others. Total employment after implementing all these plans is expected to reach to 50. His plan also has making Panthi Dairy outlet a place to meet with ample parking space, garden and air conditioned rooms among others. This, he believes, will create a niche in the market for upscale customers too. However, his current group of customers is middle class people who look for quality product for a moderate price. Hence his price strategy incorporates incremental change. In addition, he wants to equip his factory and distribution system with hi-tech machines and vehicles which are used by western dairy manufacturers, and demon-

strate people of Pokhara that how a modern day dairy does operate. He also is planning to make Panthi Dairy outlet a place where everybody visiting Pokhara should compulsorily visit otherwise miss the real pleasure of visiting Pokhara.

#### **4. The Philosophy**

When asked what guides you to such a hard work and innovative ideas he philosophically asserts that he always believe in earning something for the self. He also says that unlike in the majority of families in Nepal, he not only works hard for earning but also influences and motivates each member of the family to do something so that they would earn for themselves and not dependent on others for survival. He calls himself a dreamer who wants to make a name in the business history of Pokhara with different kind of dairy and food products.