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Impact of Business Development Services on Performance of Micro-enterprises: Evidence from Field Survey in Kavreplanchok, Nepal

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Abstract
This article reveals the relationship between Business Development Services (BDS) and micro-enterprise performance based on the survey undertaken in Kavrepalanchok District of Nepal. The survey was undertaken for the completion of Ph. D. dissertation on Business Development Services (BDS) for Enterprise Promotion in Nepal. The objective of this article is to analyze the relationship between the different components of BDS with enterprise performance development. The primary nature of data is used in this article collected from the field survey of micro-entrepreneurs at Kavrepalanchok District. A quantitative approach is used in this research. The population of this study is all the micro-entrepreneurs created in the Kavrepalanchok District by Business Development Service program of the Ministry of Industry, Nepal. The collected survey data has been analyzed using both descriptive and inferential statistical analysis techniques to examine the relationship between dependent and independent variables. Survey finding concluded that BDS components have a significant impact for improving performance of micro-enterprises having more than 90 per cent variability explained by BDS in the enterprise performance. This article contributes to lessen

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the dearth of publications in this topic in Nepal. Findings of this research will be useful to policy makers working in industry and enterprise development, management students, would-be entrepreneurs, and training and enterprise development service providers of Nepal.

Keywords: Business Development Services, Micro-Entrepreneurs, Micro-Enterprises, Ministry of Industry

Background Information

Business Development Services (BDS) is purposed to improve enterprise performance. It helps in enhancing the competitive ability of entrepreneurs and access to the market as well. A BDS includes an array of enterprise supports through entrepreneurship and skill training, marketing assistance, technology support, and other promotional services (UNDP, 2004). BDS is a market development mechanism to promote micro and small enterprises to achieve economic growth by lessening the effect of market failure (UNDP, 2004). The symptoms of market failure are lack of market opportunities, enterprise friendly rules, guidelines for enterprise promotion and market development, national standards and policies, institutional structures for service supply etc.

In the decade of 1990s, the corporate re-structuring was trending. The pace of economic liberalization and privatization of public sector enterprises was gaining speed. Such movements caused a shrinkage in the workforce. In one side, long-term jobs started to decrease, especially due to privatization of public sector enterprises but it opened a new avenue of opportunities in micro and small enterprise sectors. To address this shift, most of the developing countries increased their focus on the promotion of both financial and non-financial Business Development Service (BDS) models (Barton, 1997). In the financial BDS model, entrepreneurs are provided both financial and non-financial BDS services. BDS clients are flexible to choose both components or any one of them (Rijneveld, 2006). Bangladesh's Grameen Bank model could be taken as an example of financial BDS.

In Nepal, restoration of democracy was taken place in 1990, and movement of economic liberalization also took place high. Many public enterprises were started to sale, partnered, or managed by private sector. Grameen Bank (GB) in Nepal could be taken as a replication of the Grameen model of Bangladesh. It has been established by the central bank in as 'Rural Regional Development Banks' in one of each development region in the early 1990s (Joshee, 2008). According to him, the GB model became popular due to its specific characteristics like. targeted to the poor, doorstep availability of services, loans were collateral-free, a good repayment rate, lending focused to women, management by professional bankers, and the having a strong impact on marginalized groups.

The changed political structure in the year 1990 caused Nepal to adapt the economic liberalization. To boost its economy, the promotion of SMEs was equally necessary for Nepal. But most of the SME promotion models were outdated for their standalone nature in Nepal. Many government and private sector skills and enterprise development programs were unable to bring intended impact in the economy. So, the resources spent by the government in those

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programs were considered almost waste. Therefore, Nepal was also in need of effective enterprise development models. Nepal has a target to achieve millennium development goals during 2000-2015. Poverty alleviation was an important target for Nepal as a part of MDG. Role of micro-and small enterprises was very important for Nepal to generate employment and achieve economic growth.

The international movements to search more effective models for the promotion of SMEs also influenced Nepal. Therefore, in the year 1998, the Ministry of Industry launched the Business Development Service model with combination of an array of six categories of enterprise development support services. This BDS model was successfully implemented in 10 districts as the first phase of the project funded by UNDP during 1998-2003. This BDS was a non-financial model. The cost of BDS is fully subsidized to the beneficiaries. The success of the first five-year phase attracted other donors to fund this BDS project of the Ministry of Industry. Therefore, the BDS model of the Ministry was able be extended in all the districts of Nepal for more 15 years i.e. till 2018. Currently, the Ministry of Industry is going to extend this BDS model in all the 753 Local Governance of the country under Micro-Enterprise Development Program for Poverty Alleviation - MED PA (Neupane, 2024).

In Nepal, the practices of market oriented holistic BDS model is implemented by Ministry of Industry in 1998. Before that, only standalone BDS services were in practice by government and private training providers. There is still lack of literature on BDS in Nepalese academics. Only countable research has been undertaken in this topic in Nepal. Most of the research are in the form of project evaluation reports funded by the Ministry of Industry and UNDP. Therefore, to analyze the impact of BDS components on micro-enterprise performance, this study has been undertaken. Kavrepalanchok District is selected through a purposive sampling method. A survey technique of beneficiaries was undertaken to assess the associations between BDS and performance of micro-enterprises.

Literature Review

Business Development Services (BDS)

According to UNDP (2004), BDS includes array of enterprise support services commonly needed to establish, grow, and sustain micro and small enterprises (SMEs). The main categories of BDS are shown in Table 1.

Table 1: *Common Service Categories of Business Development Services*

BDS Categories	Specific Services
Access to Market Supports	Market research and access to market information, Participation in trade fairs, Advertising and Packaging supports, Subcontracting and outsourcing, B2B and B2C linkage supports, etc.
Infrastructural Support	Storage, Warehousing and Transportation, Incubation Centers, Computer and Secretarial services, Internet and Telecommunication service etc.

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Policy and Advocacy	Training for Policy Advocacy, Policy constraints and opportunities analysis studies, Conferences for policy making etc.
Input Supply Services	Linking with input suppliers, Suppliers' capacity improvement, bulk buyer groups formation services, access to information service on sources of input supply etc.
Skill development training and Enterprise Management Supports	Skill and management training, Mentoring, Feasibility studies and business plans preparation supports, franchising, advisory and counseling services, legal and bookkeeping services, financial and tax advices etc.
Technology transfer and Product Development Supports	Support for technology transfer and commercialization, linkage with technology suppliers and quality procurement, product design services etc.
Access to Finance Support	Facilitation for different instruments of financing like for confirmed orders, equity financing, supplier credit, leasing and equipment rental etc.

Source: UNDP (2004)

The categories and services under such categories as presented in the table are general requisite of MSEs to create, grow and sustain their enterprises. Countries promote BDS programs with the aim of enterprise promotion. Promotion of enterprise helps alleviate poverty and achieve economic growth. Data reveals that SMEs generate more employment as compared to middle or large enterprises. SMEs help generate additional income and are means of self-employment. Due to the established importance of SMEs to national economy, most of the developing nations are promoting BDS free of cost till the promoted enterprises reach their self-standing stage. The costs incurred to provide BDS are substituted by the donor funding.

The BDS program designed to promote micro-enterprise in Nepal composed of six categories of support services including the selection and grouping of entrepreneurs (Thapa & Mathema, 2001). Entrepreneurship development training, skill development training, technology grant support, access to finance support, and marketing and market linkage support are the categories of BDS implemented by the Ministry of Industry.

Entrepreneurship development training is designed to disseminate theoretical knowledge on qualities of entrepreneurs, entrepreneurship, tools and techniques to identify business opportunities, market analysis, etc. Skill development training delivers basic level skill of 1 to 3 weeks' duration in the interested area by the selected entrepreneurs or based on their existing skills and abilities. The technology grants support helps entrepreneurs by facilitating obtaining technology purchase grants. Under the category of access to finance support, entrepreneurs are helped to make a link with financial institutions or interested investors. They are also supported for having meetings with financial institutions and preparing business plans. Under the category of marketing and market linkage, entrepreneurs are supported to the make contact with market. They are also helped through subsidized participation in trade fairs and business meetings (Neupane, 2024). The costs of all such services are fully subsidized by the Ministry of Industry, Government of Nepal apart from the 20% of the technology procurement cost. All

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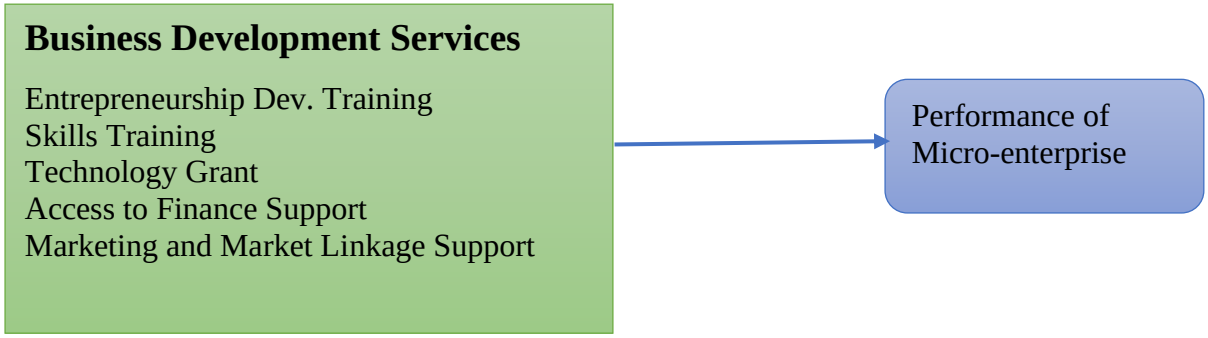
these categories of BDS services are scheduled to be delivered sequentially. Selected entrepreneurs are expected to reach their resilience stage within three years of selection to the BDS program.

Performance Indicators for Enterprise Development

Various criteria are found to measure enterprise performance. Some criteria are financial, and some are non-financial in nature. According to Bonger and Chileshe (2013), some performance measurement criteria are financial and some are non-financial. They have further identified that profitability, number of employees; sales turnover, market share, and capitalization of assets are the commonly used criteria for performance evaluation of SMEs used by many researchers. Satisfaction of customer, longer duration of employee retention, increased commitment toward entrepreneurship, and other managerial and operational efficiencies are used as non-financial performance indicators. Based on literature review, these criteria also seem suitable for measuring performance of micro-enterprises in this study. Therefore, a conceptual framework is prepared to lead this research work as shown in Figure 1.

Figure 1: *Conceptual Framework*



Source:

Research Methodology

This research follows descriptive research design. It uses a quantitative approach of data analysis. Business Development Service (BDS) components are independent variables and enterprise development performance is dependent variable while testing the relationships. Five Point Likert Scale is used while collecting opinion of micro-entrepreneurs on the extent of benefit they have realized from BDS components and the existing status of their enterprise performance. Both the descriptive and inferential statistical analysis have been performed for data analysis. The size of population of micro-entrepreneurs is 2998 among which 469 were sampled for interview and responded by 435. Random sample method was used to select micro-entrepreneurs. Although the impact of BDS is limited by the truthfulness in the opinion expressed by beneficiaries i.e. micro-entrepreneurs, the observation of micro-enterprises at the filed level has helped lessen the over reliability.

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Before going for the regression tests, diagnoses of the data through test of normality, linearity and multicollinearity are necessary. Normality of data has been tested using K-S test. Correlation test is undertaken for test of linear relationship among variables. Similarly, multicollinearity test helps to determine whether predictor variables have a high inter-correlation with one another or existence of homoscedasticity. Therefore, multicollinearity test was accomplished.

Results and Discussions

This section presents the opinion of micro-entrepreneurs on the benefits received from each of the BDS components and the existing performance status of their enterprise through descriptive data analysis. This section also presents the results from the inferential data analysis to show the magnitude of associations among BDS components and enterprise performance through correlation analysis. Finally, this section interprets the impact of each of the BDS components on the enterprise development through regression analysis. Table 2 presents descriptive statistics of benefits from all the BDS components.

Descriptive Analysis

The extent of benefits to micro-entrepreneurs from each of the BDS components are analyzed and presented using descriptive method of data analysis in this sub-section. Opinions of micro-entrepreneurs were collected in Likert scale as: 5 = Very Large Extent; 4 = Large Extent; 3 = To some-how extent; 2 = Little Extent; and 1 = Very Little Extent. The variables used are denoted as:

EDT = Entrepreneurship Development Training
SDT = Skill Development Training
TGS = Technology Grant Support
FAS = Access to Finance Support
MLS = Marketing and Market Linkage Support

While preparing the questionnaires on the obtained advantages of entrepreneurship development training, the criteria on monitoring and assessment used by Cottage and Small Industries Development Board (CSIDB) cited in Gurung (1999) are consulted. Start and Improve Your Business (SIYB) implementation manual by Majurin (2014) and ILO (2015) are also consulted. The other consulted documents are SIYB (L1) Summary Report 2000-2016 (Thapa, 2017) and Desktop Manual (MEDEP, 2017) to prepare questionnaire on the benefits from EDT.

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Table 2: *Benefits from Business Development Services (N=435)*

BDS Categories	Questions	Mean	Std.	Min.	Max.
Entrepreneurship Development Training (EDT)	I am able to identify business opportunities after EDT	3.94	1.276	1	5
	I am more committed toward entrepreneurship after EDT	3.90	1.294	1	5
	EDT taught me technique of market survey	2.88	1.045	1	5
	I learn to prepare my business plan from EDT	2.85	1.083	1	5
	EDT is very supportive to develop my entrepreneurial ability	3.86	1.424	1	5
	Average Scores on EDT	3.48	1.224	1	5
Skills Development Training (SDT)	The duration of SDT was satisfying	3.66	1.002	1	5
	I enjoyed SDT because it was in the area of my interest and choice	4.15	.886	2	5
	SDT provided sufficient practice to me	3.11	.976	1	5
	SDT built high confidence to start or improve my enterprise	4.06	1.127	1	5
	Average Scores on SDT	3.74	0.798	1.25	5
Technology Grant Support (TGS)	Obtained technology is very cost-effective	4.17	.800	2	5
	The obtained technology helped to increase product safety	4.01	.958	1	5
	The obtained technology helped to increase product quality	3.92	1.004	1	5
	I got support for product development	3.79	1.081	1	5
	The obtained technology is easy to operate	4.23	.747	2	5
	Average Scores on TGS	4.02	0.918	1.4	5
Financial Access Support (FAS)	Counseling services helped on saving and mobilization for start-up fund	3.04	.990	1	5
	We observed readily availability of service provider as and when needed	2.78	.935	1	5
	Service provider assisted us to link with financial institutions	2.78	.785	1	5
	Average Scores on FAS	2.87	0.903	1	5
Marketing and Linkage Support (MLS)	I learned to prepare marketing plan	3.16	1.151	1	5
	Counseling on techniques of product/service promotion was very useful to me	3.17	1.021	1	5
	I am supported for making better market linkage/exposures	2.72	1.355	1	5
	Average Scores on MLS	3.02	1.18	1	5
	Aggregate Value of Benefits from BDS	3.43	0.847	1.64	4.56

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ILO's SIYB model was also supported by UNDP. The model is used first time by MEDEP in 2001 (ILO, 2015) in delivering EDT to micro-entrepreneurs. Among the five questions, entrepreneurs opined that they benefitted from EDT to a large extent in three questions and to some extent in two questions. Overall, the mean value 3.48 indicates that EDT has helped enterprise performance improvement to a large extent. The findings of Gurung (1999) also agree that EDT is very useful for disseminating knowledge on entrepreneurship and increasing entrepreneurs' commitment along with sharing techniques of opportunity identification.

Short-term skill training of 1 week to 3 months was provided to micro-entrepreneurs based on their existing skills, interest, and market demand. In aggregate, micro-entrepreneurs found supported by skills development training to a large scale having mean score 3.74.

Technology grant support follows the skills development training. BDS providers subsidize all or eighty percent of the cost of equipment purchase in this service category. New iron-made stands to carpet waivers, necessary tools for painting to Thanka painters, establishment of common sales counters to vegetable farmers, crop farming and fertilizing tools to farmers, tractor for farmers' group, modern tailoring machines to Tailors, dyes for incense sticks and candle makers, trough feeder to poultry farmers, shed to live-stock farmers are observed during the field survey subsidized as technology grant support. The BDS provider has made some well-equipped Common Facility Centers (CFCs) to be used by Ironworkers. In aggregate, micro-entrepreneurs found benefitted from technology grant support to a very large extent having mean score 4.02.

Group of micro-entrepreneurs are formed for similar nature of enterprises. Groups are oriented for practicing small amount of saving everyday so that the collective sum of big amount can be mobilized as and when needed to individual entrepreneurs. Most of the micro-entrepreneurs in the group were found effectively utilize such savings. During the field survey, most of the micro-entrepreneurs observed relied on group savings rather than borrowing from financial institutions. The funds collected from group savings were also sufficient for most of the micro-entrepreneurs since they have a requirement of small amounts only for undertaking their enterprise activities. Average score 2.87 of financial access support component of BDS indicates that BDS has helped their performance improvement to somehow extent.

The average score 3.02 of market linkage support indicates that it has helped to improve performance to a large extent. Different nature of micro-enterprise observed different types of marketing supports during the field visit. Vegetable producers were using common sales counters and cold storage, incense sticks and shoe producers were facilitated by discount on exhibitions during trade fairs, shoe producers were also assisted to form and make linkage with product association, milk producers were linked with value chain actors, poultry and livestock farmers were linked with local and city suppliers. Carpet wavers, Thanka painters, and Mask producers were facilitated for directly outsourced by middlemen and exporters.

Iron workers were found busy with delivering orders for agricultural tools and local construction works i. e. making sheds, houses etc. Some iron workers observed able to extend their business to jewel production businesses in Kathmandu valley. UNDP (2018) has also

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identified that the products and services of micro-entrepreneurs have enough market in local level that's why most of them don't need any middlemen.

Some micro-entrepreneurs were observed diversified their products and business portfolios. Some of them were found extensively engaged in multiple business. For example, vegetables farmers were also added animal husbandry and milk-production business. Some hoteliers have started poultry farming which was one of the important input to their business. Similar observations were also reported by UNDP (2018). Overall mean score of 3.43 for BDS indicates that it has helped improve performance to a large extent.

Enterprise Performance

Six questions were asked to measure the performance of their enterprise as presented in Table 7. More than 73% of entrepreneurs are experiencing a consistent increase in sales. This finding is also supported by the study findings of Abadr (2015) and Nganu (2018). Narma Consultancy (2010) had also reported alike. They have reported that micro-entrepreneurs were utilizing their generated sales revenue in multiple purposes including reinvestment of a part of income for business growth.

Table 3: *Enterprise Performance (N=435)*

Items	Items	Mean	Std.	Min.	Max.
1	I am observing a consistent increase in sales in my enterprise	3.65	1.541	1	5
2	Product varieties or business portfolios have been increased	3.11	1.496	1	5
3	Number of employees increased in my business	2.71	1.316	1	5
4	Capital raised with the amount of retained income from business	3.58	1.514	1	5
5	I am satisfied with my entrepreneurial life	3.65	1.518	1	5
6	I am more committed toward the enterprise business	3.77	1.573	1	5
	Aggregate Score for Enterprise Performance	**3.41**	**1.402**	**1**	**5**

Micro-entrepreneurs found increased employees to somehow extent. This finding matches DRTC (2015), DRTC has identified that most of the entrepreneurs are involved in the agriculture and forest sectors. They were assisted by their family members. Therefore, they have less requirement for additional employees. Only services and artisan sector entrepreneurs have observed outsourced additional employee. Entrepreneurs agreed on reinvesting a share of profit in raising investment to a large extent. This finding also matches with the research findings of Nganu (2018) and Abadr (2015).

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Entrepreneurs are satisfied by undertaking enterprise business to a large extent. Their commitment to entrepreneurial life has also increased to a large extent. Therefore, these non-financial measures also indicate that BDS has helped to improve enterprise performance. Overall, both financial and non-financial performance indicators indicate positive impact of BDS to a large extent.

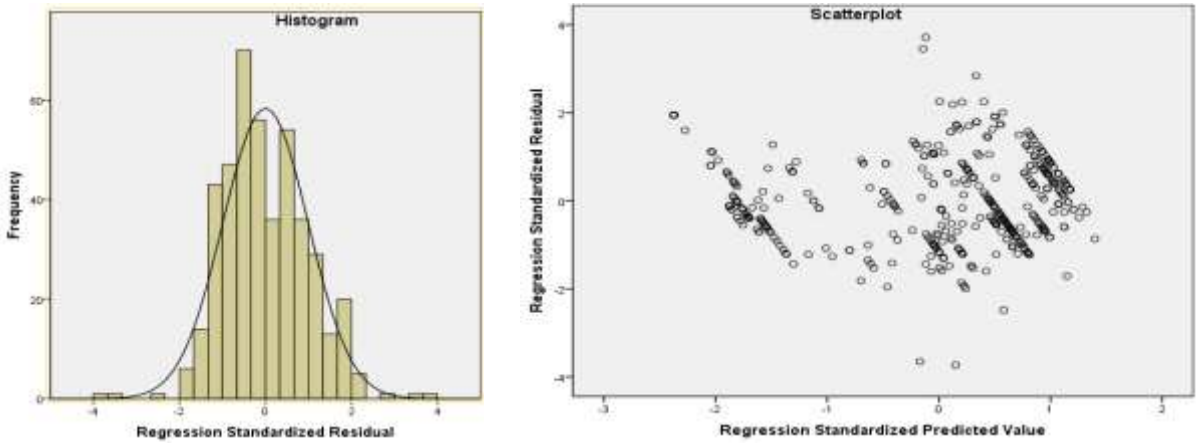
Diagnostic Tests

Hair et al. (2010) have suggested to test normality and multicollinearity as they are key assumptions of regression analysis. According to Field (2009), least square is a way of finding a line that 'best fit the data'. In regression analysis, the line is our model which is used to predict values of Y (dependent variable) from values of X (independent variable) and the differences are usually called residuals. Linearity, normality and multicollinearity are tested to ensure that the data and variables meet the basic assumptions of testing linear regression.

Tests for Normality

In a Histogram, observation of the bell-shaped symmetrical curve having maximum scores in the middle and lesser in the edges is crucial for normality. Frequencies are represented by vertical bars (Field, 2009). As indicated by Figure 2, the Histogram shows that distributions are symmetrical since the frequency polygon is drawn in a typical bell shape and most of the lines are within the center. From the figure, it is concluded that the residuals in the model are normally distributed and not skewed.

Figure 2: *Histogram and Scatter Plot of Residuals*



Scatterplot takes data in pairs for both dependent and independent variables and displays dots in relation to their values (Kumar, 2011). Dots in Figure 1 are not scattered haphazardly. The data points are randomly and evenly dispersed throughout the plot. Field (2009) has stated that such a pattern of data in a scatterplot is an indication of meeting the 'assumption of linearity and homoscedasticity'. It also meant that data of both variables follow equal variances or resemble homoscedasticity.

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Seskin (2000) has stated that if relationship between the predictor and predicted variables is of equal strength across the whole range of both variables, homoscedasticity exists which is the opposite of heteroscedasticity. It will enhance the accuracy of prediction based on the regression line. Therefore, the scatter plot shows that there is a linear relationship between dependent and independent variables and indicates no problem of heteroscedasticity. Therefore, the overall regression model is accurate for this data. Before reaching a conclusion from the observation of the plots, the outcome of Kolmogorav-Smirnorv (K-S) test on the standardized residuals is presented below.

Ho: The sample data is normally distributed

H_1: The sample data is not normally distributed

Table 4: *One Sample Kolmogorov-Smirnoffe Test of Residual*

	Standardized Residuals
N	435
Kolmogorov-Smirnov Z	1.273
Asymp. Sig. (Two Tailed)	.078

If the observed significant level i.e., p value is less than 0.05, the null hypothesis is rejected (Garth, 2008). K-S one sample test verifies the normality of residuals given that Asymp. Sig. (Two Tailed) = 0.078 is greater than 0.05. The estimated model (H_0) is highly significant. K-S one sample test proves the normality of residuals. Reject H_1 and accept H_0 and conclude that the data are normally distributed.

Diagnosis of Linearity Through Pearson's Correlation Test

Pearson's correlation coefficients are designed primarily for looking at linear relationships (Garth, 2008). Table 5 shows the calculated correlation coefficient between dependent and independent variables. According to Kothari (2004), Karl Pearson's coefficient of correlation requires causally related variables i.e. dependent and independent, but it is not indicative of the degree of cause and effect between them. Therefore, correlation coefficients show the magnitude of the linear relationship between two sets of data.

Table 5: *Correlation Matrix Between Explanatory and Explained Variables*

Variables	Performance	EDT	SDT	APT	FAS	MLS
Performance	1					
EDT	.940	1				
SDT	.899	.900	1			
APT	.824	.834	.847	1		
FAS	.838	.843	.798	.714	1	
MLS	.745	.753	.663	.646	.573	1

Correlation value equal to or greater than 0.6 indicates strong associations among variables (Stockemer et al., 2019). All the calculated values of correlation are greater than 0.6. It shows

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a strong positive association between BDS components and micro-enterprise performance apart from financial access support. Financial access support has a middle level positive association with micro-enterprise performance.

Test for Multicollinearity

Since it is concluded that almost all the variables are strongly correlated in a positive direction, Seskin (2000) states that the term multicollinearity is used to describe a situation where predictor variables have a high inter-correlation with one another. The absence of correlation between independent variables makes it hard to determine the separate effects of individual variables whereas a perfect positive and negative correlation means variables are precisely related or as stated by Stockemer et al. (2019) 'the more two variables are correlated, the more they will take explanatory power from each other thus resulting in multi-collinearity problem' (Kothari, 2004). Therefore, to see the predicting power of independent variables, a multi-collinearity test has been conducted to test whether such strong associations are problematic or not as shown in Table 6.

Table 6: *Test for Multi-collinearity*

		Multicollinearity	
Model		Tolerance	VIF
1	(Constant)		
	EDT	.105	9.481
	SDT	.154	6.495
	APT	.254	3.936
	GSFAS	.273	3.659
	MLS	.417	2.398

Examination of VIFs or tolerance of the explanatory variables are considered a useful approach to diagnose multicollinearity problems. Landau and Everitt (2004) have stated that in general. Value of VIF>10 or value of tolerance<0.1 are seen as a cause of concern, while testing for multicollinearity. As a rule of thumb, a tolerance value below 0.1 or VIF value greater than 10 is considered a serious problem of multicollinearity (Landau & Everitt, 2004). The observed value for EDT is close to concern and just skipped the situation for a serious concern. Therefore, since the obtained VIF values for our model are less than 10 and the tolerance value is greater than 0.1, we can conclude that there is no multicollinearity problem in our data.

H_1: BDS components have a statistically significant contribution to Enterprise Development.

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Table 7: *Regression coefficients of BDS components on Enterprise Development and Sustainability*

Model	R^2	F	Sig.a	Coefficients			
1	.909	853.776	0.000		Coefficients	T	Sig
				(Constant)		-12.990	.000
				EDT	.482	10.720	.000
				SDT	.233	6.270	.000
				APT	.046	1.598	.137
				FAS	.148	5.296	.000
				MLS	.113	5.020	.000

a. Predictors: (Constant), EDT, SDT, APT, FAS, MLS
b. Dependent Variable: Performance

R^2 .909 indicates 90.9% variability explained by BDS in the dependent variable enterprise performance. F indicates that the predictors significantly predict the dependent variable i.e. F (5,429) =853.776, $p<0.05$ at a confidence level of 95 percent. Hence, it is concluded that BDS components significantly contribute to enterprise performance development. Samson (2014) has found 77% explanation of BDS to enterprise performance with F value =24.049 and p-value 0.000 at a confidence level of 95 percent. Study of Mengsite (2016) also supports finding of this research.

Based on the calculated value of Beta coefficients, market linkage support and financial access supports have less impact on performance compared to other components. The mean value from descriptive statistics also calculated the similar result. Therefore, the result from descriptive analysis matched the result of regression analysis. The BDS provider should focus on linking with financial institutions and markets to improve the effectiveness of these components.

Conclusion

The descriptive analysis has revealed that micro-entrepreneurs have gained advantages from each category of BDS to improve performance of their enterprise through consistent increase in sales, increased number of employees to some extent, profitability that helped achieve investment growth, diversified product or business portfolio, and satisfaction with increased commitment toward entrepreneurship. The correlation analysis also exposed the positive relationship among BDS components and enterprise performance. The result of regression test also indicated significant impact of BDS components to enterprise performance. Therefore, it is concluded that BDS has a significant positive impact on enterprise performance of micro-entrepreneurs.

The market support and financial access support components have some moderate level impact compared to other BDS components. Basically, BDS providers should focus more on linking entrepreneurs with markets and financial institutions. BDS providers also should focus on the

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needs of specific types of enterprise so that the offered services could be tailor made to some extent for more effective enterprise performance.

Policymakers should recommend to replicate this model in various other government departments. Standalone training providers must also replicate this model to enhance effectiveness of their programs. Future researcher could focus their research on service providers' challenges working in this model. Sustainability of this model in Nepal could also be researched. Comparative effectiveness analysis across regions could also be undertaken by future researcher in this topic.

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