A PROJECT WORK ON
A PHENOMENOLOGICAL EXPLORATION OF THE BUSINESS AND FINANCIAL MANAGEMENT EXPERIENCES OF NEPALI BAKERY OWNERS

BY

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A Project Work Report submitted to Pokhara University in partial fulfilment of the requirements for the degree of

Bachelor in Hotel Management

At the

Nepal Tourism and Hotel Management College

Pokhara-14, Chhinedanda

July, 2026

DECLARATION

I hereby declare that the project work report entitled "**A Phenomenological Exploration of the Business and Financial Management Experiences of Nepali bakery Owners**" submitted for the BHM is my original work and the Project Work Report has not formed the basis for the award of any degree, diploma, or other similar titles.

Aayusha Baral
July, 2026

CERTIFICATE

This is to certify that the Project Work titled “**A Phenomenological Exploration of the Business and Financial Management Experiences of Nepali Bakery Owners**" submitted by Aayusha Baral, (23150206) for the partial fulfillment of the requirements of BHM embodies the Bonafide work done by her under my supervision.

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Suresh Raj Adhikari

Supervisor, Project Work

July, 2026

ACKNOWLEDGEMENTS

I would like to express my sincere gratitude to Nepal Tourism and Hotel Management College for providing me with the opportunity to conduct this research. I am deeply thankful to my Project Work Supervisor and mentor, Mr. Suresh Raj Adhikari, for his invaluable guidance, continuous encouragement, constructive suggestions, and unwavering support throughout this study. I would also like to extend my heartfelt appreciation to Mr. Arjun Poudel for his assistance and valuable support during the research process.

I am especially grateful to all the Nepali bakery owners who generously shared their lived experiences and insights, making this phenomenological study possible. Their honest participation and willingness to discuss their business and financial management experiences greatly enriched this research. I also wish to thank all the faculty members, friends, and my family for their constant encouragement, motivation, and support throughout the completion of this project report entitled **"A Phenomenological Exploration of the Business and Financial Management Experiences of Nepali Bakery Owners."** Their support has been instrumental in the successful completion of this study.

Thank You,

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CHAPTER I

INTRODUCTION

1.1 Background of the Study

Bakery businesses around the world have a long history of contributing to local economies, employment, and food culture. However, bakery owners often experience challenges related to business operations, financial management, marketing, and sustainability. From small family-owned bakeries in Europe and Asia to large commercial bakery chains in countries like the United States and France, bakery businesses have evolved with changing consumer lifestyles, economic conditions, and technological developments. Historically, bakery ownership was often passed through generations, making bakeries not only a source of income but also a symbol of family identity, craftsmanship, and community connection.

According to Jupert and Albert Alonzo (2025), bakery owners in Northern Mindanao, Philippines, experienced business growth through innovation strategies, proper distribution channels, and operational efficiency. Their qualitative study found that bakery owners focused on maintaining product freshness, reducing waste, and selecting strategic business locations to attract customers. The study highlighted that successful bakery owners continuously adapt their management practices according to market demand and competition.

The experiences of bakery owners are deeply connected to entrepreneurship, personal sacrifice, and financial decision-making. Many bakery owners begin their businesses with limited capital, relying on family savings, loans, or personal investment. Their lived experiences often involve balancing creativity and passion for baking with the realities of profit management, pricing strategies, employee wages, rent, taxes, and market competition. Some owners experience business success and expansion, while others struggle with debt, unstable income, and operational pressure. These experiences differ according to social, cultural, and economic contexts but commonly reflect resilience, adaptability, and continuous learning.

A study by Abdul and Aysa (2018) explored financing techniques and profitability among small-scale bakeries in Sylhet District, Bangladesh. Their research showed that bakery owners faced major financial challenges related to capital investment, operational costs, and profitability maintenance. The study suggested that bakery entrepreneurs need better financial planning, trade credit utilization, and modern managerial techniques to improve business survival. The authors concluded that conservative financial approaches often limit bakery growth and sustainability.

In Nepal, the bakery industry has gradually expanded with the growth of urbanization, tourism, café culture, and changing food consumption patterns. Bakeries in cities such as Kathmandu, Pokhara, and Lalitpur have become popular among students, tourists, office workers, and families. Along with traditional bakeries, modern café bakeries and home-based baking businesses have also increased in recent years. Despite this growth, bakery owners in Nepal continue to experience various business and financial management challenges.

Small and medium enterprises (SMEs) are considered important contributors to Nepal’s economy. According to Sharma (2016), financial and management accounting practices play an important role in improving decision-making and operational efficiency among Nepali SMEs. However, the study also found that many small business owners rely on informal accounting methods and personal experience while managing finances. This situation can also be observed in many bakery businesses where owners often make daily operational and financial decisions based on practical understanding rather than formal financial training. Such practices may influence how bakery owners manage profit, expenses, inventory, and future business planning.

Research conducted by Shakya et al. (2024) explained that small businesses in Nepal continue to face financial difficulties such as limited access to credit, rising operational costs, and unstable market conditions. These challenges are especially relevant for bakery businesses because bakeries depend heavily on daily sales, raw material availability, and effective cash flow management. Ingredients such as flour, butter, dairy products, chocolate, and imported baking materials are often affected by price fluctuations, which directly influence business profitability. For small bakery owners, balancing quality products with affordable pricing becomes an ongoing challenge.

The growth of tourism in Pokhara has further increased the demand for bakery products such as cakes, pastries, coffee, bread, desserts, and customized food items. Many bakeries in the city now target both tourists and local consumers by offering modern food trends and café-style experiences. At the same time, the bakery market has become highly competitive due to the increasing number of cafés and food outlets. Business owners therefore need to continuously improve product quality, customer service, pricing strategies, and marketing approaches. In many cases, bakery owners personally handle multiple responsibilities including purchasing, production management, customer relations, staffing, bookkeeping, and social media promotion.

Research related to entrepreneurship in Pokhara also highlights the importance of small businesses in generating employment and supporting local economic activity. Gurung (2022) explained that small enterprises in Pokhara contribute to income generation and social development, particularly through self-employment opportunities. Bakery businesses similarly create employment for bakers, helpers, servers, suppliers, and delivery workers. Besides economic contribution, bakeries also influence local food culture by introducing new food products and combining traditional and modern culinary practices.

Likewise, Ghimire (2021) highlighted that café culture among young consumers in Pokhara is growing due to social interaction, aesthetic environments, and social media influence. According to the study, customers are increasingly attracted toward modern bakery cafés that provide attractive presentation, comfortable spaces, and unique food experiences. This trend has encouraged bakery owners in Pokhara to focus not only on food quality but also on ambiance, branding, and online promotion.

In conclusion, the bakery industry has become an important part of the hospitality and food service sector around the world, providing employment, entrepreneurship opportunities, and economic contribution. Bakery owners globally experience challenges related to financial management, competition, and business sustainability while also showing resilience and creativity in managing their businesses. In Nepal, the growth of urbanization and changing consumer lifestyles has expanded bakery businesses, but owners still face financial and operational difficulties. Similarly, in Pokhara, the rise of tourism and café culture has increased opportunities as well as competition for bakery entrepreneurs. Therefore, exploring the lived experiences of bakery owners can help understand how they manage business and financial challenges within global, national, and local contexts.

Overall, these studies demonstrate that bakery owners across different countries experience similar challenges in managing finance, maintaining profitability, handling operations, and adapting to competitive markets. Phenomenologically, their experiences reflect resilience, creativity, financial stress, and personal dedication toward sustaining their businesses.

1.2 Statement of the Problem

Small-scale bakery businesses play a significant role in Nepal's informal and local economy, yet many bakery owners struggle with day-to-day business and financial management, including budgeting, cash flow control, cost management, pricing, and access to credit. Existing studies on entrepreneurship and SMEs in Nepal tend to focus on larger enterprises or generic sectors, with limited qualitative attention to the lived experiences of bakery owners, particularly regarding how they understand, practice, and feel about financial management in their daily operations. This study therefore problematizes the gap between the economic importance of bakeries and the lack of in-depth understanding of their business and financial management experiences. Specifically, it asks how Nepali bakery owners describe, interpret, and navigate the challenges and opportunities in managing their bakery businesses financially in their local contexts.

1.3 Research Questions

1. How do Nepali bakery owners experience business management in their daily operations?
2. What financial challenges do Nepali bakery owners face in running their businesses?
3. How do bakery owners manages profit, expenses and sustainability in their business?

1.4 Objectives of the study

- To understand Nepali bakery owner's experience in business management in their daily operations.
- To explore financial challenges Nepali bakery owners faces in running their business.
- To explore the management of profit, expenses and sustainability in bakery business.

1.5 Significance of the Study

This study is significant because it deepens understanding of how Nepali bakery owners experience and interpret business and financial management in their everyday lives. By highlighting their struggles, coping strategies, and learning processes, the findings can contribute to entrepreneurship and small-business literature in the Nepali context, particularly in the informal food-sector sub-category.

Practically, the study may help bakery owners, local business-support organizations, and microfinance institutions design more targeted capacity-building programs, training modules, and financial literacy initiatives. Policy-wise, it can inform local economic planners and municipalities who work with small-scale food enterprises about the real-life financial constraints and opportunities faced by this group.

1.6 Literature review

Previous studies show that small business owners often struggle with cash flow management, record keeping, cost control, and profit planning, especially in competitive local markets. However, many of these studies focus on measurable outcomes rather than the personal meaning and everyday experience of owners. In the context of Nepali bakery businesses, there is limited qualitative research that explores how owners understand and manage financial decisions in their daily work. This gap supports the use of phenomenology to examine the lived experiences of bakery owners in depth.

1.6.1 Bakery Business in the Nepali Context

The bakery industry has become an important segment of Nepal's food and hospitality sector due to changing consumer lifestyles, urbanization, and increasing demand for convenience foods. According to Khanal (2020), in his quantitative study conducted in Kathmandu Valley, product quality, pricing, and customer satisfaction significantly influence the performance of bakery businesses. The study found that consumers increasingly prefer bakery products because of convenience and affordability.

Similarly, Adhikari (2023), in his mixed-method study in Dharan, reported that bakery enterprises contribute to local employment generation and economic development. The study highlighted that bakery businesses have expanded rapidly in urban areas because of changing food consumption patterns and increasing demand for baked products. However, the bakery industry in Nepal continues to face several operational and financial challenges. Rising costs of raw materials, competition from large commercial bakeries, and changing consumer preferences often affect business sustainability. Although existing studies have examined customer satisfaction and market performance, limited attention has been given to understanding the lived experiences of bakery owners who manage these businesses daily.

1.6.2 Business Management in Small Enterprises

Business management refers to the process of planning, organizing, directing, and controlling business resources to achieve organizational goals. Effective management is particularly important for small enterprises because owners often perform multiple managerial roles simultaneously. Shrestha (2012), in his study of Nepalese small enterprises, found that business owners operate within complex economic, social, and technological environments that significantly influence business performance. The study asserted that successful entrepreneurs continuously adapt their management strategies according to changing market conditions.

Similarly, Karki (2019), in his mixed-method study conducted among micro-enterprises in Nepal, concluded that managerial skills, leadership capabilities, and operational planning play significant roles in business success. The study explored that entrepreneurs frequently rely on personal experience and practical knowledge while making managerial decisions. However, many small business owners lack formal management training. Although management theories provide structured approaches to business operations, entrepreneurs often develop management practices through experience and learning. Therefore, exploring the management experiences of bakery owners can provide valuable insights into how they navigate daily business operations.

1.6.3 Financial Management in Small Businesses

Financial management is one of the most critical aspects of business sustainability. It involves budgeting, cash-flow management, financial planning, investment decisions, and record keeping. Proper financial management enables businesses to allocate resources efficiently and maintain long-term profitability. Khadka, et al. (2025), in their quantitative study among Nepalese SMEs, found that effective financial management practices significantly contribute to business success. The researchers reported that businesses maintaining proper accounting records and financial controls performed better than those with weak financial systems.

Likewise, Galami (2025), in a literature review of Nepalese SMEs, concluded that budgeting, financial reporting, and cash-flow management are essential determinants of business sustainability. The study added that financially disciplined enterprises demonstrate greater resilience during economic uncertainty. However, small business owners often face challenges in implementing formal financial management systems because of limited knowledge, resources, and professional support. As a result, many entrepreneurs depend on informal financial practices developed through experience rather than formal financial training.

1.6.4 Challenges Faced by Bakery Owners

Bakery businesses encounter numerous challenges that affect their operational efficiency and financial performance. These challenges include fluctuating raw material prices, inventory management difficulties, labor shortages, increasing competition, and changing customer demands. Adhikari (2023), in his mixed-method study in Nepal, found that bakery owners frequently struggle with rising production costs and workforce management issues. The study reported that increasing costs of ingredients and utilities significantly affect profitability.

Similarly, various studies on small enterprises have noted that access to finance, market competition, and operational uncertainties remain major concerns for entrepreneurs. These challenges become even more significant in bakery businesses because products have short shelf lives and require continuous quality maintenance. Nevertheless, bakery owners often develop innovative coping mechanisms to manage these difficulties. Their experiences can provide valuable insights into entrepreneurial resilience and adaptive business strategies.

1.6.5 Financial Decision-Making and Entrepreneurial Experience

Financial decision-making is a continuous process through which entrepreneurs allocate resources, manage risks, and pursue business opportunities. Decisions regarding pricing, investment, expansion, inventory purchases, and borrowing directly affect business performance. Adhikari et al. (2021), in their quantitative study conducted in Kathmandu Valley, found that financial constraints frequently influence entrepreneurial decision-making. The study highlighted that many small business owners face difficulties balancing operational expenses with long-term investment goals.

Similarly, Allen (2021), in his mixed-method study in Australia, concluded that entrepreneurial financial decisions are often influenced by personal experiences, business expectations, and perceptions of risk. The study explored that entrepreneurs frequently combine financial information with intuition when making strategic decisions. A recent phenomenological study conducted by Upadhaya (2024) in Nepal highlighted that entrepreneurs interpret financial decisions not only as economic choices but also as personal and emotional experiences connected to business survival and growth. The study reported that decision-making processes are shaped by previous successes, failures, and contextual realities. Although financial decision-making has been widely studied from quantitative perspectives, limited research has explored how bakery owners personally experience and interpret financial decisions within their businesses.

1.6.6 Research Gap

The reviewed literature demonstrates that business management, financial management, entrepreneurial decision-making, and operational challenges significantly influence the success of small enterprises. Existing studies have primarily focused on quantitative measurements of business performance, financial indicators, customer satisfaction, and organizational outcomes.

However, there remains a limited understanding of how bakery owners personally experience business management and financial decision-making in their daily operations. Most studies conducted in Nepal emphasize business outcomes rather than the subjective meanings and experiences of entrepreneurs. Furthermore, few studies have specifically examined bakery owners within the Nepalese context using a phenomenological approach.

Therefore, this study seeks to address this gap by exploring the lived experiences of Nepali bakery owners regarding business and financial management. The findings are expected to contribute to both entrepreneurial literature and practical understanding of bakery business management in Nepal.

1.6.7 Summary

The literature review revealed that the bakery industry is an emerging and economically significant sector in Nepal. Business management and financial management practices play essential roles in ensuring business sustainability and growth. Existing studies have identified several challenges faced by bakery owners, including financial constraints, operational difficulties, market competition, and rising production costs. Moreover, financial decision-making has been recognized as a critical component of entrepreneurial success. However, most previous studies have focused on quantitative assessments rather than the lived experiences of entrepreneurs. Consequently, there is a need for phenomenological research that explores how Nepali bakery owners experience business and financial management in their daily entrepreneurial journeys. This study aims to fill that gap and provide deeper insights into the realities of bakery entrepreneurship in Nepal.

1.7 Research Methodology

This chapter explains the method used to study 'A Phenomenological Exploration of the Business and Financial Management Experiences of Nepali Bakery Owners'. It presents the research design, participants, sampling strategy, data collection methods, data analysis producers, trustworthiness measures, ethical considerations and limitations of the study. Since the aims to understand the lived experiences of bakery owners, a qualitative phenomenological approach is most appropriate.

1.7.1 Research Design

The study uses a qualitative phenomenological design. Phenomenology is suitable because it focuses on how people experience and interpret a particular phenomenon in their daily lives. In this study, the phenomenon is the business and financial management experiences of Nepali bakery owners. The design is suitable because it enables the researcher to explore how bakery owners manage daily operations, income, expenses, pricing, cost control, and decision-making in their own words.

1.7.2 Population and Participants

The participants of this study will be Nepali bakery owners who are directly involved in managing their business and finances. They must have at least one year of bakery business experience and be willing to share their experiences. The participants will be selected from bakery businesses operating in Nepal, preferably in urban or semi-urban areas where bakery competition and cost pressures are visible.

1.7.3 Sampling Technique

This study will use purposive sampling. Purposive sampling is commonly used in qualitative research because it allows the researcher to select participants who are most knowledgeable about the phenomenon under study.

For a phenomenological study, a small sample is appropriate because the goal is depth rather than breadth. The sample size may range from about 6 to 10 participants from bakery owners.

1.7.4 Data Collection Method

The primary method of data collection for this study will be in-depth semi-structured interviews. Semi-structured interviews are appropriate for phenomenological research because they allow participants to freely describe their lived experiences while enabling the researcher to explore specific topics related to the research objectives.

An interview guide consisting of open-ended questions will be developed to explore the lived experiences of Nepali bakery owners in managing their businesses and finances. The interviews will focus on topics such as:

- Experiences of starting and managing a bakery business
- Financial planning and budgeting practices
- Cash flow and daily financial management
- Challenges in controlling costs and maintaining profitability
- Experiences with pricing, purchasing, and inventory management
- Managing business risks and unexpected financial difficulties
- Sources of financial knowledge and decision-making strategies
- Balancing business growth with financial sustainability
- Personal meanings and lessons gained from managing a bakery business

Each interview is expected to last approximately 30–45 minutes and will be conducted at a time and place convenient for the participant, preferably at their bakery or another mutually agreed location. With the participants' informed consent, all interviews will be audio-recorded to ensure accurate data collection. In addition, field notes will be maintained to record observations, non-verbal expressions, and contextual information that may enrich the interpretation of the participants' lived experiences. The collected data will then be transcribed verbatim for thematic analysis.

1.7.5 Data Analysis

The collected data will be analyzed using thematic analysis within a phenomenological framework. The purpose of thematic analysis is to identify, organize, and interpret recurring patterns and meanings within participants experiences. The analysis process will follow these steps:

- Transcribing all interview recordings
- Reading the transcripts several times to gain familiarity with the data.
- Identifying significant statements related to business and financial management of Nepali Bakery owners
- Grouping similar statements into meaning units and categories.
- Developing themes and sub-themes from the identified categories.

- Interpreting the themes in relation to the research objectives and existing literature.

1.7.6 Ethical considerations

The study will follow ethical research principles throughout the research process.

- Informed consent will be obtained from all participants before conducting interviews.
- Participants' identities will remain anonymous by using pseudonyms or codes.
- Confidentiality of all information shared by participants will be strictly maintained.
- Participation will be voluntary, and participants may withdraw from the study at any time without any consequences.
- Respect, cultural sensitivity, and professionalism will be maintained during all interviews.
- The findings will be used only for academic purposes and shared responsibly without revealing participants' identities.

1.7.7 Limitation and Delimitations

The study is limited to Nepali bakery owners who are directly involved in managing both the business operations and financial activities of their bakeries. Only bakery owners with practical experience in business and financial management will be included. The study focuses on understanding the lived experiences of participants through a phenomenological approach rather than measuring business performance or profitability. Bakery employees, customers, suppliers, and owners from other food businesses are excluded from the study.

As a qualitative phenomenological study, the findings cannot be statistically generalized to all bakery owners in Nepal. The interpretation of participants' experiences may involve some degree of researcher subjectivity despite efforts to maintain credibility. Participants may not recall all experiences accurately or may hesitate to discuss sensitive financial matters. Language differences and local dialects may create minor communication challenges during interviews. The study relies on participants' willingness to share honest and detailed experiences.

CHAPTER II

FINDINGS

2.1 Overview of Data Collection and Participant Profile

This chapter presents the findings obtained from the primary data collected for this study. Data were gathered through semi-structured interviews and an open-ended questionnaire with eight (8) participants, labelled B1 through B8, who were purposively selected from Nepali bakery owners operating in Pokhara Metropolitan City, including bakeries located in Lakeside, New Road, Mahendrapool, Chipledhunga, and Prithvi Chowk. Interviews were conducted on-site at each participant's bakery over a data collection period of approximately three weeks, and lasted between twenty and thirty-five minutes.

The sample was designed to capture a range of bakery business types and levels of experience, including home-based and online bakeries, café-bakeries, traditional bakery shops, and a wholesale/commercial bakery supplying hotels and restaurants. Participants' business experience ranged from two to twenty years, and all had been directly responsible for managing both the operational and financial aspects of their bakery for at least one year, consistent with the participant criteria outlined in Chapter I.

ID	Age	Years in Business	Type of Bakery	Name of Bakery
B1	34	5	Home-based / online bakery	Sweet Crumb Bakes
B2	45	15	Traditional bakery shop	Annapurna Bakery
B3	29	3	Café-bakery	Lakeview Café & Bakery
B4	52	20	Wholesale/commercial bakery (supplies hotels)	Himalayan Bakers Supply
B5	38	8	Bakery and confectionery shop	Mahendrapool Sweet House
B6	27	2	Home-based / online bakery	Homely Oven
B7	41	12	Traditional bakery shop	Prithvi Bakery House
B8	33	6	Café-bakery	Fewa Bites Café Bakery

Table 2.1: Summary of the composition of the sample.

Interviews were audio-recorded with participants' consent and supplemented by field notes, then transcribed in full for analysis. The transcribed data were analyzed using Braun and Clarke's approach to thematic analysis, involving six stages: familiarization with the data, generation of initial codes, searching for themes among the codes, reviewing candidate themes against the full dataset, defining and naming the final themes, and producing the written report. Codes were generated inductively from participants' own words and grouped into broader patterns. Following the structure of the research questions outlined in Chapter I, the resulting codes converged naturally into three major themes:

- Business management experiences in daily operations,
- Financial challenges faced in running the business, and
- The management of profit, expenses, and sustainability.

Each theme is presented below with its constituent sub-themes, supported by paraphrased accounts drawn from participants' interviews. To protect confidentiality, participants are referred to only by their assigned code (B1–B8) throughout this chapter, consistent with the ethical considerations of the study.

2.2 Business Management Experiences in Daily Operations

The first theme addresses how Nepali bakery owners experience the day-to-day management of their businesses, responding directly to the first research question. Every participant, without exception, described personally handling several operational roles at once, confirming the hands-on, owner-operator character of small bakery businesses discussed in the literature review.

2.2.1 Multiple roles and hands-on ownership

Nearly all participants described performing multiple functions themselves, including baking or supervising production, purchasing ingredients, managing staff, serving customers, and handling money, rather than delegating these to separate departments. B4, who runs the largest operation in the sample and supplies bread and pastries to several hotels, explained that even after twenty years and eight staff members, he still personally checks every morning's dough quality and reviews the previous day's sales before opening. B6, who runs a one-person home-based bakery, said she is "baker, delivery person, accountant, and customer service all in one," and that this was both exhausting and a source of pride, since she felt full control over quality.

2.2.2 Learning management through experience rather than training

Most participants said they had little or no formal training in business management and had instead learned through trial and error, observation of other businesses, or guidance from family members already in the trade. B2, who inherited his bakery from his father, said his management "style" was essentially copied from watching his father run the shop for years, adjusted gradually as customer habits changed. B3 and B8, both newer café-bakery owners, said they had picked up pricing and staffing decisions largely through online research and conversations with other small business owners in Lakeside, rather than through any structured course.

2.2.3 Balancing creativity and passion with operational routine

Several participants described tension between the creative, craft-oriented side of baking that had originally drawn them to the business and the repetitive administrative work required to keep it running. B1 explained that she started her home bakery because she loved experimenting with cake designs, but now spends most of her time on packaging orders, replying to customer messages, and tracking payments, activities she described as "the part nobody tells you about." B7, a veteran bakery owner, said that after twelve years he still enjoys developing new bread recipes but has had to accept that most of his working day is spent on supervision and logistics rather than baking itself.

2.2.4 Adapting daily operations to demand fluctuations

Participants consistently described adjusting staffing levels, production quantities, and working hours in response to predictable and unpredictable swings in customer demand, particularly around weekends, festivals, and the tourist season in Pokhara. B5 said he doubles his production of festive sweets and cakes around Dashain and Tihar and hires temporary help for those weeks, while scaling back sharply in the quieter months that follow. B8 noted that her café-bakery experiences a noticeable jump in walk-in tourist customers during the peak trekking season, requiring her to keep extra pastry stock on hand, a pattern that occasionally leads to unsold, wasted product when tourist numbers are lower than expected.

2.2.5 Differences between veteran and newer owners

Comparing across the sample, veteran owners with over a decade of experience (B2, B4, and B7) tended to describe more routinized daily systems, such as fixed opening checklists or informal delegation of specific tasks to trusted long-term staff, whereas newer owners (B1, B3, and B6) more frequently described improvising day to day and personally handling nearly every task themselves due to smaller staff sizes. This distinction foreshadows the financial and sustainability differences discussed in the following themes, suggesting that management experience accumulates gradually into more structured, though still largely informal, business routines.

2.3 Financial Challenges Faced by Bakery Owners

The second theme captures the financial difficulties participants described encountering in running their bakeries, responding directly to the second research question. Consistent with recent market data showing continued volatility in butter, dairy, and flour prices in Nepal, financial pressure connected to input costs emerged as the most universally reported challenge in the sample.

2.3.1 Fluctuating raw material prices

Every participant identified the rising and unpredictable cost of key ingredients, particularly flour, butter, sugar, eggs, and imported items such as chocolate and specialty flavourings, as a persistent source of financial strain. B2 explained that flour and butter prices can shift noticeably within a single month, making it difficult to set a stable price for products without either cutting into his margin or risking losing customers to a competitor. B4, whose commercial bakery depends on bulk imported butter for hotel orders, said that recent price increases in imported dairy products had forced him to renegotiate supply contracts with hotel clients twice in the past year alone.

2.3.2 Limited access to formal credit

Several participants described relying on personal savings, family support, or informal loans rather than bank financing to fund their business, echoing patterns noted in prior studies of Nepali SMEs. B1 and B6, the two home-based bakery owners in the sample, both said they had never approached a bank for a business loan, citing complicated paperwork requirements and a lack of confidence that a small home-based operation would qualify. B5 said that when he needed capital to expand his shop's seating area, he borrowed from relatives instead of a financial institution because it was faster and did not require collateral he did not have.

2.3.3 Irregular cash flow and dependence on daily sales

Participants frequently described the day-to-day unpredictability of cash flow, since bakery products are perishable and revenue depends heavily on that day's walk-in and order volume. B3 explained that a single slow, rainy day can leave her with unsold pastries and reduced cash on hand to pay for the next day's ingredients, creating a recurring cycle of financial tightness. B7 noted that although his bakery has operated for twelve years, he still does not maintain a cash reserve large enough to comfortably absorb more than a few consecutive slow days.

2.3.4 Rising rent, utility, and wage costs

Beyond ingredient costs, participants pointed to steadily increasing fixed costs, including shop rent in commercial areas like Lakeside and New Road, electricity and gas for ovens, and wages for skilled bakery staff who are reportedly difficult to retain. B8 said her rent in Lakeside had increased twice in the past three years, while her prices had risen more slowly out of concern for losing price-sensitive local customers. B2 described difficulty retaining trained bakers, noting that skilled staff often leave for better-paying jobs elsewhere, forcing him to repeatedly spend time and money on training replacements.

2.3.5 Informal and manual record keeping

Nearly all participants described tracking income and expenses through informal means such as handwritten notebooks, memory, or basic mobile phone notes, rather than structured accounting software or professional bookkeeping, consistent with the informal financial practices identified among Nepali SMEs in the literature. B6 admitted that she does not maintain a formal ledger and estimates her monthly profit "roughly" based on how much money is left after paying for ingredients and packaging. B4, despite running the largest operation in the sample, said he still relies on a part-time family member to manually record daily transactions in a notebook rather than using digital accounting tools, which he acknowledged made it difficult to track profitability precisely across different product lines.

2.4 Managing Profit, Expenses, and Sustainability

The third theme addresses how participants manage profit, control expenses, and think about the longer-term sustainability of their bakery businesses, responding directly to the third research question.

2.4.1 Informal, experience-based pricing strategies

Participants generally described setting prices based on intuition, competitor observation, and past experience rather than formal cost-accounting methods. B5 said he prices new items by roughly doubling the ingredient cost and then adjusting slightly based on what similar products cost at nearby bakeries, rather than calculating a precise margin. B3 noted that she sometimes underprices custom cake orders because she finds it emotionally difficult to charge what she feels a design is "really worth" to loyal, long-term customers.

2.4.2 Waste reduction and inventory management

Given the perishable nature of bakery products, participants described various informal strategies to minimize waste and protect thin profit margins. B7 said he reduces the last batch of daily bread production based on years of experience estimating typical evening demand, while discounting unsold items late in the day rather than throwing them away. B1 mentioned that she now takes orders in advance for most cakes specifically to avoid the ingredient waste she experienced early in her business when baking speculatively.

2.4.3 Reinvestment versus personal and family withdrawal

Several participants described an ongoing tension between reinvesting profit into the business, such as new equipment or expanded seating, and withdrawing income to meet immediate family and household needs. B2 explained that expanding his oven capacity had been delayed for several years because available profit was repeatedly needed for family expenses instead. B4, by contrast, said that as his business matured he had become more deliberate about setting aside a fixed portion of monthly profit specifically for reinvestment, a practice he had not followed during his business's early years.

2.4.4 Coping strategies during slow or off-season periods

Participants described a range of coping strategies for managing periods of reduced income, including diversifying product offerings, offering promotions, and temporarily reducing staff hours. B8 said her café-bakery introduces seasonal discounts and loyalty offers for local customers during the quieter monsoon months when tourist traffic drops sharply. B6 said that during slow weeks she takes on smaller custom orders, such as cupcakes for birthdays, to supplement income from her core bread and pastry sales.

2.4.5 Long-term sustainability planning

Most participants described limited formal long-term planning, focusing instead on managing week-to-week and month-to-month financial pressures, though a smaller number of more established owners described beginning to think further ahead. B4 and B7, the two most experienced participants in the sample, both described concrete plans to expand or formalize their businesses, including B4's intention to register for a larger commercial loan to purchase a second delivery vehicle, and B7's plan to gradually hand over daily operations to his adult son while remaining involved in supplier relationships. Newer owners such as B1, B3, and B6 more often described sustainability in terms of simply maintaining current income levels rather than articulating specific growth plan.

2.5 Frequency of Sub-Themes Across Participants

To provide a clearer overview of how consistently each pattern appeared across the sample, Table 2.2 summarizes the number of participants (out of 8) whose interviews contained references to each sub-theme identified above. These counts are presented as a descriptive summary of the qualitative data rather than as statistically representative figures, given the small, purposively selected sample.

Theme	**Sub-Theme**	**Participants Referencing (out of 8)**
Business Management	Multiple roles and hands-on ownership	8
Business Management	Learning management through experience, not formal training	7
Business Management	Balancing creativity/passion with operational routine	6
Business Management	Adapting daily operations to demand fluctuations	7
Financial Challenges	Fluctuating raw material prices	8
Financial Challenges	Limited access to formal credit	6
Financial Challenges	Irregular cash flow / daily sales dependence	7
Financial Challenges	Rising rent, utility, and wage costs	6
Financial Challenges	Informal/manual record keeping	8
Profit, Expense & Sustainability	Informal, experience-based pricing	7
Profit, Expense & Sustainability	Waste reduction and inventory control	6
Profit, Expense & Sustainability	Reinvestment vs. personal/family withdrawal	5

Profit, Expense & Sustainability	Coping strategies during slow/off-season periods	6
Profit, Expense & Sustainability	Long-term sustainability planning	4

Table 2.2: Summary of the number of participants (out of 8) referencing each sub-theme.

As shown above, fluctuating raw material prices, informal record-keeping, and multiple roles/hands-on ownership were the most universally reported patterns, each appearing in the accounts of all eight participants. Long-term sustainability planning was the least commonly reported theme, consistent with its identification as an emerging rather than established practice among the sample.

2.6 Cross-Theme Discussion

Considered together, the three themes reveal a closely interconnected pattern in how Nepali bakery owners in Pokhara experience business and financial management. The hands-on, multi-role management style described in Theme One appears to be both a cause and a consequence of the financial constraints described in Theme Two: because most participants cannot afford to hire specialized staff for bookkeeping, marketing, or procurement, owners are compelled to manage these functions personally, which in turn reinforces reliance on informal, experience-based systems rather than structured financial management. This connection is visible most clearly in the widespread use of informal record-keeping (Theme Two) and informal, intuition-based pricing (Theme Three), both of which stem from the same underlying pattern of learning management through experience rather than formal training (Theme One).

The findings also suggest that experience gradually improves, but does not eliminate, financial vulnerability. Veteran owners such as B2, B4, and B7 demonstrated somewhat more structured routines and, in B4's and B7's cases, clearer sustainability plans, yet even these participants continued to rely on informal record-keeping and personal or family financing rather than formal financial systems. This indicates that while operational experience helps owners cope with day-to-day financial pressure, it does not by itself resolve the structural barriers, such as limited access to credit and fluctuating input costs, that constrain bakery businesses regardless of how long they have operated.

2.7 Summary of Key Findings

Overall, the findings indicate that Nepali bakery owners in Pokhara manage their businesses through direct, hands-on involvement in nearly every operational task, learned primarily through experience rather than formal training; that they face persistent financial challenges rooted in fluctuating raw material costs, limited access to formal credit, irregular cash flow, and informal record-keeping; and that they manage profit, expenses, and sustainability through largely informal, experience-based strategies that improve gradually with years in business but rarely develop into fully formalized financial systems. These findings directly respond to the three research questions posed in Chapter I.

- How do Nepali bakery owners experience business management in their daily operations? Findings show that owners personally perform multiple operational roles, learn management practices primarily through experience rather than formal training, and continuously adapt daily operations to seasonal and market demand fluctuations.
- What financial challenges do Nepali bakery owners face in running their businesses? Findings show that fluctuating raw material prices, limited access to formal credit, irregular cash flow, rising fixed costs, and informal record-keeping constitute the primary financial challenges reported across the sample.
- How do bakery owners manage profit, expenses, and sustainability in their business? Findings show that owners rely on informal, experience-based pricing and waste-reduction strategies, navigate an ongoing tension between reinvestment and personal withdrawal, and generally engage in short-term rather than long-term sustainability planning, with more experienced owners beginning to plan further ahead.

These findings, drawn from eight in-depth interviews with Nepali bakery owners of varying experience levels and business types, provide localized qualitative evidence that directly addresses the research gap identified in Chapter I, offering a grounded, phenomenological account of how business management, financial challenges, and profit sustainability interact within the daily entrepreneurial lives of bakery owners in Pokhara.

CHAPTER III
CONCLUSION AND RECOMMENDATIONS

3.1 Conclusion

This study set out to explore the lived business and financial management experiences of Nepali bakery owners in Pokhara, focusing on daily business management, financial challenges, and the management of profit, expenses, and sustainability. The findings confirm that bakery ownership in Pokhara is characterized by a highly hands-on, owner-operator management style, in which participants personally perform most operational functions, from production and procurement to staffing and customer service, and learn to manage these responsibilities primarily through lived experience rather than formal business training. This pattern was consistent across the sample regardless of business type or years in operation, reflecting the broader informal, experience-driven character of small enterprise management documented in the Nepali SME literature.

Financial challenges emerged as a central and largely unresolved feature of bakery ownership, with fluctuating raw material prices, limited access to formal credit, irregular cash flow, rising fixed costs, and informal record-keeping practices reported consistently across nearly all participants. These challenges appeared to be closely tied to the hands-on management style identified in the first theme: because owners generally lack the resources to delegate financial and administrative tasks, they continue to rely on informal systems that leave their businesses financially vulnerable, even after many years of operation. Finally, the study found that participants manage profit, expenses, and sustainability primarily through informal, intuition-based pricing and waste-reduction strategies, while grappling with an ongoing tension between reinvesting in the business and meeting immediate family financial needs. Long-term sustainability planning remained limited overall, though the study's more experienced participants showed early signs of moving toward more deliberate, forward-looking financial practices.

Taken together, these findings address the research gap identified in Chapter I by providing localized, qualitative evidence of how Nepali bakery owners in Pokhara personally experience and navigate business and financial management in their everyday entrepreneurial lives. Rather than operating as separate concerns, daily business management, financial challenges, and profit and sustainability management were found to function as closely interconnected dimensions of a single lived experience, one shaped by resilience, resourcefulness, and continuous informal learning under conditions of ongoing financial pressure. The study confirms that supporting Nepal's bakery sector requires attention not only to market and pricing conditions but to the practical, everyday realities of how individual bakery owners learn to manage their businesses and finances over time.

3.2 Recommendations

Based on the findings of this study, the following recommendations are proposed for bakery owners, local business-support and microfinance institutions, and future researchers.

For Bakery Owners

- Adopt simple, structured record-keeping practices, such as a basic daily ledger or low-cost mobile accounting app, to build a clearer picture of profit and expenses over time, rather than relying solely on memory or estimation.
- Where possible, build a modest cash reserve during stronger sales periods to help absorb the impact of slow days, seasonal downturns, and sudden ingredient price increases.
- Consider gradually formalizing pricing decisions by calculating actual ingredient and labour costs per product, rather than relying only on competitor comparison and intuition, to protect margins against rising input costs.
- Explore group-based or cooperative purchasing of key raw materials such as flour, butter, and sugar with other small bakery owners to help stabilize input costs and reduce individual exposure to price fluctuations.

For Local Business-Support Organizations and Microfinance Institutions

- Design targeted, low-barrier financial literacy and basic bookkeeping training programs specifically for small-scale bakery and food-sector entrepreneurs, addressing the informal record-keeping practices identified in this study.
- Simplify loan application procedures and collateral requirements for very small and home-based bakery businesses, which this study found were the least likely to access formal credit.
- Facilitate connections between bakery owners for cooperative purchasing or shared resource arrangements, helping to reduce the financial pressure of fluctuating raw material costs identified as a near-universal challenge in the findings.

For Future Research and Implementation

- Future studies could employ a larger or mixed-methods sample to statistically validate the themes identified in this qualitative, phenomenological study.

- Further research could examine bakery businesses in other Nepali cities beyond Pokhara to determine whether similar patterns of informal financial management hold across different regional and economic contexts.
- Future research could specifically investigate the effectiveness of financial literacy or cooperative purchasing interventions among small bakery owners, building directly on the recommendations proposed in this study.
- Academic institutions and business-support programs could incorporate practical, small-enterprise-focused financial management modules into entrepreneurship training, given the informal financial practices consistently reported by participants regardless of their years in business.

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APPENDICES

The following guide was used to structure the semi-structured interviews and open-ended questionnaire administered to participants B1-B8. Questions were used flexibly, with follow-up probes employed as needed to explore participants' responses in greater depth, consistent with the semi-structured format described in Chapter I.

Part I: Background Information

- What is your age, and what is your role in the business?
- How long have you owned or operated this bakery?
- What type of bakery do you operate (e.g., home-based, café-bakery, traditional shop, wholesale/commercial), and how many staff do you currently employee?

Part II: Business Management Experiences

- Can you walk me through a typical day of running your bakery?
- Which tasks do you personally handle, and which (if any) do you delegate to staff?
- How did you learn to manage the business side of your bakery?
- How do you adjust your daily operations during busy periods (e.g., festivals, tourist season) or slow periods?

Part III: Financial Challenges

- What have been your biggest financial challenges in running this bakery?
- How do changes in the cost of ingredients (e.g., flour, butter, sugar) affect your business?
- How do you access funding or capital when you need it?
- How do you currently track your income and expenses?

Part IV: Managing Profit, Expenses, and Sustainability

- How do you decide what to charge for your products?
- What steps, if any, do you take to reduce waste or manage inventory?
- How do you decide between reinvesting profit into the business and using it for personal or family needs?
- What are your plans, if any, for the future of your business?

Closing Question

- Is there anything else about managing your bakery and its finances that you would like to share?