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# Small Enterprises Research and Development Foundation

1985

1985



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Quezon City

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1 vol  
2 vols  
3 vols

DEVELOPMENT OF ENTREPRENEURS FOR  
COTTAGE, SMALL AND MEDIUM INDUSTRIES

PHI/86/018

MODEL SCHEMES

- \* The Final Report
- \* The Youth in Mass Media
- \* Technology-Based Entrepreneurship Development Program
- \* Community-Based Entrepreneurship Development Programme
- \* Returning Overseas Contract Workers
- \* University-Industry Linkages
- \* An Intrapreneurship Development Programme

**DEVELOPMENT OF  
ENTREPRENEURS FOR  
COTTAGE, SMALL AND  
MEDIUM INDUSTRIES**

**PHI/86/011**

**FINAL REPORT**

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06 March 1990

MODEL SCHEMES  
of  
ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES  
Subcontract No. 88/96

for the project  
DEVELOPMENT OF ENTREPRENEURS FOR COTTAGE,  
SMALL AND MEDIUM INDUSTRIES  
PHI/86/018

Prepared by the  
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acting as implementing agency for the

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THIS IS ONE OF THE SIA OUTPUTS OF THE PROJECT ENTITLED  
"DEVELOPMENT OF ENTREPRENEURS FOR COTTAGE, SMALL AND MEDIUM  
INDUSTRIES" (PHI/84/618)

Purpose of the Project:

To assist the government in developing and improving institutions in enterprise and entrepreneurship development with beneficiaries provided with direct support.

Objectives:

The development objective of the project is to promote employment through the establishment of cottage, small and medium-scale enterprises in rural and urban areas. The immediate objectives are:

1. to establish a nationwide, coordinated, integrated and systematized long-term programme for entrepreneurship development.
2. to promote and develop entrepreneurship through the implementation of pilot programmes among selected target groups/industrial subsectors in selected regions of the country.
3. to improve institutional linkages and mechanisms especially for sustained follow up support services by appropriate government agencies.
4. to develop approaches and mechanisms for the identification/fostering of successful entrepreneurial behaviour for industrial operations.
5. to package and disseminate on the successful approaches/techniques for entrepreneurial development to facilitate replication in other industrial subsectors and regions of the country.

## OUTPUTS

The actual outputs are the following:

1. Directory of institutions involved in entrepreneurship development classified according to:
  - location
  - government or non-government
  - services offered
  - delivery systems
  
2. Reports of three pilot programmes with selected target groups, namely:
  - 21 existing and prospective entrepreneurs from Camarines Sur to engage in agro-based industries utilizing appropriate technologies for soap-making, essential oil extraction or farming of lemon grass, ilang-ilang and citronella and other oil-yielding plants.
  - 22 youth from Metro Manila involved in the mass media and related industries.
  - 31 women weavers in a community-based project implemented in the Mountain Province; they were organized into a production cooperative and now being oriented toward self-reliance.

3. Documentation outputs of the project are:

- 1 integrated VTR document on the whole project and 3 VTR documents on each of the pilot programmes
- 9 case studies on individual beneficiaries
- 1 case study for a group beneficiary women's cooperative
- 3 case studies on the pilot entrepreneurship development programmes

4. Report on an impact Study which seeks to

- validate the selection scheme
- compare the performance of the programme beneficiaries with that of a similar but unassisted group
- draw out lessons on implementing an entrepreneurship development programmes from the pilot programmes.

5. Model schemes, which are specially addressed to the following target group:

- youth in the mass media industries
- community-based entrepreneurs
- technology-based entrepreneurs
- college students and graduates (university and industry linkages)
- returning overseas contract worker
- intrapreneurs

6. Replication scheme resulting from post project workshop-seminar among representatives from institutions all over the country involved in entrepreneurship development programmes.

MODEL SCHEMES  
for  
ENTREPRENEURSHIP DEVELOPMENT PROGRAMMES

RATIONALE

The project entitled Development of Entrepreneurs for Cottage, Small and Medium Industries was designed in order to determine variations in approaches, strategies and delivery systems in implementing entrepreneurship programmes. Based on the experience of the Institute for Small-Scale Industries of the University of the Philippines (UPISSI), entrepreneurs come from diverse origins and depending on their environment and exposure, business undertakings become long-term ventures. Thus, it is assumed that there must be some aspects in development programmes which will either motivate or make people choose entrepreneurship as an option early in life than those who have ventured into entrepreneurial undertakings in their mid-forties.

A UPISSI study conducted in 1965 shows that the average age of entrepreneurs in the small industry sector are within the age bracket 40 to 49. The average age is 44 years old. Furthermore, on the origins of Filipino entrepreneurs, it was found that generally, they are:

- born of parents who are permissive and middle-class rather than authoritarian and poor;
- raised by parents who are in the business or in related occupations;

- from small families;
- from migrant families; and
- from families which have experienced crisis situation.

As the pioneer in developing entrepreneurship programmes in the Philippines and to some extent in the Southeast Asian region, the UPISSI, through this project, has packaged into model schemes its observations and experiences in enterprise development with target groups as the focal point. Since successful entrepreneurs come from different environments, cultures, social and economic strata, the personal entrepreneurial competencies were considered as the common behavioural patterns which were integrated in all of the models. Thus, the models were based from the experiences of UPISSI, the SERDEF and the pilot programmes of this project.

The model schemes were developed after identifying the potential beneficiaries from among the economic groups believed to have potentials for development. Three of the sectors were target beneficiaries of the pilot programmes. These groups have not been tapped by any entrepreneurship-oriented agency nor have the beneficiaries undergone any entrepreneurship development programmes. The three other groups may have directly or indirectly benefitted from enterprise and/or entrepreneurship development programmes.

With the emergence of many entrepreneurship development programmes in the country, this project records the experience of UPISSI and the SERDEF in designing and carrying out its target group specific entrepreneurship programs. The experience has shown that there are variations in entry activity if the chances of selecting a potential entrepreneur is a primary concern.

#### OBJECTIVES

Under a subcontract with the Small Enterprises Research and Development Foundation, Inc., the Model Scheme component was aimed at developing model schemes which will stimulate entrepreneurial initiatives among specific groups of clients or beneficiaries. The model schemes must be developed into comprehensive programmes considering the environment and socio-cultural background of the target group and the expertise and resources of the development agency/institution.

The two-pronged objectives are:

- to promote self-employment schemes or entrepreneurship among a particular target group or sector; and
- to contribute to the enhancement of economic development through effective means of promoting income generating or self-employment schemes.

## ACTIVITIES

Many activities of three models were undertaken in coordination with the pilot projects. There were many lessons that was derived in the process, so that model schemes on the target groups of the pilot programme were taken as substantive inputs.

Hereunder are the results of the activities undertaken by the project team for the development of the model schemes:

1. Organization of the project team  
Writers were selected from the senior staff of the UPISSI and SERDEF.
2. Development of the framework defining the target groups consisting of
  - university students
  - returning overseas contract workers
  - intrapreneurs
3. Literature review of entrepreneurship development programmes in the Philippines showed that it is the UPISSI which has an extensive experience in this field either as the primary proponent or the implementor. Thus in some models similar experiences in other countries were cited.
4. For the three models based on the pilot programmes, the lessons derived were integrated in the strategies.

5. Identification of institutions with whom the models will be worked out took a longer period. The idea was to "sell" entrepreneurship development as another option for income generation.
6. The needs, characteristics, and competencies of the target groups were identified and analyzed together with the institutions with whom the models were worked out.
7. Preparation of the models were affected by the following:
  - activities in the pilot programmes
  - intervening activities of the invited institutions
  - inaccessibility of some target participants
  - national disturbances (coup e'tat attempts)
  - conflict in schedule between the SERDEF staff and the participating institutions
8. Development of selection instrument was completed only in February 1990 after the post-workshop activity. This workshop was aimed at developing the model entrepreneurship development strategy. The result was a new application form which took into consideration the learnings from the project and the results of the Impact Study.
9. Series of meetings and workshops with the participating institutions started only in the second semester when there was a better comprehension of the project goals. Even these were fulfilled in part.



10. The model schemes were developed in such a way that the users must adapt the scheme according to both economic and entrepreneurial environment in order to make it workable.

#### APPROACH

The approach used in all the six models consisted of a description of the target group, their personal entrepreneurial competencies and their needs. All groups are important in the light of the objectives of the national development programme of the country. Either a literature review or a description of existing or similar undertakings were cited and analysed from which the model scheme evolved. Three of the model schemes cited the experience learned from the pilot programmes of the project.

The schemes recognized the need for financing and support services which will render the project viable. A listing of the support services were itemized considering the growth stages of the business.

Training-oriented activities were likewise considered necessary since this is considered the most humane in changing people. They are also less threatening and subtle in approach.

## IDENTIFICATION AND SELECTION OF TARGET PARTICIPANTS

The usual entry activity in the process of promoting entrepreneurship is the identification of the sector or regions where there are groups or individuals who are predisposed towards entrepreneurship. Since not all the individuals who respond to calls or invitation for training possess the necessary personal entrepreneurial competencies, it is therefore useful to be selective in admitting participants to such programmes.

Identification and selection tools and techniques had been developed and were proven to be effective in evaluating entrepreneurial potential of an individual. The Management Systems International, Inc. (MSI) developed and tested selection instruments based on a set of personal entrepreneurial characteristics in collaboration with David McClelland, who specialized in job competency analysis and behavioural research. The MSI procedure employs a three-step process, namely,

1. a pre-selection screening application
2. a scoring of the application and pre-selection of applicants to interview:
3. The selection interview, designed in two parts
  - discussion of the candidate's business idea, resources and overall readiness to enter the programme.
  - focused interview to assess personal entrepreneurial characteristics of each candidate.

The use of the three tools and techniques require training and experience. None of these selection instruments should be used as the sole means of selecting individuals to participate in entrepreneurship training. Ultimately, every entrepreneurship programme must have criteria for selection before the promotional activity. These may include such variables as geographic location, type and size of enterprise, ethnicity, gender, employment experience, educational background, etc.

#### THE TARGET GROUPS

The experience in the pilot programmes are worthy of replication. The target groups are:

- The youth in the mass media industries has not been an active participant in entrepreneurship development programmes. Many youth-oriented programmes were on skills training, industry development and civic projects. The youth should be trained in business skills development because they form the majority of potential entrepreneurs. The mass media industry is attractive to many young people. However, once a part of the industry, the youth do not stay long because they join these activities at their leisure. The income-generation potential in this industry is not as real as when one is employed. There are many opportunities in the mass media industries especially if the commercial aspect is given prominence.

- Community-based model schemes are possible when there are individuals who have common interests or needs and can be identified from the population. There are 13 potential target groups described in the model. One cannot be gender specific except in activities where weaving and embroidery are the major activities.
- Technology-based entrepreneurs can be developed only if the lead or resource institution has an appropriate or mature technology which will interest the proponents. The Philippines must prepare for production efficient systems so that products and services can survive and compete in the world market. Therefore, the need to enhance the use of technological innovations and inventions in pursuing entrepreneurial projects are very important strategies.
- University-industry linkages is seen as a strong and stable seedbed for developing potential entrepreneurs. The effort of the academe to be more responsive to the needs of industry can be nurtured with a strong commitment from industry to allow the students to be apprentices or trainees in their companies. In turn the schools must adequately prepare the students to take up simple tasks in the business firms. These can be done by enriching the curriculum with entrepreneurship development concepts and designing electives which

will directly provide the students with specific skills or knowledge.

- Returning overseas contract workers must find productive use of their hard earned money. One alternative is to develop them to think and consider entrepreneurial undertakings when they return to the country. These "ner herces" bring into the country over two billion pesos of money every year. Many of them put their money in durable commodities, housing or land acquisition. Others put up simple businesses while many continuously look for another work abroad. Opportunities are not as great for the Filipinos as before because now they have to compete with other Asians like the Indonesians, Sri Lankans and the Koreans. Through the agencies of government looking after their welfare, entrepreneurship development is considered as preparations for longer enjoyment of hard-earned money.
- Employees from the large scale industries are good targets for intrapreneurship development. At some point in an employee's stint with a firm he can no longer leave the company because of the feeling of insecurity, excellent retirement benefits, and reluctance to "start all over again." However, there are employees who are active in continuously improving or inventing something. They must be allowed to work out these inventions/innovations as possible additional

profit for the company. Thus, while using company facilities, the employee can harness its competencies by going intrapreneuring.

## THE MODEL SCHEMES

### 1. Specific Target Group

The rationale of the model schemes described the potentials in the specific target group. Three of the models were based on the beneficiaries of DECSMI's three pilot programmes, while the three others were explained UPISSI's concern as a development institution.

The users of these models are cautioned against the idea that entrepreneurship programmes are the means in venturing into a business. It must be noted that the individual beneficiary must have the need and the motivation to go into business. Behaviourists claim that the motivation is a result of a certain stimulus or a combination of stimuli, which could be economic, political, social or material.

### 2. Selection Scheme

The models start with a selection scheme which is an instrument to gauge the personal entrepreneurial competencies. The instrument is the Application Form, Appendix 1. The instrument is patterned after that used in the pilot programmes of the project and lessons learned in the Impact Study component of this project. This instrument was a combination of the Management Systems International (MSI) approach and the ISMI experience. Much of the

interpretation lies in the administration of the questionnaires and processing of answers. Therefore, there is the need to see that the training design integrates the behavioural analysis aspect. For countryside application, the questionnaire may have to be translated in Filipino as in the case of the one used for overseas contract workers.

### 3. Components of the Entrepreneurship Development Schemes

3.1 Entrepreneurship Motivation Session is a good intervention in making the beneficiaries think of productive activities which interest them.

3.2 Training as a subtle way of knowledge upgrading is highly acceptable. This may come in many forms like workshop, demonstration, on the job, etc. The models have made use of the project cycle in designing the programmes. Appendix 2 describes the project cycle of cottage, small and medium scale businesses.

Another activity under the training component is the preparation of a business plan. Experience showed that potential entrepreneurs who prepare business plans are likely to succeed. (Appendix 3)

3.3 Support Systems for the target groups were identified. The system is a combination of the following services which may be offered by one or several institutions:

- counselling or extension services
- sourcing/providing funds and other inputs

- information and research
- marketing and production assistance
- monitoring and evaluation

4. Policy declarations by the branches of government entrusted with trade, industry, commerce and education will provide guidance in developing the models into operational projects. Local government ordinances are gauges for the entrepreneurial climate. Likewise is true for institutions like the NMYC when programmes for the youth are to require networking and cooperation from other institutions.
5. An evaluation mechanism should be installed at the time the entrepreneurship program is being designed. Socio-cultural and technological differences are variable factors which are sometimes considered in the light of the prevailing condition in the area.
6. A functional organization is included as an attempt to guide users. There is a need to have a lead institution that can either coordinate the activities or provide a number of services.
7. Typical expense items are itemized to provide basis for the preparation of a budget.

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APPENDIX I-A

APPLICATION FORM

Program Applied For: \_\_\_\_\_

1. Name \_\_\_\_\_

2. Sex \_\_\_\_\_

3. Date of Birth \_\_\_\_\_

4. Age \_\_\_\_\_

5. Address \_\_\_\_\_

Home \_\_\_\_\_

Tel. \_\_\_\_\_

Office \_\_\_\_\_

Tel. \_\_\_\_\_

6. Family

6.1. Status

\_\_\_\_ Never Married

\_\_\_\_ Divorced/separated

\_\_\_\_ Married

\_\_\_\_ Widowed

6.2. Do you have children? \_\_\_\_\_ Yes \_\_\_\_\_ No

6.3. Are you:

\_\_\_\_ Eldest \_\_\_\_\_ Middle \_\_\_\_\_ Youngest child

6.4. Did your mother or father ever own a business? \_\_\_\_\_ Yes \_\_\_\_\_ No

IF YES, were you involved in it? \_\_\_\_\_ Yes \_\_\_\_\_ No

6.5. Did any of your relatives ever own a business? \_\_\_\_\_ Yes \_\_\_\_\_ No

IF YES, were you involved in it? \_\_\_\_\_ Yes \_\_\_\_\_ No

7. Did any of your friends ever own a business? \_\_\_\_\_ Yes \_\_\_\_\_ No

IF YES, were you involved in it? \_\_\_\_\_ Yes \_\_\_\_\_ No

8. Are you a member of an association? \_\_\_\_\_ Yes \_\_\_\_\_ No

IF YES, is it \_\_\_\_\_ civic  
 \_\_\_\_\_ trade/industry  
 \_\_\_\_\_ professional  
 \_\_\_\_\_ others (SPECIFY \_\_\_\_\_)

9. Level of education (Mark ALL appropriate answers)  
Level How many years?

\_\_\_\_ Elementary \_\_\_\_\_

\_\_\_\_ Secondary \_\_\_\_\_

\_\_\_\_ College/University \_\_\_\_\_

\_\_\_\_ Vocational/Technical \_\_\_\_\_

Course/Training

Institution

(Start with the latest)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

10. Experience (Start with present position)

Company/Organization

Position

No. of Years

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

11. a. Have you ever gone into business?    \_\_\_ Yes    \_\_\_ No  
b. Have you ever obtained a business loan    \_\_\_ Yes    \_\_\_ No

12. Do you intend to go into business?    \_\_\_ Yes    \_\_\_ No  
How much money do you intend to put  
into business? \_\_\_\_\_

13. At what age did you first think of going into  
business? \_\_\_\_\_

14. How did you get to know of this program?

- \_\_\_ advertisement
- \_\_\_ invitation
- \_\_\_ newspaper
- \_\_\_ radio/t.v.
- \_\_\_ others (SPECIFY \_\_\_\_\_)

15. Will you be able to attend the course on a  
full-time basis?    \_\_\_ Yes    \_\_\_ No

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

ENTREPRENEURSHIP DEVELOPMENT PROGRAM

INTERVIEW SHEET

Title of program: \_\_\_\_\_

- 1. Name:
- 2. Sex:      3. Age:      4. Date of birth:
- 5. Address:      Tel.  
Home:  
Office:

6. BUSINESS EXPOSURE

- 6.1 What kind of business did:
  - 6.1.1 Your father/mother have?
  - 6.1.2 Your relatives have?
  - 6.1.3 Your friends have?
- 6.2 What is your role in:
  - 6.2.1 Your father/mother's business?
  - 6.2.2 Your relative's business?
  - 6.2.3 Your friend's business?
- 6.3 What happened to:
  - 6.3.1 Your father/mother's business?
  - 6.3.2 Your relative's business?
  - 6.3.3 Your friend's business?
- 6.4 What have you learned from your involvement in:
  - 6.4.1 Your father/mother's business?
  - 6.4.2 Your relative's business?
  - 6.4.3 Your friend's business?

PERSONAL BUSINESS EXPERIENCE

7. What kind(s) of business have you yourself engaged in -- now or in the past?

Bus. # 1                      Bus. # 2                      Bus. # 3

7.1  
Date begun: \_\_\_\_\_

7.2  
Start-up cap. \_\_\_\_\_

8. How would you describe your present business?

Bus. # 1                      Bus. # 2                      Bus. # 3

Profitable

Breaking even

Losing

About to close

Other (Pls. specify: \_\_\_\_\_)

9. If you need a loan, where can you source it?

- Family
- Friends
- Moneylender
- Banks
- Other (Pls. specify: \_\_\_\_\_)

10. What are your business plans?

- Set up new business
- Expand present business
- Diversify present business
- Other (Pls. specify: \_\_\_\_\_)

11. Nature of business project:

11.1 Origin of idea/What made you choose it?

11.2 What is the status of your business plan?

Business idea stage

Business plan stage

Registration stage

Pre-operation stage

Have sought assistance

(Pls. specify: \_\_\_\_\_)

Investment stage

Other (Pls. specify: \_\_\_\_\_)

11.3 What makes you think your project will succeed?

11.4 What difficulties have you met in starting your business or trying to achieve your business plans?

11.4 Have you discussed your plan with other people?

Yes

No

11.4.1 If so, with whom?

11.4.2 If so, what was the reaction?

12. have you placed investments in:

Real estate

Money market

T-bills

Other (Pls. specify: \_\_\_\_\_)

13. What securities/collaterals can you offer if necessary?

14. What other training courses have you attended apart from those you have mentioned in the application form?

14.1 How are these training courses relevant to your business plans?

---

Interviewer

---

Date

## THE PROJECT CYCLE

### 1. Identification of the business project

The first question of the potential entrepreneur would be what business to go into. While government plans and projects are rich sources of information for business opportunities, the would be entrepreneur will consider such factors as capital outlay, available resources, levels of risk potential markets, and profits.

### 2. Formulating the business plans

Having selected the business venture from an array of potentially viable business ideas, a business plan must be prepared. Others may opt for a pre-feasibility study, while others will just compute for the project cost. The usefulness of a business plan or a feasibility study has been found essential in developing business strategies.

The business plan consists of plans on the marketing aspect, the technical or production plans, the personnel and organizational study and the financial aspect. There may be studies which will lead to discontinuation of the project.

### 3. Sourcing and Negotiation

The potential entrepreneur shall determine the sources of funds and decides the proportion of loan to equity. Another option will be to invite shareholders or partners and determine

the ratio of ownership so that the required capitalization is raised.

If a bank loan is preferred, then negotiation for the funds will ensue. The business plan will be a very useful document to be presented to the bank for the credit facility.

#### 4. Organizing the business

One of the first activities of the potential entrepreneur is to acquire land or site for the business, construct the physical structure, place orders for supplies and raw materials, furnitures, machineries and equipment.

The potential entrepreneur recruits possible employees selects and trains them. As part of the personnel function, a brief write up of the terms of refernce for the employees will have to be developed. It must be simple and easily understood.

#### 5. Operating the business venture

The production systems must have been designed and schedules laid down. There may be instances when a business is inherited, acquired or bought. Therefor, the entrepreneur starts at this step .

#### 6. Managing the entrepreneurial venture

The entrepreneur must now play the role of a manager-capitalist. As such, the functions of planning, directing, monitoring, controlling and evaluating are now performed. in the project cycle. Depending on the accessibility to certain



inputs, the potential entrepreneur may find project start ups to be easy or difficult.

#### 7. Expansion and/or diversification

There will be entrepreneurs who will expand or diversify the selected business even at the start. This is specially true when the new owners of business will go into technology-based projects. Experience showed that expansion and diversification are facilitated with the acquisition of technology.

BUSINESS PLAN FOR A TRADING PROJECT  
as of (date) \_\_\_\_\_

Name of Business : \_\_\_\_\_

Name of Owner : \_\_\_\_\_

Address : residence \_\_\_\_\_  
office/business \_\_\_\_\_

Telephone No. residence : \_\_\_\_\_  
office/business : \_\_\_\_\_

Type of Trading Business \_\_\_\_\_  
Brief Description of business \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Key persons in the project

<u>Name</u>	<u>Work/Position</u>
_____	_____
_____	_____
_____	_____
_____	_____

Other personnel and  
number

<u>number</u>	<u>nature of work</u>
_____	_____
_____	_____
_____	_____

Sources of Funds

<u>Source</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____

Use of Funds

<u>Use</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____
_____	_____

I. INTRODUCTION:

\_\_\_\_\_ is an establishment engaged in the trading of \_\_\_\_\_.

1. I intend to start/revive/expand business by \_\_\_\_\_ time.
2. My profit goal is \_\_\_\_\_ by \_\_\_\_\_, 19\_\_\_\_.
3. I will borrow from \_\_\_\_\_ on \_\_\_\_\_ date.
4. I will secure the loan by the following:

Item	Description (include code & nos.)	Year Purchased	Cost of Acquisition
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Use additional pages if necessary. Label as I-3:Security)

II. MERCHANDISE

- A. I intend to sell the following:

	Items	Cost	Selling Price
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
8.	_____	_____	_____
9.	_____	_____	_____
10.	_____	_____	_____

(Use additional sheets if necessary. Label as II-A-Goods)

- B. I will get my supplies from the following:

	Item (describe)	Supplier (include address)	Quantity	Unit Price	Terms
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____
5.	_____	_____	_____	_____	_____
6.	_____	_____	_____	_____	_____
7.	_____	_____	_____	_____	_____
8.	_____	_____	_____	_____	_____
9.	_____	_____	_____	_____	_____

(Use additional sheets, if necessary. Label as II-B-Supply)

III. MARKET

1. I sell to  
neighbors the following items \_\_\_\_\_  
other customers from \_\_\_\_\_.

2. My neighbors prefer to buy the following items \_\_\_\_\_

3. The other customers prefer to buy the following \_\_\_\_\_

4. Describe the customers by checking the items as follows:  
\_\_\_\_ adults      \_\_\_\_ children      \_\_\_\_ teenagers  
\_\_\_\_ factories      \_\_\_\_ schools      \_\_\_\_ offices  
\_\_\_\_ households      \_\_\_\_ others (specify) \_\_\_\_\_

5. The reason why people buy is because \_\_\_\_\_

6. My customers buy about \_\_\_\_\_ pesos per day  
\_\_\_\_\_ pesos per week  
\_\_\_\_\_ pesos per month

7. I intend to attract other customers  
from \_\_\_\_\_  
by \_\_\_\_\_.

8. My competitors are (name and location) \_\_\_\_\_

9. I can compete because of the following (give reasons)  
price \_\_\_\_\_  
quality \_\_\_\_\_  
service \_\_\_\_\_  
hours open \_\_\_\_\_  
location \_\_\_\_\_  
terms \_\_\_\_\_

10. I see to it that I have enough stocks by maintaining  
Peso worth      Quantity      Items  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Use additional sheets, if necessary, label it III-Inv)

11. I project my sales for the next three years as follows:  
First      Second      Third  
Items      (Quantity)      year      year      year  
\_\_\_\_\_  
(Use additional sheets, if necessary, label as III-Sales)

IV. FINANCIAL ASPECTS

A. Profit and Loss Statement

<u>Item</u>	<u>Amount</u>	<u>Basis/Explanation</u>
Present Expenses:		
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
8. _____	_____	_____
9. _____	_____	_____
10. _____	_____	_____
TOTAL	_____	_____
Projected Expenses:		
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
TOTAL	_____	_____

B. Balance Sheet

	<u>Amount</u>	<u>Explanation</u>
1. Assets		
Land	_____	_____
Storebuilding/house	_____	_____
Furnitures & Fixtures	_____	_____
Facilities	_____	_____
Merchandise Inventories	_____	_____
Cash in Bank & on hand	_____	_____
Others (specify)	_____	_____
TOTAL	_____	_____
2. Liabilities		
Loan Payable, if any	_____	_____
Interest Payable, if any	_____	_____
Accounts to be payed	_____	_____
Equity or Capital	_____	_____
Others (specify)	_____	_____
TOTAL	_____	_____

C. Cash Flow

	<u>Items</u>	<u>Amount</u>	<u>Explanation</u>
	Cash Inflow (monthly/yearly)		
1.	_____	_____	_____
2.	_____	_____	_____
	Total Cash Inflow	_____	
	Cash Outflow		
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
	Total Cash Outflow	_____	
	Net Cash	_____	
	Monthly/Yearly Requirement	_____	
	Cash Balance	_____	

- D. Prepare the following
1. Total Project Cost for new or expansion projects
  2. Profit and Loss Statement for three years
  3. Balance Sheet for three years
  4. Cash Flow from start of project to the 3rd year
  5. Financial Analysis
    - Return on Investment
    - Payback Period
    - Breakeven Sales

V. DOCUMENTS

List down all the documents which will accompany this business plan. These may be Copies of contracts, Sales Contracts or agreements, location map, torrens title, etc.

<u>Number of pages</u>	<u>Kind of Document</u>	<u>Remarks</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

NOTE: LABEL ALL THE PAGES OF THIS BUSINESS PLAN WITH YOUR CODE.

**BUSINESS PLAN FOR A SERVICE PROJECT**  
as of (date) \_\_\_\_\_

Name of Business : \_\_\_\_\_

Name of Owner : \_\_\_\_\_

Address : residence \_\_\_\_\_

office/business \_\_\_\_\_

Telephone No. residence : \_\_\_\_\_

office/business : \_\_\_\_\_

Type of Service Business \_\_\_\_\_

Brief Description of business

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Key persons in the project

Name

Work/Position

<u>Name</u>	<u>Work/Position</u>
_____	_____
_____	_____
_____	_____
_____	_____

Other personnel are

number

nature of work

number	nature of work
_____	_____
_____	_____
_____	_____
_____	_____

Sources of Funds

Source

Amount

<u>Source</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____

Use of Funds

Use

Amount

<u>Use</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____
_____	_____

I. INTRODUCTION

\_\_\_\_\_ is an establishment engaged in providing services such as \_\_\_\_\_.

1. I intend to start/expand business by \_\_\_\_\_ time.
2. My major goal is \_\_\_\_\_ by \_\_\_\_\_ 19\_\_\_\_\_.
3. I will receive financing on \_\_\_\_\_ date.
4. I will require the loan to be for the following:

Item	Description (include code & post)	Year Purchased	Cost of Acquisition
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Use additional pages if necessary. Label as I-B:Security)

II. Services

A. I intend to provide the following services:

	Service Description	Cost	Price
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
8.	_____	_____	_____
9.	_____	_____	_____
10.	_____	_____	_____

(Use additional sheets if necessary. Label as II-A:Service)

B. I will get my supplies/materials from the following:

Item (describe)	Supplier (include address)	Quantity	Unit Price	Terms
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____
7.	_____	_____	_____	_____
8.	_____	_____	_____	_____
9.	_____	_____	_____	_____
10.	_____	_____	_____	_____

(Use additional sheets, if necessary. Label as II-B:Supply)



III. MARKET

1. I will provide the following services to  
my neighbors .....  
other customers .....  
My other customers come from .....
2. My neighbors prefer to get services from .....
3. The other customers prefer that services from .....
4. Describe the customers by checking the items as follows:  
\_\_\_ adults \_\_\_ children \_\_\_ teenagers  
\_\_\_ factories \_\_\_ schools \_\_\_ offices  
\_\_\_ households \_\_\_ others (specify) .....
5. The reason why people get my service is because .....
6. My customers buy about \_\_\_\_\_ pesos per day  
\_\_\_\_\_ pesos per week  
\_\_\_\_\_ pesos per month
7. I intend to attract other customers  
from .....
- by .....
8. My competitors are (name and location) .....
9. I can compete because of the following (give reasons)  
price .....
- quality .....
- service .....
- hours open .....
- location .....
- terms .....
10. I see to it that I have enough stocks by maintaining  
Pesos worth      Quantity      Item  
.....  
.....  
.....  
.....  
(Use additional sheets, if necessary. Label as III-Inv)
11. I project my sales for the next three years as follows:  
First      Second      Third  
Year      Year      Year  
Item (Use III-2)      Year      Year      Year  
(Use additional sheets, if necessary. Label as III-Sales)

IV. FINANCIAL ASPECTS

A. Profit and Loss Statement

Item	Amount	Basis/Explanation
Present Expenses		
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
8. _____	_____	_____
9. _____	_____	_____
10. _____	_____	_____
TOTAL	_____	_____
Projected Expenses		
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
TOTAL	_____	_____

B. Balance Sheet

	Amount	Explanation
1. Assets		
Land	_____	_____
Building/Office	_____	_____
Furnitures & Fixtures	_____	_____
Facilities	_____	_____
Material/Supplies Inventories	_____	_____
Cash in Bank & On hand	_____	_____
Others (specify)	_____	_____
TOTAL	=====	=====
2. Liabilities		
Loan Payable, if any	_____	_____
Interest Payable, if any	_____	_____
Accounts to be paid	_____	_____
Equity or Capital	_____	_____
Others (specify)	_____	_____
TOTAL	=====	=====

C. Cash Flow

	<u>Items</u>	<u>Amount</u>	<u>Explanation</u>
	Cash inflow (monthly/yearly)		
1.	.....	.....	.....
2.	.....	.....	.....
	Total Cash Inflow	.....	
	Cash Outflow		
1.	.....	.....	.....
2.	.....	.....	.....
3.	.....	.....	.....
4.	.....	.....	.....
5.	.....	.....	.....
6.	.....	.....	.....
7.	.....	.....	.....
	Total Cash Outflow	.....	
	Net Cash	.....	
	Monthly/Yearly Requirement	.....	
	Cash Balance	.....	

- D. Prepare the following
1. Total Project Cost for new or expansion projects
  2. Profit and Loss Statement for three years
  3. Balance Sheet for three years
  4. Cash Flow from start of project to the 3rd year
  5. Financial Analysis
    - Return on Investment
    - Payback Period
    - Break-even Sales

V. DOCUMENTS

List down all the documents which will accompany this business plan. These may be Copies of contracts, Sales Contracts or agreements, location map, torrens title, etc.

<u>Number of pages</u>	<u>Kind of Document</u>	<u>Remarks</u>
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....
.....	.....	.....

NOTE: WRITE ALL THE PAGES OF THIS BUSINESS PLAN WITH YOUR CODE.

BUSINESS PLAN FOR A MANUFACTURING PROJECT  
as of (date) \_\_\_\_\_

Name of Business : \_\_\_\_\_

Name of Owner : \_\_\_\_\_

Address : Residence \_\_\_\_\_

office/plant \_\_\_\_\_

Telephone No. residence : \_\_\_\_\_

office/plant : \_\_\_\_\_

Type of Manufacturing Business \_\_\_\_\_

Brief Description of business

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Key persons in the project

Name

Work/Position

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Other personnel are

number

nature of work

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Sources of Funds

Source

Amount

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Use of Funds

Use

Amount

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I. INTRODUCTION

\_\_\_\_\_ is an establishment engaged in the manufacture of \_\_\_\_\_.

1. I intend to start/revive/expand business by \_\_\_\_\_ time.
2. My profit goal is \_\_\_\_\_ by \_\_\_\_\_, 19\_\_\_\_.
3. I will borrow from \_\_\_\_\_ on \_\_\_\_\_ date.
4. I will secure the loan by the following:

<u>Item</u>	<u>Description (include code &amp; nos)</u>	<u>Year Purchased</u>	<u>Cost of Acquisition</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Use additional pages if necessary. Label as I-3:Security)

II. PRODUCTS

A. I intend to sell the following:

<u>Items</u>	<u>Cost</u>	<u>Selling Price</u>
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
8. _____	_____	_____
9. _____	_____	_____
10. _____	_____	_____

(Use additional sheets if necessary. Label as II-A-Goods)

B. I will get my raw materials and supplies from the following:

<u>Item (describe)</u>	<u>Supplier (include address)</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Terms</u>
1. _____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____
8. _____	_____	_____	_____	_____
9. _____	_____	_____	_____	_____

(Use additional sheets, if necessary. Label it II-B-Supply)

III. MARKET

1. I sell to neighbors the following items \_\_\_\_\_  
other customers from \_\_\_\_\_.
2. My neighbors prefer to buy the following items \_\_\_\_\_.
3. The other customers prefer to buy the following \_\_\_\_\_.
4. Describe the customers by checking the items as follows:  
\_\_\_\_ adults      \_\_\_\_ children      \_\_\_\_ teenagers  
\_\_\_\_ factories      \_\_\_\_ schools      \_\_\_\_ offices  
\_\_\_\_ households      \_\_\_\_ others (specify) \_\_\_\_\_
5. The reason why people buy my product is because \_\_\_\_\_  
\_\_\_\_\_.
6. My customers buy about \_\_\_\_\_ pesos per day  
\_\_\_\_\_ pesos per week  
\_\_\_\_\_ pesos per month
7. I intend to attract other customers  
from \_\_\_\_\_  
by \_\_\_\_\_.
8. My competitors are (name and location) \_\_\_\_\_  
\_\_\_\_\_.
9. I can compete because of the following (give reasons):  
price \_\_\_\_\_  
quality \_\_\_\_\_  
service \_\_\_\_\_  
hours open \_\_\_\_\_  
location \_\_\_\_\_  
terms \_\_\_\_\_
10. I see to it that I have enough stocks by maintaining  

<u>Pesos worth</u>	<u>Quantity</u>	<u>Items</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(Use additional sheets, if necessary. Label it III-Inv)
11. I project my sales for the next three years as follows:  

Items (Quantity)	First year	Second year	Third year
_____	_____	_____	_____

(Use additional sheets, if necessary. Label as III-Sales)

IV. FINANCIAL ASPECTS

A. Profit and Loss Statement

<u>Item</u>	<u>Amount</u>	<u>Basic/Explanation</u>
Present Expenses:		
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
6. _____	_____	_____
7. _____	_____	_____
8. _____	_____	_____
9. _____	_____	_____
10. _____	_____	_____
TOTAL	_____	_____
Projected Expenses		
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
TOTAL	_____	_____

B. Balance Sheet

	<u>Amount</u>	<u>Explanation</u>
1. Assets		
Land	_____	_____
Factory/Building	_____	_____
Furnitures & Fixtures	_____	_____
Machineries & Equipment	_____	_____
Inventories: raw materials	_____	_____
finished goods	_____	_____
Cash in Bank & On hand	_____	_____
Others (specify)	_____	_____
TOTAL	=====	=====
2. Liabilities		
Loan Payable, if any	_____	_____
Interest Payable, if any	_____	_____
Accounts to be payed	_____	_____
Equity or Capital	_____	_____
Others (specify)	_____	_____
TOTAL	=====	=====

C. Cash Flow

	<u>Items</u>	<u>Amount</u>	<u>Explanation</u>
	Cash Inflow (monthly/yearly)		
1.	_____	_____	_____
2.	_____	_____	_____
	Total Cash Inflow	_____	
	Cash Outflow		
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____
6.	_____	_____	_____
7.	_____	_____	_____
	Total Cash Outflow	_____	
	Net Cash	_____	
	Monthly/Yearly Requirement	_____	
	Cash Balance	_____	

D. Prepare the following

1. Total Project Cost for new or expansion projects
2. Profit and Loss Statement for three years
3. Balance Sheet for three years
4. Cash Flow from start of project to the 3rd year
5. Financial Analysis
  - Return on Investment
  - Payback Period
  - Breakeven Sales

V. DOCUMENTS

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<u>Number of pages</u>	<u>Kind of Document</u>	<u>Remarks</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

NOTE: LABEL ALL THE PAGES OF THIS BUSINESS PLAN WITH YOUR CODE.



THE YOUTH IN MASS MEDIA

MODEL SCHEME  
FOR  
THE YOUTH IN MASS MEDIA

INTRODUCTION

This is a model scheme for the promotion of entrepreneurship development among youth in the mass media industries. This is one of the six schemes "Development of Entrepreneurs of Cottage, Small and MEdium Industries" Project (PHI/86/018) implemented by the University of the Philippines Institute for Small Scale Industries. The other five schemes are addressed to the following target beneficiaries: a) Returning overseas contract workers, b) University students, c) Community-based prospective entreperneur, d) prospective entrepreneurs in technology-based ventures, and e) Intrapreneurs.

The first part presents the rationale and the target beneficiaries in the mass media sector and the experience of the pilot programme for the youth from this project is cited as the major reference.

The other part presents the model scheme suggested for the youth in the mass media industry. Since this is the first time that an entrepreneurship development programme is addressed to the youth, policy statements are suggested to tap this important segment of society.

## RATIONALE

The focus of this model scheme is on developing entrepreneurship among young people in the mass media industries. This sectors will capture the target group on the youth because:

- (a) "The mass media sector address current trends related to work, interests and preoccupations of young people the world over:
- (b) It has become a major source of job-creation and foreign exchange earnings in the USA, UK, France, FRG and Italy especially among the young:
- (c) Young people themselves are the major consumers of the above-mentioned mass media products and would be at an advantage to innovate and develop business opportunities (along this line):
- (d) Dance, theater and musical production have been packaged into video, TV, films, music, records, magazines and printed materials promoting a whole range of backward and forward linkages and production systems which is thru propelled the publishing.

---

Written by Gil Dennis Raposa of the University of the Philippines Institute for Small Scale Industries for the "Model Scheme" component of the "Development of Entrepreneurs for Cottage, Small and Medium Industries (DECSMI) project sponsored by the United Nations Development Programme (UNDP) and the United Nations Industrial Development Organization (UNIDO) and implemented in 1988-1989.

## TARGET GROUP PROFILE

The criterion that beneficiaries be young/youth suggests that the target group should be within the 18-35 years old age bracket. They may be classified under the following:

### 1. By Background and Experience

Involvement in mass media as one of the features of this target group may belong to any of the eight (8) defined sub-sectors.

The nature of involvement may be one that directly produces the actual mass media products or services or one that indirectly does so. This may cover services to the sub-sector in the form of indirect labor and other support tasks. Specific listings of these may be found in Appendix 1.

### 2. By Broad Needs

The target group feels a general need to explore other applications of video production in the mass media industry. The desire to fulfill this need is aimed at enhancing their own career/profession and uplifting the industry standards.

### 3. By Entrepreneurial Competence

The entrepreneurial competence person tends to think and behave differently from the non-entrepreneurial type. The former possesses certain characteristics which are called Personal Entrepreneurial Competencies (PECs). \*(2)

\*(2)psychologists and social scientists who have been studying the entrepreneurs for a couple of decade now have identified these 10 PECs. The recognition of these competencies is the underlying assumption that the whole project forwarded and which influenced the approach and methodology that PHI/86/018 took in its behavioral consideration. The beneficiaries PEC profile was generated through an instrument non-clinical selection instruments were administrative to gather the baseline profile. For detailed findings refer to Impact Evaluation Study of PHI/86/018

## APPLICATIONS

The challenge to continuously innovate and create is much felt in video production as its commercial uses continue to expand. Combined with the advancement in media technology, video production to develop as an entrepreneurial undertaking is truly an opportunity. The ability to experiment and innovate inherent in the trade are marks of a spirit that can indeed be entrepreneurial.

The local and foreign market for mass media products can use video as a medium in:

1. Advertising;
2. Training material fashion, and craft-based industries;
3. While it offered tremendous economic opportunities for for young people, this is a relatively unexplored territory in the Philippines" \*(1)

Furthermore, much of the breakthrough in this sector were products of the numerous novel ideas borne out of the creativity and remarkable ingenuity inherent among the young people.

The model scheme shall address the needs of the young. Eight (8) sub-sectors from which the choice of activities and undertakings can be selected are:

1. Theater
2. Dance

---

\*(1) Antonio, Camilo. (1988) Information Notes, DECSMI

3. Music
4. Film
5. TV
6. Records/Radio
7. Tourism
8. Advertising/Promotion

Since this project is in the promotion and development of entrepreneurial skill, it will not develop artists in these fields.

3. documentation and information:
4. tourism promotion for facilities and attractions:
5. talent promotion in the performing arts:
6. Recording of traditional Philippine music, dance, theater, craft and culture:
7. Pop-video or music television (MTV)
8. Promoting artists and entertainers overseas (e.g actors/actress, theater and dance, singers and musicians)

#### REVIEW OF SIMILAR EXPERIENCE

While independent agencies/organizations may have conducted video production courses and other video technology programs, none have been known to develop young people to undertake entrepreneurial endeavors in the mass media industry using video production technology.

In general, government of developing countries are contemplative over definitive expansion of youth services because of cost. These services range from out-of-school training as well as employment. The question of real costs and benefits affect the way in which these schemes are organized. These schemes can be classified under one of the following three (3) categories:

- a. Training schemes which do not involve production;
- b. Schemes combining training production, the latter consisting of consumer goods (when the trainees are learning industrial or agricultural skills and their output in the form of goods or foodstuffs can be sold) or of labor-investment (as in scheme for training on the job in infrastructure projects); and
- c. Schemes for settlement on the land as discharge either through the provision of holdings on pioneer villages, or through the training of local leaders to set an example as model farmers when they go back to the particular village from which they are." /3/

---

/3/ International Labour Office: Youth Training and Employment Scheme in Developing Countries, 1972. Geneva, pp. 1-2

But because the youth in most developing countries comprise the majority of the population, the alarming level of youth unemployment in these countries prompted development efforts in including enterprise education, specifically the area of entrepreneurship in schools and colleges. The underlying objective in these efforts is to create and nurture the "enterprise culture". For this particular target group (i.e. youth), certain components in creating this "enterprise culture" can provide the necessary pre-conditions. Exhibit A shows these components. /4/

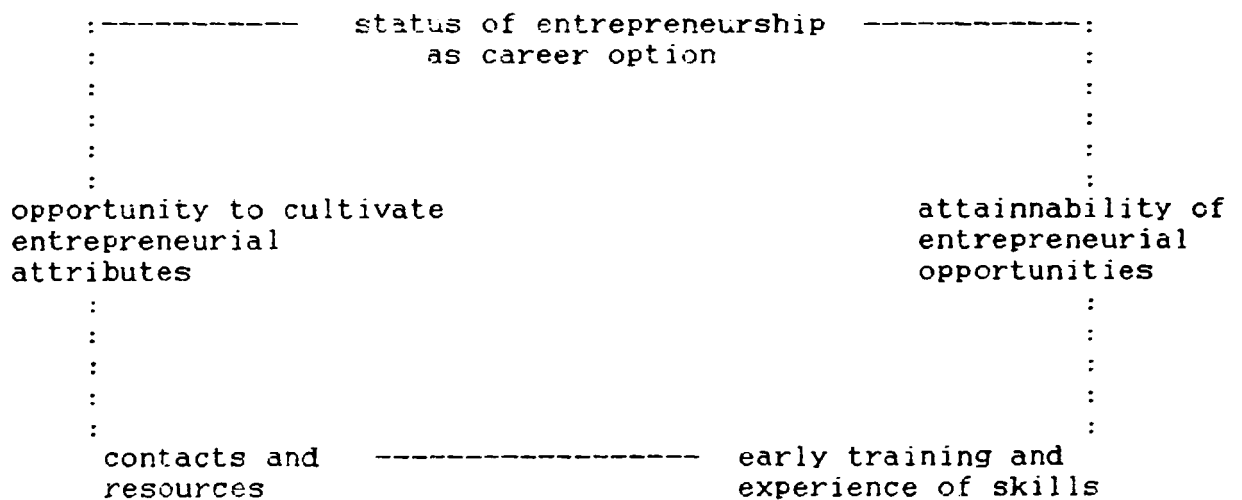


EXHIBIT A  
Components in Creating the Enterprise Culture

-----  
/4/ Manuh, George and Brown, Ronald. Resource for the Development of Entrepreneurs: under: Special Group: Youth, 1987. London, pp. 75-76



An existing program in the UK called "Enterprise" adapted such premises. Modules in "Enterprise" include methods such as:

- asking questions
- finding ideas
- making plans
- producing results

The emphasis of this program is on process experience, skills development, and insight rather than pure knowledge acquisition. All these are expected to enhance the enterprising attributes of young people.

A relatively new program that the UP-ISSI has been running for two years now is the Young Entrepreneurs Program (YEP). New and/or young graduates from Metro Manila schools were tapped as participants of YEP, with the aim of presenting entrepreneurship as a career option to employment. YEP made use of the modified MSI training design used in a pilot program. However, YEP has yet to be evaluated to determine its effectiveness or find out the success rates of its graduates in terms of those who've actually set-up businesses for themselves and those who have sustained them.

An on-going project that the Small Enterprises Research and Development Foundation (SERDEF) has been undertaking for the last two and a half years now is Project Hanabulay (PHE). PHE is an integrated approach to entrepreneurship development, targetting young urban poor individuals.

Because of the presence of a loan component in the project, qualified graduates of the Entrepreneurship Development Training were given seed capital to start their micro-enterprises. Another interesting feature of PHB is the fact that it made use of the same Selection Scheme that PHI/86/018 is now attempting to validate. But unlike YEP, PHB employed a different design, although certain propositions were held in common by both programs. Both programs have defined for themselves the youth/young people as target human resource group.

The National Manpower and Youth Council (NMYC) in 1987 launched its Training for Rural Enterprise Development (TREND) and Youth Entrepreneurship and Self-Employment Program (YESDEV). These programs aimed to develop the entrepreneurial knowledge, skills and attitudes of NMYC's Community and Regional Manpower Training Centre graduates with the end in view enabling them to pursue small business activities as an alternative to wage employment.

In a recent evaluation study /5/ conducted by the same, it was revealed that 40% of the graduates engaged themselves in business after the program, while 60% did not. Seventy-six percent (76) of those were not in business after the program gave lack of capital as a reason for such status.

When these programs were evaluated their effect on the Personal Entrepreneurial Competencies (PECs) /6/ of the graduates on the one

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/5/ Data presented in this section were taken from the results of NMYC's YESDEV/TREND Evaluation Study conducted in 1988

/6/ Thirteen (13) PECs were presented by the original design system of MCRer and Co. This was further trimmed down to 10 PECs after subsequent validation experiments by MSI.

hand, the highest effects were on: concern for quality, use of influence, information seeking, opportunity seeking with ratings of 60%, 57%, 55% and 54% respectively. On the other hand, the program had least effect on: systematic planning, problem-solving initiative, persuasion (with ratings of 32%, 44%, 45% and 46% respectively.) Despite these findings though, much is to be desired in further establishing validity of the various methodologies that YESDEV/TREND employed.

However, even with the experiences in programs such as PHB, YEP, YESDEV and TREND, varied business ideas were generated from among them, none of which focused on video production, or the very least in the entertainment sector.

#### THE MODEL SCHEME

This Model Scheme has been designed with a number of assumptions and limitations. These limitations however, recognized to present not only certain givens but also a number of structural possibilities in scope.

1. Many of the inputs were largely drawn from experiences in the NMYC Pilot Programmes.
2. All premises/strategies presented are assumed and/or expected to work if and only if similar conditions prevail. These include political, social and economic factors which will affect the entrepreneurial environment.
3. The model does not contain a financial support component.
4. The NMYC experiences does not contain a built-in research and

information component to back the promotion, identification and selection as well as the training components. An input in the form of a Technical Paper on the Mass Media Industries is acknowledged in this design.

5. Application to video production can include the following:
  - a. promoting institutional concerns and corporate strategies
  - b. as an educational/training tool: and
  - c. electronic games

## 1. THE SELECTION SCHEME

The key factor in this component is the identification and selection of individuals with entrepreneurial dispositions.

### 1.1 PRE-SELECTION CRITERIA

Minimum requirements that must be met by potential beneficiaries are:

- a. Age range            18 - 35 years old
- b. Involvement in any one of the eight (8) sectors of the mass media industries, namely:
  - i. Theater
  - ii. Dance
  - iii. Music
  - iv. Film
  - v. TV
  - vi. Records/Radio
  - vii. Tourism
  - viii. Advertising / Promotions

Recruitment can be done by contacting the institutions and/or organizations of those involved in mass media.

#### 1.2 Identification of Relevant Institutions/Organizations in the Mass Media Industries.

Institutions/organizations belonging to these eight (8) sub-sectors will be identified. They will be the main sources from where the pool of applicants will be drawn.

#### 1.3 Promotional Strategy Formulation

The institutional approach in promotions will be utilized to ensure that pre-selection criteria are met and at the same time reach out to a broader applicants' base. Nominations will be solicited from the organizations where the official applicants can now be drawn.

#### 1.4 Selection Scheme Adaptation

The main criteria for selection will be the individuals manifestation of latent or inherent entrepreneurial traits and motivation as reflected in the various selection instruments to be used in the selection process. These are:

##### a. Data Sheet

The Data Sheet is a questionnaire-form of instrument which the applicants will fill out. The thirty-one (31) entries in the questionnaire are scored using a data sheet scoring guide. These scores will be used as baseline information to describe an individuals potential as a en-

b. The Focused Interview Technique (FIT)

The Focused Interview Technique (FIT) is a method of getting specific information on how a respondent has acted and thought in five different situations. These situations are representative of those instances when the person have made decisions affecting his/her future. The responses will provide a reliable way to determine the extent to which the respondent exhibits the ten (10) PECs associated with successful entrepreneurship. The way to administere the FIT is explained in the Manual.

1.2 TRAINING COMPONENT

The training inputs are categorized as follows:

1.2.1 Entrepreneurship Development Workshop (EDW)

This two week workshop aims to achieve the following objectives.

During the workshop, the participants will:

- a. Develop a complete and frank assessment of their personal entrepreneurial potential;
- b. strengthen their ability and inclination to see opportunities for efficiency, innovation and profit in complex situations; determine and take moderate risks; and adjust to rapid change and uncertainty;

c. strengthen their desire to satisfy customers and produce high quality products and to use multiple sources of information.

d. strengthen their self-confidence, awareness and inclinations to initiate and sustain personal entrepreneurial decisions in the face of moderate risk, uncertainty, skepticism, and opposition;

e. strengthen their ability and inclination to set challenging goals and to expand their personal power, influence and ability to mobilize people and resources necessary to achieve these goals;

f. strengthen their ability to prepare business plans and be able to present it persuasively;

g. present their business plans to potential investors and leaders who will assess their entrepreneurial potential and plan;

h. reinforce and continue to develop their personal entrepreneurial characteristics taught during the course, and to benefit from encouragement, contracts and advice in implementing their plans.

In order to meet these objectives, EDW will employ a combination of lecture-discussion and structured learning experiences (SLEs) as training methodologies. A suggested format/content for the EDW is found in Appendix 2.

### 1.2.2 Video Production Course (VPC)

VPC is designed to introduce the participants to the process of television production and to the many uses of video. Given these two major inputs, the participants are expected to generate video production ideas by the end of the course. These ideas might be the same ones they will pursue and develop in the next module. Course content is annexed as Appendix 2.

### 1.2.3 Video Production Period (VPP)

A six to eight week field work will be undertaken by the participants. During this period, they are expected to conduct research on their specific project idea which was generated during the VPC. They will be required to develop the detailed plan of their production.

### 1.2.4 Video Production Workshop (VPW)

Actual video production will be conducted within this two-week workshop. The two consultants /8/ or resource persons will be made available by lead agency. Assistance in the implementation plans will ensure the participants to be confident with their production requirement.

## 1.3 SUPPORT SYSTEMS

The support systems are categorized as follows:

### 1.3.1 Technical Services

The availability of technical consultants in media

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/8/ Details of this consultancy support can be found in the Support Services Component.



technology and another one in mass communications are important as this undertaking requires special skills and A job description for each kind of consultant/resource persons are described in Appendix 4.

Depending upon the availability of the consultants within the local pool of expertise, an international consultant may be required. This will particularly be necessary if local resources are not available or that the technology is known. The international consultant is expected to give new technologies to the lead institution and to the beneficiaires. up-to-date something that has .

## 2. IDENTIFICATION OF THE SUPPORT and LEAD INSTITUTION /9/

These institutions will be identified on the basis of the nature of assistance that will be extended to the beneficiaries. The expected support will be on the use of facilities and equipment and their availability especially during the production phase of the project. (For a listing of some of the equipment requirements, refer to Appendix 5.)

The linkages that will be established in the process will help pave the way to post-production assistance such as packaging, promotions, and marketing.

One form of marketing assistance expected will be television time for the video production. There is nothing more fulfilling on the part of the beneficiaries than the public viewing of their production with proper credits and acknowledgements.

### 3. EXTENSION SERVICES

Project assistance is needed during the entire project cycle. thus the need for extension services is a certainty. The youth will need the guidance from the time that the project is transformed into an entrepreneurial venture until the economic gains are realized. It is thus important that the lead institution should have extension know-how and that the officers are capability of providing the assistance sought.

During the start ups the lead agency must assist the youth in making their business legal. Should there be beneficiaries who will are not yet at the legal age but are potentially successful entrepreneurs, their respective parents or guardians must be consulted.

### 4. MONITORING

A monitoring scheme shall be part of the entrepreneurship development programme for the youth in the mass media. Strategies such as field visits to the participants' workplace, interview, use of structured monitoring instrument and documentation procedures were found to be appropriate. The system will provide the means in maintaining a folio of the beneficiaries in all phases of their project.

### 5. EVALUATION

Being a new youth-oriented programme, an evaluation mechanism will have to be designed in order to provide data on how this model can be improved so that the youth will be more attracted and will find the activity a productive way of harnessing their energy and talents.

- The evaluation should look into the critical areas such as
- Predisposition of the youth for entrepreneurial ventures
  - Areas of interest to the beneficiaries
  - Quality of outputs and its marketability
  - Personal entrepreneurial competencies exhibited
  - Relevance of the video as an artistic medium
  - Appropriateness and timeliness of the training interventions
  - Entrepreneurship as an alternative to employment seeking
  - Economic impact of the project to the youth
  - Effectiveness of the whole program.

#### 6.0 DOCUMENTATION

This feature should be in place even at the start of the project implementation. In order to get photos or footages of significant events, an outline of what will happen will be prepared so that camera persons will be ready for the take.

There are three kinds of documentation prescribed under this model. These are

- Print documentation which is a historical recording of what happened, the people who participated, the events and the place;
- photo documentation which shall capture the important activities that took place;
- slide presentation for marketing the programme;
- video package which will include first hand testimony from the beneficiaries themselves

## 7.0 RESEARCH and INFORMATION

Research and Information activities are useful inputs. This component will include a survey of institutions involved in youth programmes. A network of institutions engaged in entrepreneurship development and youth programmes will have to be prepared.

It will be very appropriate if a thorough study of the mass media industries will be undertaken. Using the sectors identified in the pilot programme of this project, an industry profile is in place. The study may include the following

- definition of the sectors
- description of the activities and their potential as entrepreneurial ventures
- status of the mass media industry by sector
- contribution to the economy of the country
- profile of the society or population segment that is involved in the mass media sectors
- other information like markets, facilities and technology.

Similarly information on the various aspects in the mass media industries must be secured. These are

- potentially viable mass media projects
- types of mass media products which are highly marketable
- market trends and potential
- industry practice and marketing
- possible sponsors
- technological developments, particularly on equipment and processes

- government support for the mass communication sector
- print and broadcast industry studies
  - much as the mass media
- trends in advertising and promotions industries
- tourism industry profile
- technological innovations in mass communication
- trends in arts and music.

#### 8.0 BUDGET

The following are the major items to be considered in determining budgetary requirements of the entrepreneurship development programme for youth in mass media. Line items for such activities as

- Promotion and development of the Programme
- Recruitment and Selection of target beneficiaries
- Conduct of Training Interventions
- Project Monitoring, Control and Assistance
- Financing of the Video Workshops
- Equipments and Facilities
- Documentation and publication

#### 9.0 POLICY DECLARATIONS

Unless policies are declared to focus programmes on the youth, only the NMYC may pick up the challenges. It must be incumbent on these agencies together with other relevant instrumentalities to evolved innovative programmes which will not only draw the attention and interest of the youth but inspire them

to commit themselves to more lasting activities which have long term effects.

Programmes on youth should consider not only the underprivileged but also those who have material resources. It should do away with marginal activities.

The Philippines can explore the arts and music sectors where very little attention was paid for the past decades. Having been recognized as a rich source of people with talents, the government must evolve policies that will put the mass media sector in a better condition.

## MHC PILOT PROGRAM PARTICIPANTS' PROFILE

## A. By Background and Occupations

## 1. Nature and Degree of Involvement in mass media and other sectors 7107

## 1.1 Theatre

- actor/actress
- stage manager
- lighting designer
- producer
- choreographer
- playwright
- light/sound crew
- set designer
- property master
- business manager/promoter
- stage director

## 1.2 Dance

- dancer
- business manager
- stage manager
- choreographer
- producer
- stage director
- set designer

## 1.3 Music

- singer/performer
- musician
- stage manager
- show producer
- artist manager
- creative consultant
- concert/show producer
- stage director
- director
- set designer
- choreographer

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7107 Listing per category/sub-sector was based on the actual profile of all beneficiaries of the pilot programme.

### 1.4 Film

- actor/actress
- director
- producer
- scriptwriter
- cinematographer
- film editor
- researcher

### 1.5 TV

- actor/actress
- scriptwriter
- director
- researcher
- producer
- investigative reporter
- voice talent
- host
- personality

### 1.6 Radio/Television

- artist
- producer
- scriptwriter
- researcher

### 1.7 Theatre

- actor/actress
- researcher

### 1.8 Advertising/Propaganda

- model/illustrator
- graphic designer/illustrator
- copywriter
- producer, director
- designer
- graphic designer/artist
- scriptwriter
- computer programmer/analyst
- copywriter/illustrator
- PR/copywriter
- market researcher
- talent agent
- photographer



## 1.5 Tiberg

- magazine marketing editor
- instructor (communication arts)
- sales of AV and computer graphics systems
- investment consultant
- art gallery manager
- art gallery curator

## 2. Education

- 2.1 Marketing
- 2.2 Mass Communication
- 2.3 Communication Arts
- 2.4 Architecture
- 2.5 Communication Research
- 2.6 Journalism
- 2.7 Film
- 2.8 Speech and Drama
- 2.9 Theater Arts
- 2.10 Commercial Art
- 2.11 Fine Arts
- 2.12 International Studies
- 2.13 Accounting
- 2.14 Economics
- 2.15 Film Production
- 2.16 Theater Arts
- 2.17 Broadcast Communications

## 3. Special Skills

- 3.1 Song Writing
- 3.2 Acting
- 3.3 Directing
- 3.4 Film Editing
- 3.5 Hand processing of photographic film
- 3.6 Kodak processing
- 3.7 Developing/printing of 8x9 photographs
- 3.8 Video camera operation
- 3.9 TV editing
- 3.10 Set/Costume design
- 3.11 Entourge
- 3.12 Creative Writing
- 3.13 Photography
- 3.14 Video/Newsreel editing
- 3.15 Lyricist
- 3.16 Music
- 3.17 Video Analysis

4.3.603 - Video File

- 4.1.1 Video Production and Services
- 4.1.2 Video Distribution and Sales
- 4.1.3 Video Editing and Post-Production
- 4.1.4 Video Marketing and Promotion: The Business of Video Production, Research and Distribution
- 4.1.5 Video Production: Technical Aspects of Video Production: Production, Distribution, and Marketing of Video Production and Services
- 4.1.6 Video Production: Technical Aspects of Video Production: Research and Distribution
- 4.1.7 Video Production: Technical Aspects of Video Production: Research and Distribution
- 4.1.8 Video Production: Technical Aspects of Video Production: Research and Distribution
- 4.1.9 Video Production: Technical Aspects of Video Production: Research and Distribution
- 4.1.10 Video Production: Technical Aspects of Video Production: Research and Distribution
- 4.1.11 Video Production: Technical Aspects of Video Production: Research and Distribution
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- 4.1.19 Video Production: Technical Aspects of Video Production: Research and Distribution
- 4.1.20 Video Production: Technical Aspects of Video Production: Research and Distribution
- 4.1.21 Video Production: Technical Aspects of Video Production: Research and Distribution
- 4.1.22 Video Production: Technical Aspects of Video Production: Research and Distribution
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- 4.1.27 Video Production: Technical Aspects of Video Production: Research and Distribution
- 4.1.28 Video Production: Technical Aspects of Video Production: Research and Distribution
- 4.1.29 Video Production: Technical Aspects of Video Production: Research and Distribution
- 4.1.30 Video Production: Technical Aspects of Video Production: Research and Distribution

5. By Broadening the Students' Knowledge and Participation in the Program:-

1. To learn something new/gain basic and working knowledge on video production
  - for later participation in an entrepreneurial capacity
  - self-employment and personal growth
2. To explore other possible uses and applications of the video technology;
3. To learn video production and marketing;
4. To understand video production;
5. To develop a good understanding of video production, marketing;
6. To become a part of the video production and marketing both for personal and professional growth.

7. To contribute to the fulfillment of the objectives.

8. To improve managerial visibility of the performing units.

#### 5. 8. Entrepreneurial Capabilities

The entrepreneurial spirit of a person tends to think and behave differently from the non-entrepreneurial type. The former carries certain characteristics which we see in Internal Entrepreneurial Enterprises (IEEs). These young people in the entrepreneurial sector, again as generated from the product portfolio view, would be on the output exhibit varying degrees of capabilities and can be described to have the following:

Very Strong	:	Goal Setting
Strong	:	Systematic Planning and Monitoring Self-Confidence Risk Taking and Decision Making Information Seeking Persistence
Moderate	:	Risk-Taking Concern for Quality and Efficiency
Weak	:	Opportunity-Seeking

## ENTREPRENEURSHIP DEVELOPMENT WORKSHOP (EDW)

<u>Sessions</u>	<u>Day</u>
Opening	
1. Introduction to Entrepreneurship	1
2. Profile of a Successful Entrepreneur	
3. Structure/Objectives of EDW	
4. Training Methodology	
5. Personal Entrepreneurial Characteristics	
6. Entrepreneurial Self-Assessment	
7. Achievement Cluster	2
- Goal-Setting	
- Risk-Taking	
8. Introduction to Business Creation Exercise (BCE)	
9. Opportunity Identification	
10. Mini-Business Plan	
11. Business Creation Exercise (BCE)	3
12. Information-Seeking	
13. Presentation of Mini-Business Plans	
14. Marketing Aspect in Business Planning & Management	4
15. Persistence	
16. Commitment to Work Contract	
17. Demand for Quality and Efficiency	5
18. Production Aspect in Business Planning & Management	
19. Organization Aspect in Business Planning & Management	6
20. Financial Aspect in Business Planning & Management	
21. Goal Setting	

22.	Plant Visit	7
23.	Integrated Business Plan Presentation	8
24.	Status of BCE's	
25.	Time Management Video	
26.	Systematic Planning & Monitoring	
27.	Persuasion & Networking	9
28.	Self-Confidence	
29.	Power & Influence	
30.	Video Review on Entrepreneurial Competencies	
31.	BCE Presentation/Processing	10
32.	Next Steps Planning	
33.	Forms and Sources of Assistance to SME's	
34.	Program Evaluation	

## VIDEO PRODUCTION COURSE (VPC)

	<u>Session</u>	<u>No. of Hours</u>
I.	Introduction to Course	1.5
II.	How a TV Program is Made	1.0
III.	Presentation to Camera	2.0
IV.	Camera Work	2.0
V.	Lighting & Sound	2.0
VI.	Scriptwriting Directing Production Techniques	2.0
VII.	Post Production & Editing	1.5
VIII.	Practical Editing	1.5
IX.	Guest Speakers (Special Topics)	3.0
X.	Video Graphics & Special Effects	1.5
XI.	The Many Uses of Video	3.5
XII.	Preparing TV Production	3.5
XIII.	Short TV Production	3.5
XIV.	Edit TV Production	3.5
XV.	Playback & Analysis	1.5
XVI.	Open Forum	5.0
XVII.	Preparation for Video Production Workshop	0.5

## JOB DESCRIPTION: VIDEO PRODUCTION CONSULTANT

The design and run a video production workshop in Metro Manila to be held over a 3-4 week period.

Requirement

1. Must have a knowledge of the international production industry and its standards as well as recent/updated mass media technology.
2. Must be able to demonstrate/communicate television production techniques and requirements in a simple way.
3. Must have a knowledge of the local TV industry - its resources and requirements and be able to identify guest Filipino lecturers and experts.
4. Must identify future TV training staff/personnel.

JOB DESCRIPTION:

MASS COMMUNICATION CONSULTANT

A resident of the Philippines with a knowledge of the entertainment industry.

Be able to liaise with course participants in the areas of scriptwriting, research and planning.

Be able to support the work of the Video Production Consultant who will be in charge of the course.

Requirements:

1. Able to communicate effectively in English
2. Be competent and efficient
3. Have a pleasing personality
4. Have a sufficient background in one or more sections of the entertainment industry with a good track record.



LISTING OF (SOME VIDEO PRODUCTION) EQUIPMENT  
AND PARAPHERNALIA

## A. Non-Expendable

1. V-8 Camera
2. Beta-System
3. Battery Charger
4. Rechargeable Batteries for V-8 Camera
5. Stereo Headphones
6. Omni-Directional Microphone
7. Zoom Microphone
8. Portable Lighting Kit
9. Tripod Dolly
10. Audio-Video Processor
11. Rechargeable Battery Belt
12. Teleconversion Lens
13. Camera Cleaning Kit
14. Shot-Gun Microphone
15. Hand-Held Microphone including Windshield
16. Lapel Microphone
17. Extension Cords for Microphone
18. Portable "Sungun" Lights with Battery
19. Portable Light including Extension Cord
20. Gaffing Umbrella
21. Slate
22. Tripod with Fluid Head
23. Tape Recorder
24. Portable Color Video Monitor
25. Megaphone
26. U-Matic Player/Recorder
27. Sound Studio
28. Editing Console
29. Camera/Studio
30. Film Chain Deck
31. Title Composer
32. Duplicating Console
33. U-Matic Editing Suite

B. Appendable

1. VHS 40 Minute Tape
2. 100-20 D-Matic Tapes
3. 400-50 D-Matic Tapes
4. Neutral Density Filter for VHS Camera
5. Neutral Density Filter for D-Matic Camera
6. Star Filter for VHS Camera
7. Star Filter for D-Matic Camera
8. 35 mm. Color Slide Photographic Film Roll
9. 35 mm. Black & White Photographic Film Roll
10. Spare Light Bulbs for Stinger
11. Spare Light Bulbs for Portable Light
12. Roll Gaffer's Tape
13. Lens Tissue

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International Labour Office, 1973. Youth Training and Employment Schemes in Developing Countries. ILO, Geneva.

Discusses the different schemes that have been developed in developing countries in recent years to provide both training and employment of out-of-school reemployed youth. Because there is a wide variety of views about the efficacy of such schemes which are often regarded as being particularly costly, this book suggests a method of arriving at a sound assessment of the cost and benefit of youth training schemes.

SERDAP, 1987 & 1988. Project Manabana. Terminal Report. Guelph City.

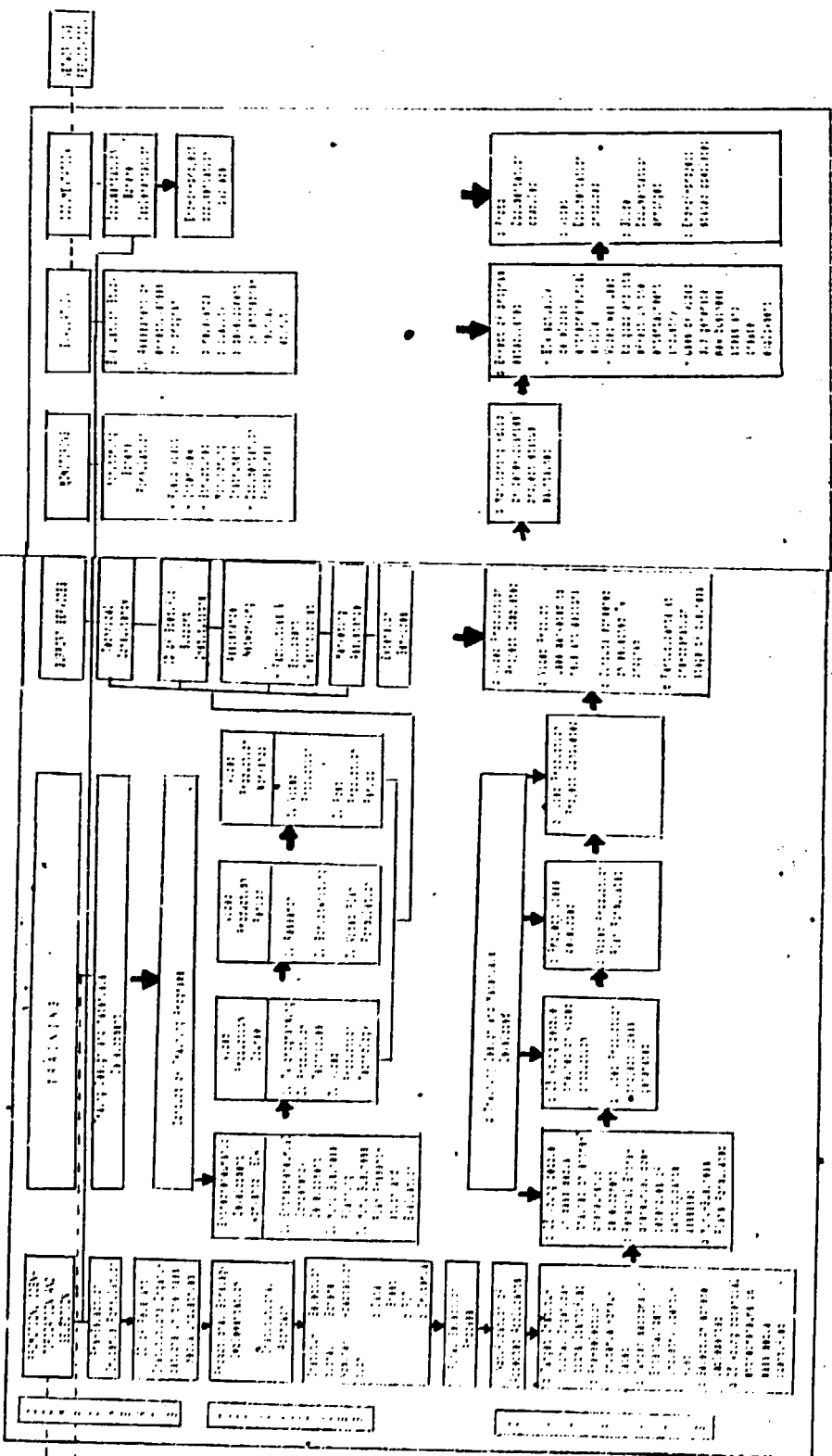
This terminal report presents the results implemented by the Small Enterprise Research and Development Foundation (SERDAP). SER is an integrated approach to entrepreneurship development financed by the Philanthropic Community Assistance Program (PCAP) and jointly operated by UPEI and AIESEC (an International Organization for Business and Economic students). It outlines the new program for urban poor youth in Guelph City.

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YEP is a program which utilizes the 10 Pill Model of delivering EDP using the program developed by Robert L. Gass. It is focusing on the 10 Pills. This is a completed report that puts together the activities and taken to carry out this training program.

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UNIT 200  
 BRITISH AIR FORCE, NORTH FORTH, SCOTLAND



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**TECHNOLOGY-BASED  
ENTREPRENEURSHIP DEVELOPMENT PROGRAM**

MODEL SCHEME  
FOR  
TECHNOLOGY-BASED ENTREPRENEURSHIP DEVELOPMENT PROGRAM\*

INTRODUCTION

This is a model scheme for the promotion of technology-based entrepreneurship. This is one of the six schemes developed as a component of the UNDP-UNIDO assisted "Development of Entrepreneurs for Cottage, Small and Medium Industries" Project (PHI/86/018) implemented by the University of the Philippines Institute for Small Scale Industries. The other five schemes are addressed to the following target beneficiaries - a) youth in the mass media sector b) returning overseas contract workers c) university-linked prospective entrepreneurs d) community-based potential entrepreneurs and e) "intrapreneurs" in large business establishments.

Section 1 of the scheme presents the rationale, identifies the target users and beneficiaries of the scheme and discusses relevant facts on the promotion of technology-based entrepreneurship based on a survey of existing literature and analysis of similar experiences.

Section 2 presents the proposed set of interventions needed to address the needs of the identified beneficiaries when he makes use of technologies to set up his business venture.

\*Written by Arturo G. Mangabat of the U.P. Institute for Small Scale Industries for the "Model Scheme" component of the "Development of Entrepreneurs for Cottage, Small and Medium Industries (DECOSMI)" project sponsored by the United Nations Development Programme (UNDP) and the United Nations Industrial Development Organization (UNIDO) and implemented in 1988-89.

## I. RATIONALE

A number of entrepreneurial development initiatives along the lines of technology promotion had been undertaken and are still being implemented in many institutions in many countries. Experiences of developed countries show technological development and promotion as key factor in their efforts to speed up economic development.

The role of technology in the development of the economy of industrialized countries is highlighted in the experience of the Americans when they put up the Technology Incubator Projects and gave birth to what is now known all over the world as the seedbed of high technology - the Silicon Valley of California.

Technological edge is what the Japanese have developed and made them one of the greatest economic powers if not the number one in the world today. The fast developing and emerging newly industrialized countries or NICs have intensive application of technologies in their economic advances.

The difference in levels of standards of living of different countries in the world is due to differences in levels of economic development. A high correlation has been found between levels of economic development and technology development. Entrepreneurship has made technology work for man and improve his quality of life.

A program to stimulate entrepreneurship through the use of technologies is therefore essential to help effect economic development in the country. This model scheme may be an input to such program.

## II. THE TARGET BENEFICIARIES

The model scheme is addressed to an individual, male or female, between 21 to 50 years old, whether in business or not. The potential beneficiary to this entrepreneurship development programmes will be made aware of his personal entrepreneurial competencies (PECs). Part of the selection scheme is a self-rating questionnaire which will enable the participant to determine where he is strong and where he is weak. As a requirement for acceptance, he must have the desire to enhance his PECs and the need to improve his socio-economic status.

In addition, the individual must be motivated and interested to learn the rudiments of establishing a business as the technical know-how is pursued for commercialization.



### III. LITERATURE REVIEW AND ANALYSIS

#### TECHNOLOGY CHOICE

The base-technology to be promoted may either be sophisticated, complex, or simple and traditional. From a development point of view, the choice of technology is significant in that it determines who should work, how much capital will be invested to create economic activities and jobs, and how indigenous resources will be utilized or processed. Therefore the institution promoting techno-entrepreneurship must consider very carefully the appropriateness of the technology and the mechanism for stimulating and maintaining it. A look at the approaches of several institutions in the country will be very useful in designing a model scheme.

The Department of Science and Technology (DOST) through its Comprehensive Technology Transfer and Commercialization Program adopts a multi-modality strategy of pushing the results of research and development in the country towards productive application and utilization. The twin objectives of the program are:

- to uplift the living conditions of the people by sharing the benefits derived from the application of technology;
- to hasten the process of industrialization through the application and commercialization of new technologies

Depending on the type of technology involved, the target users vary from big business enterprises to small ones, from large districts or community-based organizations or corporations to cooperatives and individuals. Through its regional offices and in tandem with the Development Bank of the Philippines and the TLRC, special financing packages are arranged. Thus, aside from the availability of mature technologies which can be commercialized depending on the scale of operation, credit assistance can be sought.

The DOST have classified their technologies in cluster based on the target users or technology receivers. These clusters include:

1. Food Products and Processing Equipment
2. Materials Technology and Equipment
3. Chemicals and Pharmaceutical Products
4. Textile Processing Equipment
5. Construction Materials
6. Natural Fibers Production and Processing
7. Kilns and Dryers
8. Others like coconut processing, smithery, physics laboratory equipment, aquarium fish production, cut flowers and tissue culture, ipil-ipil seed gum as paper, investment casting.

The Technology Livelihood and Resource Center (TLRC) and the National Institute of Science and Technology (NIST), now known as the Industrial Technology Development Institute (ITDI), are also involved in making use of technologies in promoting livelihood activities. Through research and development, technology

dissemination and transfer, training and credit assistance, they have assisted in the setting up of economic enterprises in different areas where they operate.

TIRC offers training courses which emphasizes class participation through hands-on training sessions where the scientific procedures taught are put to test by the trainees themselves. The courses are conducted by experts and practitioners who have commercially viable technologies which can be made available to potential entrepreneurs.

Some of the programs are:

Manufacturing and Home Business

- basic quilting
- electroplating and anodizing
- decorative candle making
- clay bricks and roof tiles
- soap making
- gemstone inlay setting
- food processing
- mini-oil mill
- jewelry, metal casting and costume jewelries
- flower making

Agribusiness

- swine production, breeding and fattening
- poultry egg production
- formulation and manufacture of swine and cattle feeds

cutflower production and embryo culture of orchids  
mushroom culture and spawn production  
black pepper production

Aqua Business

salt making  
feed formulation for tilapia  
culture of sea weeds, aquarium fish, sea anemone  
and pearl  
breeding and culture of fresh water aquarium fish

TLRC's conduct of training on such technologies as essential oils extraction, soap making, stuffed toys, lapu-lapu (garupa) culture, black pepper, and other diverse skills had attracted thousands of individuals in search of business ideas. A credit facility complements the training and increases the probabilities for business start-ups by the trainees. Many individuals who had attended the technical trainings conducted by TLRC set up businesses based on the technologies they acquired in the seminar.

ITDI, on the other hand, had been active in its contract research and technology transfer activities. "Matured" technologies developed and transferred by the agency became the bases for business start-ups or expansion or diversification of many beneficiary firms or enterprising individuals. As part of DDST, the ITDI focuses on applied technological researches addressed to medium and large industries.

#### IV. THE EXPERIENCE OF TECHNOLOGY-BASED PROJECTS IN CAMARINES SUR

The UNIDO and UNDP had supported a program for the promotion of small and medium enterprises, a component of which is a pilot program aimed to stimulate entrepreneurship in a rural area using agro-based technologies. Implemented by the Technology Livelihood and Resource Center in cooperation with the Camarines Sur Provincial Government (CSPG), the project transferred the technologies of soap making and essential oil extraction to a diverse group of individuals who responded to a training invitation last 1988. The first training programme was attended by 20 participants who learned the principles and techniques of soap making and essential oil extraction. (See Appendices 1 and 2 for training design.) This was followed by a Mini-plant Operation training (See Appendix 3 for details) on the same skills to demonstrate as well as provide "hands-on training" to the participants. The training was concluded up by a Business Planning Seminar (See Appendix 4) to acquaint and prepare the participants to plan their own technology-related business. Each one was required to prepare a business plan along the technologies of their interest.

All the above training programmes were conducted by the UP-ISSI and TLRC trainers with the project staff of the CSPG taking care of selection and recruitment as well as coordination of the program. An attempt was also made to draw a personal entrepreneurial characteristics profile of the selected participants to have some basis for correlation of their business performance for the Impact Study of UP-ISSI.

The project beneficiaries had access to other non-training supports like technical consultation with the TLRC experts, information, and small financial assistance by the provincial government. The funds from the Governor's Office was to support the test development of nursery that will determine the optimum growth conditions of specific varieties of herbs and plants from which essential oils can be extracted.

A monitoring and impact evaluation of the project beneficiaries showed that a number have started their oil extraction and soap making businesses after the training.

#### PROBLEMS ENCOUNTERED BY THE PARTICIPANTS/BENEFICIARIES

The beneficiaries encountered birth pains of a new business venture, primarily due to lack of financial means to support the initial trial runs and experimentation. Demand for the product is very high and has good local and export market potentials. However, the beneficiaries are unable to meet this demand either individually or collectively. This is attributed to the inadequacy of raw material inputs, the very low extraction capacity and inadequate working capital.

The participants also felt the need for sustained technical assistance or consultancy to augment the basic skills training that they had acquired.

## STRATEGIC LESSONS FROM THE EXPERIENCES

The following lessons can be culled from the experiences of institutions promoting entrepreneurship:

1. There is a need to be selective in the admission of participants or trainees to entrepreneurship development programmes in order to ensure higher success rate. Programs using systematic selection procedures have resulted in greater success (as measured by number of business starts, productivity, employment creation, etc.) following entrepreneurship training. This finding has been substantiated in several countries around the world where enterprise assistance is offered.

2. The provision of a broad range of support services (training, credit, technical assistance, information, etc) to beneficiaries can enhance their chances for setting up enterprises.

3. Organizing into collective production or marketing or procurement units to meet common interests is very effective, particularly in cutting down costs and optimizing investments as well as tapping markets.

4. Since it is rare for a single agency or organization to have all the resources needed to provide all the support services required by the clients, a lot can be gained from networking and sharing of resources, expertise and information by agencies involved in pursuit of the same development objectives. Government and non-government organizations (GOs/NGOs) can have a

harmonious working relationship in service to their common target  
- the small entrepreneur.

## V. THE MODEL SCHEME

### INTERVENTIONS

#### IDENTIFICATION AND SELECTION OF TARGET AUDIENCE FOR ENTREPRENEURSHIP

The first step in the entrepreneurship promotion process is the identification of the individual or individuals who are predisposed towards entrepreneurship or who possess the necessary characteristics to qualify as a beneficiary. Since not all the individuals who respond to calls or promotion for training or of entrepreneurship development programmes possess the necessary PECs to make their business entry as well as survival and continuity relatively easier, it is therefore useful to be selective in admitting participants to such programs. This will obviate unnecessary waste of development resources.

Identification and selection tools and techniques had been developed which were proven to be effective in evaluating entrepreneurial potential of an individual. The Management Systems International or MSI, a small Washington-based consulting firm specializing in management training and small enterprise development, had developed and tested selection instruments based on a set of personal entrepreneurial characteristics (PECs) in collaboration with David McClelland's firm in Boston which specializes in job competency analysis and behavioral research.



The MSI procedure which evolved employs a three-step process which includes:

1. a pre-selection screening application
2. a scoring of the application and pre-selection of applicants to interview
3. the selection interview, designed in two parts: a discussion of the candidate's business idea, resources and overall readiness to enter the program; and b) a focused interview to assess personal entrepreneurial characteristics of each person selected to participate.

The use of these tools and techniques require training and experience. None of these selection instruments should be used as the sole means of selecting individuals to participate in entrepreneurship training. Ultimately every entrepreneurship program must decide what criteria are important for selection for that specific program. These might include such variables as geographic location, type and size of enterprise, ethnicity, sex, civil service employment, unemployed university graduates, etc.

#### PERSONAL ENTREPRENEURIAL CHARACTERISTICS TRAINING

The individuals who had been selected and accepted into the program will now undergo sessions on identification and recognition of PECs. The idea is for them to recognize their own PECs, assess and recognize the PECs where they are strong and where they are weak. The selected individuals must resolve to maintain the strong PECs and strengthen their weak ones. These sessions should result in the individuals having better

perception of their own selves in relation to their business initiatives.

#### IDENTIFICATION AND SELECTION OF TECHNOLOGIES FOR PROMOTION

The institution engaged in promoting entrepreneurship development must appreciate the importance of having a list of appropriate technologies for the production of goods or services which meet market requirements. It must have the necessary tools and techniques to effectively promote and disseminate these technologies among potential entrepreneurs. The idea is not only to inform the targets of the availability of these technological options but also to entice them to adopt these in their entrepreneurial activities.

Where it is not possible for a single institution to generate and or develop the technologies by itself, then the alternative is to maintain networking relationship with the appropriate institutions to effect the delivery of these technologies so that entrepreneurship can be stimulated.

Support information on the technologies like market studies, investment profiles, technical studies or how-tos will have to be available from the network or extension office.

TECHNOLOGY      RESEARCH      AND      DEVELOPMENT/INFORMATION  
DISSEMINATION

A necessary component of entrepreneurship promotion is the provision for information on the appropriate technologies and the corresponding market and technical studies. This requires a mechanism for generating and disseminating these information to the target users. A networking arrangement or dissemination of information to relevant institutions must be made to maximize resources and effect better information management and utilization.

Technological research and development (R and D) may originate with marketing research activities and in fact be a form of product R and D. Alternatively, the need for a more appropriate technology may arise with the actual or forecast technological needs of the rural industries themselves. For example, marketing research may identify the need for an agricultural technology and lead to the development of a new farm implement. This farm tool is part of the agricultural production technology of the farmer, but is a new product for the rural industries, who may require a new industrial production technology to produce the new farm tool.

The basic stages of technological R and D are first to carry out research of available data before proceeding as necessary to adapt or carry out R and D of new products; and secondly to ensure successful application with the users of the technology.

TECHNICAL SKILLS/CLASSROOM. DEMONSTRATION  
AND "HANDS-ON" TRAINING

Extending the technologies or transferring them from the suppliers or generators to the receivers or adoptors require technical skills training, field demonstration and hands-on-training. The target users of these technologies must be able to acquire the basic skills for the production of the basic products or services. The training on basic skills should be complemented by training on cost reduction and productivity improvement as well as product quality management.

## TECHNICAL ASSISTANCE AND CONSULTANCY SERVICES

Technical assistance or consultancy services must be extended to the targets as they will require reinforcements during the start-up until profitable operation is attained. They may encounter problems in product or process development, materials testing and evaluation, biological and chemical analysis, pilot testing, quality control. Thus, dedicated and qualified extension workers must be available to render the appropriate assistance.

Effective consultancy services require a mechanism for monitoring and determining problems, whether technical or economic, that the clients face from time to time.

In case the institution promoting entrepreneurship does not have a mechanism or component for extension or consultancy service, then it is imperative that it links or acts as intermediary between the source and receiver of these inputs. Where the institution does not have the technological competency, efforts to network with R & D or science and technology institutions are necessary.

## CREDIT AND MARKETING ASSISTANCE

The need for low-cost and reliable sources of credit to finance fixed assets (land, building, machinery and equipment), working capital and experimentation costs must be addressed, particularly during the pre-investment and investment stages. Assistance in identifying and tapping alternative sources of

finance and (complying with the documentation requirements, feasibility studies, guarantees, etc.) must be provided.

Marketing assistance must also be extended in such forms as identifying and linking with buyers, marketing plan formulation, etc.

Credit and marketing assistance on technology based business ventures can be provided by the Technology Application and Promotion Institute (TAPI) of the DOST.

Credit assistance in the form of endorsement of the DBP and TLRC financing programs is made possible when the entrepreneur adopts a technology which DOST is pushing. When he has insufficient collateral, the Industrial Guarantee and Loan Fund (IGLF) is available through accredited financial intermediaries.

Marketing support is provided through the tie-ups between DOST and the Department of Trade and Industry (DTI) under its Center for International Trade Exhibitions and Missions (CITEM), trade fairs and missions.

#### ORGANIZATIONAL/GROUP OR INSTITUTION BUILDING

The individual beneficiaries must be encouraged to form themselves into an organization which will act as a conduit for all assistance and development inputs. The organization will serve as a mechanism for collective marketing of products or procurement of inputs and production to effect economies of scale in operation as well as solution of common problems.

## ORGANIZATION

An organization or institution planning to implement a technology-based entrepreneurship development program must provide for the following skills or manpower in its organizational structure:

1. Project Director who will provide overall direction to the project at the national level.

2. Project Manager who will supervise and manage the successful implementation of the project.

3. Coordinators

Appropriate Technology Generation and Promotion  
Training  
Technical/technological  
Entrepreneurship and business management  
Extension and Support Services

4. Assistants

Information Specialist  
Technologists  
Training Assistants  
Extension Workers

The size of the project team will vary depending on a number of factors. These include the expected size of the target beneficiaries (area-wise and sector-wise), target outreach, the existing resources and capabilities within the implementing

institution and the degree of cooperation or support it can get from collaborating organizations.

#### BUDGET

Budgetary provisions must be made for the personnel and operating requirements of the following:

Project staff training and development

Training of target beneficiaries

Technology Generation and Promotion

Extension Services

Administrative Support

To insure mobility and effective outreach, provision for transport equipment must also be made.



PROPOSED ORGANIZATIONAL STRUCTURE

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: PROJECT DIRECTOR :  
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:

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: PROJECT MANAGER :  
-----

:

-----  
: COORDINATOR :  
-----

-----  
: APPROPRIATE TECHNOLOGY : : TRAINING AND : : SUPPORT SERVICES:  
: GENERATION/PROMOTION : : EXTENSION : : :  
-----

Appendix 1

TECHNICAL TRAINING COURSE ON SOAP-MAKING

COURSE OUTLINE

DAY I

TOPICS

1. a) Levelling of expectations  
b) Orientation/introduction to the training workshop
2. Basic chemistry in soap-making
3. NSTA requirements for quality testing  
Department of Trade and Industry  
Bureau of Product Standards  
Guidelines for Registration and Licensing

DAY II

1. Basic Chemistry in Soap Making
2. Making of special soap (laundry and bath soap)
3. Film: "Chemistry of Soap making"  
TLRC Soap Making  
Video Course

DAY III

1. Purchasing and Marketing

DAY IV

1. Integration Session Course Evaluation

\*Three-hour sessions daily

Appendix 2

TECHNICAL TRAINING COURSE ON ESSENTIAL OIL EXTRACTION

COURSE OUTLINE

Learning Objective:

This three and a half-day course aims to provide the participants with knowledge on the:

- importance of essential oil
- promising essential oil-yielding plants of the Philippines
- technology for the production of essential oil and
- compounding of perfumes and other fragrance products and flavors

DAY I

TOPICS

9:00 - 12:00

1. The wealth of commercial essential oils contrasted with a non-existing essential oil and perfume industry
2. Commercially-promising essential oil plants in Camarines Sur
3. Commercial use of essential oils

DAY II

3 HOURS

1. Demonstration of water distillation of essential oils. e.g., ilang-ilang oil and hierba buena oil
2. Business ideas on essential oil plants and other types of plants from Bicol

3. Basics of perfumery
4. Water distillation, process and equipment

DAY III

1. Distillation demonstration of "Kayumanis" and "Suob Kabavo"
2. Familiarization of local essential oil plants
3. Discussion of steam distillation, solvent extraction and physical methods

DAY IV

1. Perfume compounding demonstration
2. Questions and answers on essential oil production

Appendix 3

MINI-PLANT OPERATION COURSE

Learning Objective:

This six-day course aimed to provide the participants with the opportunity to conduct hands-on exercises on the production of soap and extraction of essential oils.

DAY I	2 HRS	Review of the Chemistry on Soap Making
	1 hr	a) Group Selection: Team Building
		b) Lye preparation
		all participating teams will prepare their raw material requirements including lye
		participants will each be assigned preparatory activities
DAY II		Soap Making Exercise
	2 hrs	laundry soap preparation
		evaluation of activities
		cleaning

DAY III

Soap Making Exercise

3 hrs

bath soap preparation

3 hrs

plant engineering exercise

design factor

plant layout

plant management

safety factor

raw material selection

R & D evaluation

DAY IV

ESSENTIAL OIL EXTRACTION COURSE

Morning

Lecture

Afternoon

Distillation

DAY V

Morning to Afternoon

Distillation

DAY VI

Morning

Distillation and Demonstration

Afternoon

Perfume Formulation

Appendix 4

BUSINESS PLANNING COURSE SCHEDULE

Learning Objectives:

This three-day seminar aims to provide the participants:

- the basic knowledge on the fundamentals of business planning
- the basic skills necessary to prepare a business plan
- a better orientation towards planning

DAY I	4 hrs	Mini-Business Plan Module
	2 hrs	Group Exercise: Organizing the Business
DAY II	2 hrs	Pre-feasibility Study Preparation Module
	1 hr	Presentation of the 1st day activities
	2.5 hrs	Pre-feasibility Study Preparation Module (Continuation)
	1.5 hrs	Open Forum and Panel Discussion on Financial Aspects, Support Services and Institutional Linkages
DAY III	4 hrs	Pre-feasibility Study Preparation Module (Continuation) Technical/Financial Aspects
	2 hrs	Technical/Financial Aspects
	2 hrs	Presentation of Group Activities, Individual Plans
	0.5 hr	Closing Ceremonies

**COMMUNITY-BASED  
ENTREPRENEURSHIP DEVELOPMENT PROGRAMME**



MODEL SCHEME FOR COMMUNITY-BASED  
ENTREPRENEURSHIP DEVELOPMENT PROGRAMME

I. RATIONALE

"One of the main concerns of the Government of the Republic of the Philippines is the promotion of cottage, small and medium enterprises (CSMEs). As mentioned in the Medium Term Philippine Development Plan (1987-1992), approved in November, 1986, CSMEs are seen as potent vehicles for increasing off-farm employment and regional dispersal of industrial development in the countryside." (From Proposal entitled "Pilot Project For The Development of a Community-Based Enterprises in Sabangan" prepared by the National Commission on Women and the Igorota Foundation, Inc.).

The key to the attainment of these objectives are the ENTREPRENEURS - the people who innovate and initiate economic enterprises. Recognizing this, the UNDP funded PROJECT PHI/86/018 to assist the Government of the Republic of the Philippines. This project aims for the development of entrepreneurs for cottage, small and medium enterprises. One of the expected output of the project is the formulation of a Model Scheme for Community-Based Entrepreneurship Development Program.

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Written by Aquiles S. Crispino of the UP Institute for Small-Scale Industries for the "Model Scheme" component of the "Development of Entrepreneurs for Cottage, Small and Medium Industries" (DECSMI) project sponsored by the United Nations Development Programme (UNDP) and the United Nations Industrial Development Organization (UNIDO) and implemented in 1988-1989.

The establishment of community-based enterprises in the area would result in the following:

- a. contribution to the fulfillment of the target beneficiaries basic needs;
- b. mobilization and participation of the target beneficiaries to the development of the area;
- c. establishment of appropriate enterprises as viewed from the target beneficiaries' overall context of his socio-cultural, economic and natural environment;
- d. employment of idle farm population as wage earners;
- e. creation of opportunities for the entry of appropriate technology.

## II. THE TARGET BENEFICIARIES

This Model Scheme aims to develop, on a group basis, the entrepreneurial capabilities and behaviour of a homogeneous portion of the people in a community. However, it is very rare that the population, or a portion thereof, of a community is homogeneous in ethnic, social, religious, and economic sense. Thus, the target beneficiaries to be selected for this model scheme would be that part of the population who have, not only the same interests but, as much as possible, jointly pursued interests.

Initially, individuals with common economic interests or needs would be identified from the population. Several groups may be identified such as the following:

- a. Owners of bakeries/bakeshops who experience difficulty in sourcing supply of flour;
- b. Poultry and livestock raisers who are saddled with high cost of animal feeds;
- c. Farmers who lack market outlets for their produce; who need temporary storage; who need transportation facilities;
- d. Women engaged in traditional crafts such as weaving, knitting, etc. who find difficulty in sourcing raw materials and marketing their finished products:

- e. Retired employees (government or private) who are searching for investment opportunities;
- f. Owners of industrial establishments who depend on service facilities located in distant urban centers;
- g. New graduates looking for employment opportunities;
- h. Landowners whose landholdings were subjected to distribution to the tenants under the Land Reform Program;
- i. Unemployed sectors of the labor force and out-of-school youth;
- j. Traders, catering to the local market, such as market vendors, dried fish traders, vegetable vendors, etc.
- k. Fishermen, on subsistence level, requiring the provision of low priced supply of ice;
- l. Small farm operators (those with three hectares or less) in need of post-harvest service facilities;
- m. Cooperatives, associations and foundations which are community-based;
- n. Others engaged in economic activities with common needs, problems and capabilities.

Those listed above are potential beneficiaries of the Entrepreneurship Development Program for Community-Based Enterprises. From the list, the target group shall be selected. Priority shall be given to those groups who are already in business, whether by choice or by chance, against those who are not yet engaged in business.

In the selection of the target beneficiaries, the priority listing shown below, shall be followed:

#### TARGET BENEFICIARIES PRIORITY LIST

I. Those who are already in business

A. Manufacturing/Producing Enterprises

First priority is given to this group due to its employment generating ability.

1. Industries using labor-intensive technology

This particular group may be using traditional or appropriate technology. This sector create jobs and employ at least one person for every Pecos 50,000 investment.

2. Industries using local and regional resource in the form of raw materials/intermediate products.

In addition to employment generation, this group creates markets for local suppliers (farmers, processors, etc.) and provides revenues for merchants/traders and transportation firms. Using materials indigenous to the region or the community would boost economic activities in the area. Processors of leather, clay, wood and other forest products, fruits, etc. belong to this group of beneficiaries.

3. Industries producing products for local and regional markets. Generates employment and at the same time contributes to the community's self-sufficiency. Potentials are great for production of substitutes for imported products. Food processing, furniture and joinery, construction materials like hollow blocks, tiles, ballusters, etc., potteries and ceramics are some of the group's activities.

4. Those engaged in traditional crafts

The art and skills were handed down from generation to generation. Developing this group would contribute to the preservation of the community's culture. There is also potential for development into an export industry.

B. Agricultural Producers

1. Farmers
2. Livestock and Poultry Raisers
3. Fishermen

C. Service Industries

1. Construction

Although seasonal, employment generated is high, particularly in infrastructure projects.

2. Rural Repair Shops

Supports the community's requirements, especially the industrial and agricultural sectors. It is also a potential self-employment activity for unemployed skilled workers.

3. Transport Services
4. Trading and Other Services

II. Those who are not yet in business

Proposed projects shall be given priority as in Item I .

From the Priority List, select the first five (5) groups.

The next step is to contact the groups. The objective is to determine which group would be interested in participating in the Entrepreneurial Development Program for Community-Based Enterprises. This could be done by inviting each group to a meeting where the program is introduced and explained to the members of the group. In addition, the group's reaction must be recorded to assist in deciding which group to select for the program.

In cases where interest in the program from a high priority group is low, other individuals from other groups may be tapped, as long as they belong to one particular activity sector (i.e. manufacturers, agricultural producers, or service enterprises).



## LESSONS FROM EXPERIENCE

A program for the development and promotion of small and medium enterprises was sponsored by the UNIDO and UNDP. One of the components of the program is a Pilot Programme - Entrepreneurship Development for Women in a Community-Based Project in a Rural Area. The project, subcontracted to the National Commission on Women and implemented by the Igorota Foundation, Inc., aims to enhance the entrepreneurial competencies of the women weavers of the Sabangan Weaver Cooperative in Sabangan, Mountain Province.

The Sabangan Weaver Cooperative was started 21 years ago as an association by a Belgian nun in order to help the women of Sabangan augment their household income from marginal farming by weaving. A trainer from Lagawe, a neighboring town, was commissioned by the Belgian nun to train the women in the art of weaving. Thus, the women worked as weavers with the nun handling the marketing, designing and administration of the weaving operations. The sole market outlet was Tahanang Walang Hagdan, another CICM supported organization. In 1979, when the Belgian nun retired, the weavers lost a leader, mentor and guide.

The Vicariate of the Mountain Province through the Montanosa Social Action Center tried to help the weavers to organize themselves into a self-reliant and self-managing organization. This was not attained however because the Vicariate disengaged from the project before it attained true self-reliance.

In mid-1987, the Igorota Foundation, Inc. decided to assume the responsibility of assisting the weavers through the Development of Entrepreneurs for Cottage, Small and Medium Industries (DECSMI) Project under the sponsorship of the United Nations Development Programme. Under the terms of the project, the IFI aimed to provide the weavers with the managerial and technical skills, as well as the entrepreneurial capabilities needed to efficiently run the business on their own.

To attain this, the IFI reorganized the women into a cooperative and laid in place measures that would enable the women identify new markets, create new products and use new and better technologies. To this end, IFI implemented the following:

1. Training on cooperative education, leadership and entrepreneurship;
2. Fielding of technical consultants on skills upgrading, product design and development, as well as market sourcing;
3. Assistance in streamlining the records system of the cooperative, particularly the bookkeeping system;

In the implementation of the project by IFI, the following problems were encountered:

1. Personality conflicts between the assigned foreign consultants and the IFI staff and the weavers;
2. Difficulty in effecting behavioural changes in the weavers because of existing cultural values, tribal differences and the effects of experiencing doting parental treatment from the early administrators.

3. The absence of a full-time staff stationed in Sabangan to monitor and supervise the project;

From the experience of the project, the following lessons can be drawn:

1. The identification of the particular livelihood project was made by the Belgian nun. The beneficiaries were not consulted. The products that the weavers were asked to produce were items which are alien to them and thus they could not relate to. As a result, they work following specific instructions without exercising their creativity. Thus, in implementing community-based activities, particularly enterprises, it is imperative that the beneficiaries interests and commitment be taken into consideration.
2. The value system of the community, particularly the target beneficiaries, is vital in effecting changes. This would facilitate acceptance of new ideas, technologies and practices, especially from outsiders.
3. Training, whether formal or non-formal, is a potent tool in effecting changes in individuals on their knowledge, attitude and skills.

4. The experience with the Sabangan Weavers Cooperative showed that a single agency cannot provide a complete range of services needed to organize and sustain a community-based project. It must interface with other agencies/units/organizations endowed with resources and expertise which the implementing agency cannot provide. The Sabangan project illustrated the value of networking among institutions, such as:

- National Commission on Women
- Igorota Foundation, Inc.
- Montanosa Social Action Center
- Mountain Province Development Center
- Department of Trade and Industry
- National Manpower and Youth Council
- Department of Science and Technology
- Embassy of the Royal Kingdom of the Netherlands
- St. Louis University - EISSI
- UP - Institute for Small-Scale Industries
- UNDP/UNIDO

### III. THE MODEL SCHEME

The entrepreneurial development program focussing on the establishment of community-based enterprises, would entail the following procedures:

#### A. Community Situational Survey

Community, as used in this Model Scheme, refers to a municipality (a geographical and political subdivision of a province) or a city.

This is an investigation and evaluation of the basic data of the community. This shows the resources available in the area and how the various sectors of the population utilize said resource.

The situational survey includes the following:

##### 1. Examination of the natural conditions

Describes and assess the weather conditions in the area, the topography, location, legal boundaries.

##### 2. Examination of the resources

Enumerates, quantifies and describes the different resources in the area such as minerals, forests, fisheries and aquatic resources, wild life, etc. Who and how these resources are exploited are also studied.

### 3. Physical Infrastructure

Describes the state and extent of the network of roads, number of bridges, irrigation, etc. of the area and how it benefits the population.

### 4. Survey of the Population

States the number of population, the structure (age, sex, number per family, ethnic groupings, religion, etc.). Number living in the urban centers and rural areas, and the consumption pattern of the population.

### 5. Socio-Economic Situation

Demand and supply situation; income level of the population; landholdings; rate of unemployment; trade and commercial activities; the flow of commodities to and from the community.

### 6. Development Plans

States the plans of the local government unit, the regional center and the national government which would accrue to the community.

### 7. State of Entrepreneurship Development in the Community

An inventory of agencies/organizations who are engaged in developing entrepreneurship in the area and the respective activities undertaken, would be made. Target beneficiaries are identified. An assessment of the results would be very useful. The

agencies/organizations must be classified whether private (voluntary, non-governmental organizations, religious, civic) or government (local, regional, national) units.

Most of the communities in the Philippines at present have established a Development Office. This section of the local government publish socio-economic profiles of the community periodically. Some, however, might need updating and validation of some data in the publication. Often, the publication lacks the data on entrepreneurship study. Thus, this section will have to be done by the project team.

Appendix 1 shows the outline of a socio - economic survey of a community.

## B. Target Beneficiaries Analysis

Based on the socio-economic profile of the area, the potential beneficiaries are identified and the target beneficiaries are selected. (See page 2 Target Beneficiaries.)

The examination and evaluation of the target beneficiaries are intended to determine their:

### 1. Needs

From the participant's perception, the team will be able to determine his requirements. More than this, the team must be able to determine the reasons for his failure to fulfill the needs. The reasons could either be due to his own personal deficiencies or it could be from the environment, his peers, society and/or his family.

### 2. Resources

The target beneficiaries revelation of the status of his resources would inform the team of his entrepreneurial behaviour and management skills.

### 3. Problems and Blocks or Impediments

This item refers more to the conduct of the target beneficiaries' business rather than to his personal life. Situations such as marketing problems, diminishing working capital, high production costs, delayed deliveries, high percentage of rejects, and



similar problems point to deficiencies in management skills. High labor turnover, to poor leadership and maybe poor communication.

The analysis to be conducted on the target beneficiaries is not intended to be used in the selection process. It should be noted that selection of the target beneficiaries are explained in Section II -- The Target Beneficiaries. The result of the analysis would be utilized in determining the necessary measures, interventions and projects appropriate for the target beneficiaries.

If, for instance, the target beneficiaries were unanimous in identifying the problems to be originating from themselves, then the training program could be redesigned to contain more in attaining better personal competencies rather than on the management and planning aspects.

The participant's personal data sheet at application form (see Appendix) and focused interview technique will be utilized for this analysis.

#### C. The Entrepreneurship Development Program

The Entrepreneurship Development Program for Community-Based Enterprise shall be implemented for the benefit of the target beneficiaries identified in section II. This program consists of four phases, estimated to be completed within twenty-four (24) months.

## FIRST PHASE - Training on Entrepreneurship

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1. Promotion of the Training Program

See Section II - The Target Beneficiaries

2. Selection of Participants

See Section II - The Target Beneficiaries

3. The Training Programme

The training programme shall consist of three modules, as follows

a. Entrepreneurial Motivation Training

Stimulating the participants' thinking and acting towards the entrepreneurial way.

This module includes the training on cooperatives principles and practices.

b. Management Skills Training

Covers the business functions, marketing, production, finance and personnel. Participants will be given the opportunity to apply knowledge gained in a simulation of a business situation.

c. Business Plan Preparation Training

Participants will be equipped with the knowledge on how to prepare business plans. They will be experiencing how to prepare one, a community-based enterprise, identified by them. This will be done during the workshop and would be a valuable input to the Second Phase of the Entrepreneurship Development Programme.

## SECOND PHASE - Planning the Community-Based Enterprise

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### 1. Identification of the Community-Based Enterprise

As mentioned earlier, the output in the workshop in the training module would be a good starting point for discussions by the target beneficiaries.

### 2. Preparing the Business Plan for the identified Community-Based Enterprise

The beneficiaries shall assign a group to be assigned the task of preparing the business plan. The project team shall assist and coordinate with other agencies, whether government or private, for possible assistance, especially technical aspects.

### 3. Organizing the Community-Based Enterprise

This has to be done to acquire legal personality for the purpose of transacting businesses.

### 4. Request for Financial Assistance

Packaging the project for loan, grants or investments from other sectors of the population. The project team may assist by sourcing institutions, agencies and private individuals for the purpose.

### THIRD PHASE - Implementation of the Project

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The project team shall assist the proponents in preparing the implementation plan and monitor/document the activities.

### FOURTH PHASE - Monitoring and Evaluation

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The project team shall continue monitoring the project and provide assistance when necessary. Approximately six months after the start, the project team shall evaluate the project's performance.

#### IV. THE PROJECT MANAGEMENT TEAM

##### A. The Implementing Organization

The following organizations are potential proponents of this program:

##### 1. The Local Government Unit

Ideally, the local government unit (i.e. the municipal or city government) must take the initiative in implementing this program or project for the purpose of developing their particular area. The local government unit (LGU) has the organization, the resources and the network to provide sustained efforts towards this project. Furthermore, it is one of the objectives of LGU's to promote and develop enterprises and entrepreneurs. Familiarity with the area and the people are also plus factors that favor the LGU's implementation of this type of project.

A deterrent to the LGU's effectivity as the implementor of CEDP is its multi-sectoral objectives - infrastructure, peace and order, agriculture, environmental and ecological situation, etc. In addition, the presence of partisan politics would have a great negative effect on the project.

The LGU can assign an ad hoc project team commissioned from the different department of the LGU, on a full time basis. Expertise may be availed of from the different civic, religious and other government agencies and units-regional and national - on a part-time basis.

## 2. Other Government Agencies

(National, Regional and Provincial)

Other agencies of the government, besides the LGU, may assume the role of implementor of this project. These agencies possess the advantages and disadvantages of the LGU. Some of its added advantages are the requirements in entrepreneurship development, such as:

- financing assistance
- training on skills, technical and entrepreneurial
- linkages with other agencies

Some of these agencies are :

- a. Department of Labor and Employment
- b. Department of Trade and Industry
- c. Department of Local Government
- d. Department of Agriculture
- e. Department of Agrarian Reform

These agencies of the national government have regional and provincial offices.

### 3. Private Voluntary Organizations and/or National Organizations

These organizations have the advantage of being free from partisan politics inherent in most government agencies and their instrumentalities. Also, they can concentrate on a particular objective such as this type of a project. However, they do not possess the power, resources and network facilities of government units. And although politically speaking, non-partisan, they may be drawn into political conflicts unwittingly.

A distant edge of this group in this type of an endeavor, is their ability to source and generate financial support for the projects. Funding agencies, especially international ones, look favorably towards this group as the best outlet for their development efforts. Non-government and/or private voluntary organizations have proven successful in many community development projects.

#### B. The Project Management Team

The task of implementing the CEDP must be assigned to a project team composed of a Project Manager and two Project Assistants.

1. Duties and Responsibilities of the Project Team

a. PROJECT MANAGER (PM)

The PM shall oversee the accomplishment of the set objectives. Specifically, the PM shall:

- prepare plans and budget;
- act as the liason between the implementing organization and the other organizations affecting the project;
- direct, supervise and coordinate the activities;
- monitor the progress;
- prepare the necessary reports; and
- perform other successfully implementing the project.

b. PROJECT ASSISTANTS (PA)

The two PAs shall assist the PM in the performance of activities to attain the set objectives. Specifically, they shall:

- provide the PM with their expertise in the preparation of plans and budgets;
- oversee the conduct of specific activities, such as:
  - . Area Survey
  - . Training Programs
  - . Organization of the TB
  - . Management Information System



- act as resource persons for technical consultations required by the TB; and
- perform other duties that the PM may assign from time to time.

## 2. Qualifications of the Project Team Members

The implementing organization, whether government or non-government organization, shall be responsible in selecting the community where the Community-Based Enterprise Development Program (CEDP) shall be applied. After deciding on the area, the implementing organization shall organize the project management team as described in Item I of this section.

The individuals to be assigned as members of the project management team must possess the following qualifications:

### a. The Project Manager

- possess college degree on social work and/or community development;
- had undergone training on entrepreneurship development and as a trainer;
- be experienced in entrepreneurship development and/or community development.

b. Project Assistant I

- possess college degree on Business Administration/Management, Economics or Industrial Engineering;
- had undergone training on entrepreneurship development and as a trainer;
- have knowledge of project study preparation.

c. Project Assistant II

- possess college degree on Engineering or other technical discipline;
- had undergone training on entrepreneurship development as a trainer;
- have knowledge of project study preparation.

It would be very helpful if the members of the project team are conversant in the dialect of the selected community. Also the project assistants would be more effective if they have had experience in community development projects.

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APPENDIX 1

OUTLINE OF A COMMUNITY'S SOCIO-ECONOMIC SURVEY

- I. THE COMMUNITY: PHYSICAL & GEOGRAPHICAL FEATURES
  - a. History, legends and myths
  - b. Location and Area
  - c. Political Subdivisions
  - d. Topography
  - e. Climate
  - f. Land Classification
  - g. Soil
  
- II. EXTENT AND UTILIZATION OF NATURAL RESOURCES
  - a. Agriculture
  - b. Livestock and Poultry
  - c. Fishery Resources
  - d. Mineral Resources
  - e. Forest Resources
  
- III. HUMAN RESOURCES
  - a. Population
  - b. Age/Sex Structure
  - c. Education and Literacy
  - d. Urbanization
  - e. Languages and Dialects
  - f. Religions
  - g. Ethnic Groups
  - h. Labor/Manpower Development
  - i. Family Income

#### IV. INFRASTRUCTURE

- a. Roads, Ports, Airports, Bridges
- b. Transportation
- c. Waterworks and Sewerage
- d. Power and Electrification
- e. Communication
- f. Irrigation

#### V. SOCIAL SERVICES

- a. Housing
- b. Health
- c. Education
- d. Peace and Order
- e. Recreation
- f. Professional/Personal Services
- g. Tourism

VI. ECONOMIC AND INDUSTRIAL ACTIVITIES

- a. Existing Trade and Commerce Situation
- b. Existing Industries
- c. Analysis of Demand and Supply Situation

VII. FACTORS AFFECTING THE COMMUNITY'S DEVELOPMENT

- a. Industrial and Economic Climate
- b. Government Services
- c. Infrastructure
- d. Capital Availability
- e. Labor and Labor Skills
- f. Peace and Order Situation
- g. Power, Water and other utilities
- h. Financial, Cultural, Religious, Social Facilities
- i. Cooperatives, Trade Associations, Civic, Religious &  
Social Organizations
- j. Entrepreneurship Development

VIII. GOVERNMENT'S DEVELOPMENT PLANS

- a. The National Development Program
- b. The Regional Development Program
- c. The Local Government Unit Development Program

ENTREPRENEURSHIP DEVELOPMENT COURSE  
FOR THE DEVELOPMENT OF  
COMMUNITY-BASED ENTERPRISES

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MODULE I - ENTREPRENEURSHIP MOTIVATION TRAINING

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DAY 1

- A.M. - Opening Ceremonies  
Course Introduction  
Levelling of Expectations
- P.M. - Lecture on Personal Entrepreneurial Characteristics  
(PEC)  
Self-Rating Questionnaire (SRQ) on PEC  
Thematic Aperception Test (TAT)  
Value Clarification

These sessions shall introduce the different personal competencies of successful entrepreneurs. Participants will also be asked to assess and rate their own competencies. In addition, they are also assessed on the presence or absence of achievement oriented ideas in their thoughts. The group's priority activities are gauged and their view towards entrepreneurial activities assessed. This would pave the way for directing entrepreneurship to be placed at a higher priority rating of the participants' values.

DAY 2

A.M. - Risk-Taking; Decision Making; Goal setting

Structured learning experiences shall be the method in making participants display their weakness or strength in the three competencies . Suggestions on how to improve on these aspects shall be provided.

Communication

The importance of communication, especially in group endeavors, will be highlighted through structured learning experiences.

P.M. - Handling Conflict

The effects of trust and betrayal within groups, and the ensuing conflicts will be experienced by the participants. The session shall dwell on the prevention and handling of such situations.

Entrepreneurial Behaviour I

Participants shall be subjected to a situation where they have to react and display their competencies. Processing shall focus on the development and strengthening of the competencies.



DAY 3

A.M. - Entrepreneurial Behaviour II

Participants, as in Entrepreneurial Behaviour I, react to a particular situation with the objective of identifying strong and weak entrepreneurial competencies. This session focusses on a simulation of a business situation.

P.M. - Goal Setting/Action Planning

Participants are now aware of their entrepreneurial competencies. This session will allow them to identify their weaknesses and set goals on how to improve them. Plan shall detail the activities they are going to pursue, the resources required, the assistance or help needed in attaining the goals that they set.

DAY 4

A.M. - Team Building/Leadership Training  
Cooperative Principles and Practices

P.M. - Cooperative Principles and Practices

## MODULE II - ENTERPRISE MANAGEMENT MODULE

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This module covers the different practices, tools and techniques used in planning, organizing, staffing, directing and evaluating the operations of a business enterprise.

### DAY 5

A.M. - Management/Functional Areas  
Forms of Business Enterprises  
Personnel Administration

P.M. - Marketing Management

### DAY 6

A.M. - Production Management

P.M. - Financial Management

### DAY 7

A.M. - Integrating Business Management Game

P.M. - Integrating Business Management Game

## MODULE III - BUSINESS PLANNING MODULE

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This module shall acquaint participants with the different tools and techniques in preparing business plans. The sessions shall cover the organization, marketing, production and financial aspects of a plan. They will also be asked to prepare a business plan.

### DAY 8

A.M. - Overview of Business Plan  
Opportunity Identification

P.M. - WORKSHOP - Identification of Community-Based  
Enterprise

DAY 9

A.M. - Marketing Plan

WORKSHOP - Marketing Plan Preparation

P.M. - Production Plan

WORKSHOP - Production Plan Preparation

DAY 10

A.M. - Organization Plan

WORKSHOP - Organization Planning

P.M. - Financial Plan

WORKSHOP - Financial Plan Preparation

DAY 11

A.M. TO

P.M. - WORKSHOP - Finalizing Business Plans

DAY 12

A.M. - Presentation and Critiquing of Business Plans

P.M. - Course Evaluation

Closing Ceremonies

RETURNING OVERSEAS CONTRACT  
WORKERS

MODEL SCHEME FOR  
RETURNING OVERSEAS CONTRACT WORKERS

This is a model scheme for the promotion of entrepreneurship development among returning overseas contract workers (OCWs) and their dependents. This scheme is one among six models developed under the UNDP-UNIDO assisted project entitled "Development of Entrepreneurs for Cottage, Small and Medium Industries" (DECSMI) \_PHI/86/018 implemented by the University of the Philippines Institute for Small-Scale Industries. The five other schemes on entrepreneurship development are for (a) the youth in the mass media industries, (b) technology-based enterprises, (c) community-based enterprises, (d) university linked prospective entrepreneurs, and (e) entrepreneurs from large-scale industries.

Part one gives the rationale and the importance of developing a reentry programme for the overseas contract workers. It gives a profile of the OCWS and describes the target groups.

The second part discusses the experience with the institution involved in developing the reentry programme of the contract workers.

The third part is the model scheme that was patterned after the experience with the Overseas Workers Welfare Administration of the Department of Labor and Employment.

## RATIONALE

An overseas contract worker (OCW) is one who goes out of his native land to fulfill a work contract in a foreign land. The sectoral profile of the overseas contract worker is similar to that of existing entrepreneurs in the cottage and small industries.

Table 1 presents the profile of these target group, which shows the potential and their importance in Philippines society. Fe Arcinas (1984) in her study on migrant workers supports the assumption by specifically citing findings about the overseas contract workers' personal attributes of energy and hard work which are significant determinants of successful labor migration.

Beside personal characteristics, another factor to their likelihood of success in entrepreneurial endeavors is their acquisition of better technical skills, having been exposed to advanced technologies with expertise found in organizations they worked abroad.

Another factor which could enhance the chances of success is their ability to accumulate savings which may be utilised as initial capital for the establishment of small enterprises. Given guidance on how to plan and manage an enterprise, these

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Prepared by Alberto P. Capati and Sonia Tiong-Aquino of the University of the Philippines Institute for Small-Scale Industries for the "Model Scheme" component of the "Development of Entrepreneurs for Cottage, Small and Medium Industries (PHI/86/018) project sponsored by the United Nations Development Programme and the United Nations Industrial Development Organization implemented in 1988-1989.

TABLE I: SECTORAL PROFILE OF OCWs  
 (Source : Institute of Labor & Manpower Studies, 1984)

MEAN AGE	:	34 years	
GENDER	:	Males	90%
CIVIL STATUS	:	Married	65%
Gender-Status Relation	:	Married - mostly male Single - mostly female	
EDUCATIONAL LEVEL	:	grade school- secondary	60% - 70%
		beyond secondary	30% - 40%
Education-Age Relation	:	beyond secondary	25-29 years old
REGIONAL ORIGIN	:	urban, NCR	65%
OCCUPATION	:	craftsmen professionals/ technical service others	65% 15% 15% 5%
LENGTH OF EMPLOYMENT	:	2 years	60%
AGGREGATE NUMBER	:	1.245,098 1.662,984	1976-1982 1983-1986
AGGREGATE REMITTANCES	:	US\$ 3.45 B US\$ 3.05 B	1976-1982 1983-1986

migrant workers are taught the rudiments of organizing and managing a small business.

Perhaps the most critical factor which would likely lead them to business success is their strong desire to put up their own businesses upon return to the country. Based on a survey documented in the Overseas Workers Welfare Administration Manual, intent to engage in entrepreneurial activities ranks third in the immediate life goals of OCWs. The first being to seek for local employment upon return which is an unlikely alternative for an OCW who had been used to a comparatively higher salary rate abroad. The second desire is to re-apply for another contract with other companies which is getting to be increasingly difficult due to stiff competition in the international labour market. In addition private recruitment agencies demand higher brokerage fees.

Studies on entrepreneurship development have shown that the sign for a good start is the strong desire to go into business. Many of the OCWs showed entrepreneurial interest so that the improved quality of life will last. These are present in OCWs which imply their having another "entrepreneurship prerequisite" which could be enhanced.

#### THE TARGET BENEFICIARIES

This model scheme is addressed to the overseas contract worker who has returned from abroad and does not have immediate employment prospects in the country or a new contract abroad. It



is also addressed to the members of his family and dependents whose life style may have changed as a result of the economic benefits of the overseas work. Table 2 gives a profile of the target beneficiaries for this model scheme. It is important to note that the dependents will be considered in the light of the ultimate goal of increasing the income of the family.

#### THE EXPERIENCE : ENTREPRENEURSHIP FOR RETURNING OVERSEAS CONTRACT WORKERS PROGRAMME

The experience of the UFISSI dates back to the mid eighties when the first entrepreneurship development programme was conducted for the Philippine Overseas Employment Administration, (POEA) also attached to the Department of Labor and Employment (DOLE). The programme consisted of motivation training and small business development and management. The subsequent activities were monitoring of their situation which took the form of extension services by the staff and officers of the DOLE.

This model scheme, however, was patterned after the most recent involvement which had a wholistic approach, an improvement of previous engagements. This time the experience was shared with the Overseas Workers Welfare Administration (OWWA), an attached agency of the DOLE. OWWA is mandated to attend to the needs of the overseas returning workers. The programme is a re-entry strategy through entrepreneurship stimulation. As such the recruitment of potential participants were done by the OWWA, but the selection done by a pool of staff/officers from DOLE.

## 1. PROGRAMME OBJECTIVES

The general objectives set for the entrepreneurship stimulation programme are as follows:

- " To facilitate the gradual re-integration of OCWs into the mainstream of Philippine economic activities
- To create proper venues and opportunities that would enable them and their families to contribute to the larger movement towards economic productivity and self-reliance
- To contribute to the overall efforts of the State towards the upliftment of socio-economic well being"

The specific objectives which were met by the programmes as attested by the utilization of hard earned money for sustainable economic activities, are as follows:

- To improve and upgrade the managerial and technical capabilities of OCW planning to or currently engaged in income-generating activities through the conduct of formal and non-formal trainings sessions
- To provide sustained income through financial and technical assistance for business undertakings
- To enhance community development through socio-economic activities

## 2. THE ACTIVITIES

### 2.1 RECRUITMENT AND SELECTION OF BENEFICIARIES

Recruitment is done mainly through invitation letters, referrals, and inquiries/information by those who visit the PCLE offices.

Applicants to the program are requested to fill out the data sheet or application form ( See Appendix 1). While the data sheet can be scored for entrepreneurial predisposition, selection is undertaken using results of interviews with applicants. Preference is given to applicants who have concrete business plans and those who intend to manage directly their own businesses. Hardly any selection scheme is implemented in its entirety as all applicants are, in most instances, accepted to the program.

### 2.2 TRAINING

The following training programmes were conducted for the beneficiaries depending on their condition of employment and ability to attend on a full-time basis:

2.2.1 Small Enterprise Planning and Management Training consists of value orientation and small business planning and management. This was a 3-day program.

2.2.2 For those who can not attend the training for a longer period and on a continuous basis the Ladderized Entrepreneurial Career Development Training was designed and conducted weeks apart. The programme consists of the following :

- entrepreneurial motivation for 2 days
- small business planning for 3 days
- small business management for 2 days

2.2.3 Industry specific seminars were conducted for two days for those who have signified interest in acquiring or upgrading their skills in a particular industry.

2.2.4 Technical Skills programmes were to upgrade the skills using indigenous materials and resources. This program was aimed at upgrading the quality of products/services of the beneficiaries. Appendices 2 and 3 show the course outlines for the three-day and seven-day programs, respectively.

### 2.3 PROJECT DEVELOPMENT

This involves direct assistance to the beneficiaries in business opportunity identification and project feasibility study preparation. It also includes assistance in the preparation of legal and business documents and subsequently giving them directions on where and how to file them. In many instances some of these plans are used for fund sourcing.

### 2.4 PROJECT FINANCING

Beneficiaries are referred to appropriate lending institutions for project financing. At the start of the project, the GWA made financing arrangements with the

Technology and Livelihood Resource Center. Later on, it was able to establish a financing scheme program in collaboration with the National Livelihood Support Fund (NLSF). While the program with TLRC has been accessible to Metro Manila clients only, OWWA-SLF included those from other parts of the country.

#### 2.5 PROJECT IMPLEMENTATION, MONITORING AND CONTROL

The success of the entrepreneurial projects depended on the ability and guidance of Project Officer. The projects were then monitored and interim evaluation took place. Projects were followed-up and milestones documented.

#### 2.6 EXTENSION SERVICES

An important factor in the project is the availability of project staff to render extension services. Business counselling is crucial especially during start-ups, utilization of money on hand and sourcing of additional funds. If beneficiaries do not have the experience in managing a business, more attention was given.

#### LESSONS LEARNED FORM THE EXPERIENCE

Rich experience was learned from the experience with the DOLE programme. The re-entry programme was developed into a full-blown entrepreneurship development programme for the overseas contract worker and their dependents. With training as an entry activity there was wide acceptance of the programme in terms of the opportunities the overseas contract workers saw

during the sessions. A combination of group dynamics and exercises were the utilized for more participation.

There are three basic factors that led to the successful launching of the project for the returning overseas contract workers. These are:

1. Top management is committed to the entrepreneurial development of the contract workers. This is manifested by the financial allocations earmarked for their clients re-entry programme and activities.
2. Close monitoring of the activities of the client-beneficiaries in order for their projects to be successful business undertakings.
3. The officers and staff of the project were committed to the cause of the economic development and upliftment of the target beneficiaries.

The progress of activities during the year long observation indicate positive results which will have to be examined in the light of the desired long-term effect. Thus the following issues will have to be looked into in order to make the programme more responsive to the needs of the target beneficiaries.

#### 1. Loan Fund Management

This special feature of the programme has an impact which will have a long lasting effect. Thus the management of this fund must install a feedback mechanism which will allow a self-

evaluating system in order that the experience can be integrated in the training programmes.

Fund allocation for loan should be in tandem with the number of entrepreneurial training conducted. The more programmes beneficiaries are graduated from entrepreneurial training, the more likely will there be an increase in the number of potentially viable projects worthy of financing. However, there is a need to develop the training and extension competencies of the staff and officers who are directly involved in the project. Training programme managers for the design and conduct of the training programme are needed.

## 2. Sourcing of Funds and Financing Scheme

There are two financing schemes which are operational under this programmes. The TLRC funding scheme imputes a 17% interest rate which to some are rather high. The maximum loan is P 40,000 and repayment period is five years. The OWWA-NSLF scheme has a lower interest rate of 12% .maximum loan is only P 15,000 and the repayment period is up to two years. Table 3 gives the comparisons between the two financing schemes.

Experience has shown that fund management is to be developed at the start of the project so that the assistance or support service is better appreciated. Some of the beneficiaries claim that this is another programme which government is pushing on one hand but making it difficult for the ultimate beneficiaries on the other hand. The procedure requires that those managing the funds should have a development orientation.

TABLE 3: Financing Programmes

	<u>TLEC</u>	<u>NLSF</u>
1. Coverage	Metro Manila	National
2. Loan Available		
2.1 Individual	5 T	500 - 15 T
Group	500 - 10 T per member	.
2.2 Single project		500 - 300 T
Multi-projects		500 - 15 T
3. Interest Rate per annum	17 %	12 %
4. Loan Period	1 - 5 years	1 - 2 years
5. Debt - Equity Ratio	85 : 15	
5.1 Overseas Worker		95 : 05
5.2 Others Dependents		85 : 15
6. Maximum Loan	40 T : 1	15 T : 1

3. Identification and Selection of Beneficiaries

While there are instruments to determine the predisposition for entrepreneurial activities, much of the success of any business is with the person himself. The selection scheme should be evaluated as against those who eventually went into business. The scores of the data sheet and the focused interview are good data base for this evaluation.



On the other hand monitoring reports and visits to the project sites of the beneficiaries will be good inputs in the development of the selection scheme of overseas contract workers and/or their dependents.

#### 4. Training Design

The first series of training experiences must be evaluated as to usefulness and performance of the beneficiaries-participants. More importantly, the actual outputs must be examined closely whether these can stand scrutiny and appraisal of loan officers.

In order to prepare the beneficiaries for the ultimate goal of business development, the Business Planning Module should prepare the participants to develop their own business plans. This will require the project staff to critique the business plans and help them prepare bankable project plans.

#### 5. Project Development and Assistance

Project beneficiaries should be classified according to the nature of their business. There are peculiarities in some industries which are not known to new business entrants. It is incumbent on the part of the project staff to know the industry practice and trends so that the beneficiaries are guided. However, it must be pointed out that there are institutions or government agencies who have the industrial competencies like the agencies under the DTI. A formal linkage with the appropriate institution must be made in order that this assistance can be delivered properly.

DOLE may have to source out investment or industry profiles from various institutions so that the beneficiaries will have references. This will also improve the staff and officers for the project. The identification of the sources of information and data must be a continuing activity of the lead agency in this entrepreneurship development programme.

#### 6. Extension Service

In order to ensure success of the business venture extension service becomes a very important feature. The DOLE may have to consider collaboration with academic institutions for the monitoring of projects in some areas. To maintain staff in various regions of the Philippines only for the monitoring and extension services is a very expensive proposition. Thus alternative schemes must be look into.

### THE MODEL SCHEME

The model scheme for returning overseas contract workers is designed after the UPISSI experience with OWWA. It is thus important that there is a mandated institution who will take care of implementing the programme.

As in the experience, the programme goal is to make the contract workers' reentry to his country as profitable as they were abroad. Their integration into the mainstream of economic activities through the establishment of entrepreneurial venture or other productive activities will make them a valuable sector to contend with.

The general objective of the model scheme is to provide the mechanism to direct the earnings of the OCW's towards productive endeavors. Specifically

- to improve and upgrade their managerial and/or technical capabilities
- to provide sustained income through the establishment of entrepreneurial undertakings.

## 1. ACTIVITIES

### 1.1 RECRUITMENT of Beneficiaires

In collaboration with the DOLE through its CWWA and the Philippine Overseas Employment Agency (POEA) together with its accredited recruitment agencies, letters of invitation or announcements can be disseminated. Local government offices like that of the governors and mayors can be used as venues and channels of communication.

### 1.2 SELECTION SCHEME

Applicants to the programme will accomplish the data sheet or application form (see Appendix 1). The accomplished forms will be scored and will provide the profile of candidate. Those who seem to have serious thoughts and intent to get into business will be contacted for the focused interview. Applicants who have concrete entrepreneurial plans and those who intend to manage their own business will be given priority in the training programme.

### 1.3. TRAINING

In order to enhance learning, the size of the participants will be limited to a maximum of 25 only. Thus if there are less applicants who have low scores but are serious in going into business, they will be allowed to participate.

The beneficiaries will have to indicate their availability so that they are guided on which programme to participate in. Like in the UPISSI experience, the training programmes which will be conducted by the managing group with or without UPISSI assistance are the following:

#### 1.3.1 Planning and Managing a Small Business

This will include value orientation with emphasis on the Filipino entrepreneurial characteristics which should be developed or nurtured to ensure long-term viability of the the business venture. The planning and managing components will deal with the rudiments of a business organization. This will be a three-day programme on a full-time basis of eight hours a day with home works. See Appendix 2 .

1.3.2 The Ladderized Entrepreneurship Development is for those who can not attend the training programmes for a longer duration. Each of the following modules will be conducted weeks apart and may be conducted in the regions to enable those from the provinces to participate in this programme. See Appendix 3 for details of the programmes/

- Entrepreneurial Motivation for two days
- Planning for a Small Business for three days
- Managing a Small Business for two days./

1.3.3 Technical skills programmes will be conducted in cooperation with the NMYC, the TLRC and vocational/technical schools in the area. These programmes will upgrade the skills using indigenous materials and resources in order to incal- cate in them quality products and services. These industry specific seminars will be conducted for two days. The managing institution must look at the skills required so that the class size is optimized.

#### 1.4 INSTITUTIONAL SUPPORT

##### 1.4.1 Project Development Assistance

Counselling especially in the selection of the business venture is very important for many of the OCW have vague ideas of productive undertakings. In fact they must be led to evaluate their own interest to ensure sustainability of their project. Assistance must be written and in the form of a checklist.



URI NG PANGSAGANAI	TAGUNG KINuha	TINAGAL SA PANGSAGANAY	AHENSIYANG NAGBIGAY NG PAG-AARAL
--------------------	------------------	---------------------------	--

- A. \_\_\_\_\_
- B. \_\_\_\_\_
- K. \_\_\_\_\_
- D. \_\_\_\_\_
- E. \_\_\_\_\_

(Ituloy sa hiwalay na papel kung kinakailangan)

g. Mga tiyag at interes : \_\_\_\_\_

i. Kasaysayan sa Pamamagitan :		
KATUNGKULAN	AHENSIYA-TANGGAPAN	TINAGAL SA PANGKATUNGKULAN

- A. \_\_\_\_\_
- B. \_\_\_\_\_
- K. \_\_\_\_\_
- D. \_\_\_\_\_
- E. \_\_\_\_\_

(Ituloy sa hiwalay na papel kung kinakailangan)

II. Impormasyon Ukol sa Overseas Contract Worker (OCW)

a. Pangalan : \_\_\_\_\_  
 ng OCW      SURNAME      FIRST NAME      M. I.

b. Relasyon ng Aplikante sa OCW -  
 \_\_\_\_\_ MAGULAUG      \_\_\_\_\_ ANAK      \_\_\_\_\_ ASAWA  
 \_\_\_\_\_ SARILI      \_\_\_\_\_ IBA (Pakissad) : \_\_\_\_\_

c. Kasaysayan ng OCW sa Pagmamagitan sa Labas ng bansa :

BANSANG PINAGLINGKURAN	AHENSIYA-TANGGAPAN	KATUNGKULAN	TINAGAL SA SERBISYO
---------------------------	--------------------	-------------	------------------------

- A. \_\_\_\_\_
- B. \_\_\_\_\_
- K. \_\_\_\_\_
- D. \_\_\_\_\_
- E. \_\_\_\_\_

(Ituloy sa hiwalay na papel kung kinakailangan)

d. Kasalukuyang Malag pitag ng OCW :

- \_\_\_\_\_ - nagmamagitan sa ibang bansa
- \_\_\_\_\_ - nakabalik na at nagmamagitan sa isang tanggapan sa Pilipinas
- \_\_\_\_\_ - nakabalik na at abala sa sariling negosyo
- \_\_\_\_\_ - nakabalik na pero walang trabaho
- \_\_\_\_\_ - pangmamagitan na sa Pilipinas (pakasyon)

III. Impormasyon sa Pagnenegosyo

a. Para sa mga nagbabalak pa lamang pumasok sa pagnenegosyo :

- a1. Negosyong binabalak pasukan : \_\_\_\_\_
- a2. Lugar na pagtatayuan ng negosyo : \_\_\_\_\_
- a3. Dahilan sa pagpili ng negosyo : \_\_\_\_\_

b. Para sa mga nakapagsimula na ng negosyo :

PANGALAN NG NEGOSYO	URI	LUGAR ITINAYO	TINAGAL NG NG OPERASYON	BUWANANG KITA (P)	DAHILAN NG PACHINT
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

IV. Karagdagang Impormasyon

(Para sa mga mag-sisimula pa lang ng negosyo. sagutin lamang ang mga katanugang sa Letrang A at K )

a. Anu-ano ang mga bagy-bagay na nakapag-impluwensiya sa inyong disisyon na pumasok sa napili ninyong negosyo? Ilahad ang bawat detalye.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

b. Sa kasalukuyan anu-ano ang suliranin ang kinakaharap ninyo sa inyong negosyo batay sa mga sumusunod na larangan? (Markahan ang kahon (/ /) na kahanay ng inyong kasagutan.)

b1. Pangteknikal (Technical Aspect):

- mataas ng mga gastusin sa produksiyon
- kakulangan ng mga ukol sa wasto o mas sistematikong pamamaraan sa produksiyon
- walang suliranin
- mabagal ang proseso ng produksiyon

iba (pakisaad) : \_\_\_\_\_

b2. Pangpamilihan (Marketing Aspect) :

- wastong paglapat ng presyo sa produkto/serbisyo
- di-mahikayat ang mamimili na tumangkilik sa produktong/serbisyong binebenta
- di-kayang tumapat sa kakumpitensiya
- di alam kung saan ibebenta ang produkto/serbisyo
- walang suliranin
- iba (pakisaad) : \_\_\_\_\_



b3. Pamamahala (Management Aspect):

- |                                     |  |                                     |   |
|-------------------------------------|--|-------------------------------------|---|
| <input checked="" type="checkbox"/> | ukol sa pangangalaga sa mga manggagawa (labor relations)                 | <input checked="" type="checkbox"/> | ukol sa naaangkop na istraktura ng organisasyon para sa negosyo |
| <input checked="" type="checkbox"/> | ukol sa paghihikayat sa mga manggagawa para pagbutihan ang kanilang gawa | <input checked="" type="checkbox"/> | ukol sa wastong pamamaraan ng paggamit ng oras                  |
| <input checked="" type="checkbox"/> | walang suliranin   |                                     |   |
| <input checked="" type="checkbox"/> | iba (pakisaad) : _____   |                                     |   |

b4. Pampryansa (Financial Aspect) :

- |                                     |   |                                     |  |
|-------------------------------------|---|-------------------------------------|--|
| <input checked="" type="checkbox"/> | wala o di maayos na sistema ng pagtataala ng kabuuang benta | <input checked="" type="checkbox"/> | kakulangan ng kaalaman sa pamamahala ng puhunan  |
| <input checked="" type="checkbox"/> | walang suliranin  | <input checked="" type="checkbox"/> | kakulangan ng kaalaman sa paghahanap ng posibleng pagmumulan ng dagdag na puhunan para sa negosyo. |
| <input checked="" type="checkbox"/> | iba (pakisaad) : _____                                      |                                     |  |

k. Anu-ano ang inaasahan ninyong matutunan sa pagsasanay na ito?

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Date: \_\_\_\_\_ Remarks: \_\_\_\_\_  
 Control No.: \_\_\_\_\_ Facilitated by: \_\_\_\_\_

D A T A   S H E E T  
 = = = =   = = = =

1. Pangalan: \_\_\_\_\_ a. Kasarian: \_\_\_\_\_
3. Tirahan : \_\_\_\_\_ a. Telepono: \_\_\_\_\_
4. Edad: \_\_\_\_\_ a. Napangalakap (petsa/loran): \_\_\_\_\_
5. Katayuang Pangsilbi:
 

<input type="checkbox"/> walang asawa	<input type="checkbox"/> hiwalay sa asawa
<input type="checkbox"/> may asawa	<input type="checkbox"/> baig
6. Bilang ng Anak: \_\_\_\_\_
7. Pinakamataas na antas ng pinag-aralan: \_\_\_\_\_
8. Nagkaroon na ba kayo ng pag-aaral sa ano mang kursong pang-  
 teknikal o bokasyonal? ( ) OO ( ) Hindi  
 Kung OO, sa anong larangan naman? \_\_\_\_\_
9. Sino ba sa inyong mga magulang ang nagkaroon na ng karanasang  
 makapagtayo ng sariling negosyo?  
 ( ) Tatay ( ) Nanay ( ) Wala sa kanila  
 Kung mayroonng mang isa sa kanila ang nakapagpatayo na ng negosyo  
 nagkaroon ba kayo ng pagkakatsong tumulong sa kanila?  
 ( ) OO ( ) Hindi
10. Sa nanay naman ng iba niyo pang kamag-anakan, mayroon ba sa  
 kanila ang nakapagpatayo na ng negosyo? \_\_\_\_\_  
 Nagkaroon rin ba kayo ng pagkakataong tumulong sa pagpapaunlad  
 o pagpapalabas ng kanilang pinagkakitaan? \_\_\_\_\_
11. Sa sumusunod na nanay, magtala ng tatlo sa inyong kalapit na mga  
 kaibigan at sa kabila nito, markahan ang puwang ( )  
 ukol sa kasagutan kung mayroon silang negosyo o wala.
 

PANGALAN NG KAIBIGAN	NEGOSYO	
_____	<input type="checkbox"/> mayroon	<input type="checkbox"/> wala
_____	<input type="checkbox"/> mayroon	<input type="checkbox"/> wala
_____	<input type="checkbox"/> mayroon	<input type="checkbox"/> wala
12. Mayroon naman bang sariling negosyo ang mga magulang ng mga  
 matatalik ninyong mga kaibigan? ( ) mayroon ( ) wala.
13. Ilan sa mga kakilala ninyo ang may sariling negosyo? \_\_\_\_\_
14. Sa inyong magkakapatid kayo ang:
 

<input type="checkbox"/> Pangnanay	<input type="checkbox"/> Panggitna	<input type="checkbox"/> Bunsó
------------------------------------	------------------------------------	--------------------------------

15. Ukol naman sa karanasan ninyo sa pagtrabaho:

Pinagtrabahuan	Uri ng Gawain o Papisyon	Panahong Itinagal sa Katungkulan
_____	_____	_____
_____	_____	_____
_____	_____	_____

(kung kinakailangan, ituloy sa hiwalay na papel)

16. Magkaroon na ba kayo ng karanasan, makapagtayo na sarili ninyong negosyo? ( ) Oo ( ) Hindi (Kung hindi, tumuloy sa tanong bilang 18).

- a. Anong uri po naman ba ng negosyo ito? \_\_\_\_\_
- b. Ano po ang nangyari dito? \_\_\_\_\_

17. Kayo ba'y may sariling negosyo sa kasalukuyan? ( ) Oo ( ) Hindi

- a. Kailan pa ninyo sinimulan ang negosyong ito? \_\_\_\_\_
- b. Magkano naman ang inyong malinis na kita (net profit) kada buwan (kabuuang kita/buwan - gastusing kaugnay sa operasyon ng negosyo? P\_\_\_\_\_.
- k. Ilang tauhan ang naniniilbihan sa inyo sa inyong pagnenegosyo? \_\_\_\_\_

18. Anong uri ng negosyo ang balak ninyong itayo kung saka-sakali? (Ibigay ang detalye ukol dito) \_\_\_\_\_

19. Magkano sa inyong palagay ang halaga ng perang kakalianganin ninyo pa sa pagpapasimula/pagpapalawak ng inisip ninyong negosyo? P\_\_\_\_\_.

20. Magkanong halaga ang handa ninyong ipampuhunan sa inyong nasabing negosyo, na ihahango ninyo sa .....

- a. sariling perang naipon: P\_\_\_\_\_.
- b. perang mauutang o bigay ng kamag-anak: P\_\_\_\_\_.
- k. perang mauutang o bigay ng kaibigan: P\_\_\_\_\_.
- d. perang malilikom sa ibang pangangailangan: P\_\_\_\_\_.

21. Para sa inyo, alin sa mga sumusunod ang itinuturing inyong pinakamahalagang sangkap para sa ikatatagumpay ng isang negosyo:

- ( ) Pera/sapat na puhunan ( ) Mga kaibigan
- ( ) Sapat na pinag-aralan ( ) Motivation o kaalaman
- ( ) Iba ( isaad): \_\_\_\_\_

22. Sumsang-ayon ba kayo sa katagang ito:

Higit na mahalaga sa isang hanapiuhay ang makapagduloy ito ng pagkakataong umunlad ang kabuhayan kaysa makapag-ukol ito ng seguridad.

- ( ) Sumasang-ayon ( ) Hindi sumasang-ayon

23. Gamitin ang imahinasyon at sikaping ma-isip ng mga bagay na ka, mayong likhaan sa pamamagitan ng tubig (sewduct) at iilista sa sumusunod na mga puwang:
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
24. Sumasang-ayon ba kayo sa katagang ito:  
 "May pantay-pantay na pagkakataon ang sinumang naganais magtayo ng sariling negosyo sa ating bansa".  
 ( ) Labasang sumasang-ayon  
 ( ) Sumasang-ayon  
 ( ) Hindi sumasang-ayon  
 ( ) Labis na hindi sumasang-ayon
25. Kung isalok sa inyo ang kasalukuyang trabaho at sahod ng taong nakatataas sa inyo sa loob ng limang taon, tatanggapin ninyo ba ito?  ( ) Oo  ( ) Hindi
26. Kung sakaling bigyan ka ng isang kaibigan o iyong kapatid ng halagang P25,000.00 saan mo gagamitin ang perang ito?  
 Unag Prayoridad: \_\_\_\_\_  
 Ikalawang Prayoridad: \_\_\_\_\_  
 Ikatlong Prayoridad: \_\_\_\_\_
27. Paano ninyo maisasalarawan ang pagnanais ninyong makapagpatayo ng sariling negosyo? Pumili ng isa sa mga nakatala sa ibaba.  
 ( ) Hindi ako nakakasigurong makakapagtagumpay sa aking negosyo  
 ( ) Sa aking paniniwala, ang lahat ng tao'y may pantay-pantay na pagkakataong simulan at mapagbuti ang sariling negosyo.  
 ( ) Interesado talaga ako sa negosyong binabalak kong itayo. Sa katunayan, laot ko itong mag-iisipan.  
 ( ) Ito ang pinakamahalagasa akin at pinag-iisipan ko ito sa lahat ng oras.
28. Saano kayo kasiguro na ang iniisip ninyong negosyo ay magtatagumpay?  
 ( ) -10%  ( ) -20%  ( ) -30%  ( ) -40%  ( ) -50%  
 ( ) -60%  ( ) -70%  ( ) -80%  ( ) -90%  ( ) -100%
29. Itala sa ibaba ang tatlong dahilan kung bakit ninyo napiling magtayo na lang ng sariling negosyo?  
 a. \_\_\_\_\_  
 b. \_\_\_\_\_  
 k. \_\_\_\_\_
30. Kung mabunigyan kayo ng pagkakataong dumalo sa isang pagsasanay lungkol sa pag-negosyo, anong mga kapey-pagay ang nais ninyong matutuhan?  
 a. \_\_\_\_\_  
 b. \_\_\_\_\_  
 k. \_\_\_\_\_  
 d. \_\_\_\_\_  
 e. \_\_\_\_\_

APPENDIX 2

SMALL ENTERPRISE PLANNING AND MANAGEMENT TRAINING

COURSE OUTLINE

- Day 1      Value Clarification
- Day 2      Small Enterprise Management  
Management Processes for Small Enterprise  
Functional Areas of Management  
Seven Major Roles of a Small Business Manager  
Maximizing Revenues and Controlling Costs
- Day 3      Small Enterprise Planning  
Stages of Product Development  
Idea Generation and Opportunity Identification  
Overview of Project Study Preparation  
Marketing Study  
Production Study  
Organization Study  
Financial Study

UNIVERSITY-INDUSTRY LINKAGES

## MODEL SCHEME FOR UNIVERSITY-INDUSTRY LINKAGES\*

### INTRODUCTION

The Model Scheme for University-Industry Linkage is one of the six schemes developed as a component of the UNDP-UNIDO assisted "Development of Entrepreneurs for Cottage, Small and Medium Industries " Project implemented by the University of the Philippines Institute for Small-Scale Industries. The other five schemes are addressed to the following beneficiaries: a) youth in the mass media sector; b) returning overseas contract workers; c) community-based entrepreneurship development; d) technology-based entrepreneurship development and e) intrapreneuring.

Section 1 of the scheme presents the rationale, the target group and relevant experiences of UP ISSI in the collegiate education level.

Section 2 presents the model scheme which was mainly drawn from the experiences of UP ISSI in implementing a similar model in the business schools. The goals and objectives, staff and budget requirements are also presented in this section.

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\*Written by Celia R. Pascual of the UP Institute for Small-Scale Industries for the "Model Scheme" component of the "Development of Entrepreneurs for Cottage, Small and Medium Industries (DECSMI) project sponsored by the United Nations Development Programme (UNDP) and the United Nations Industrial Development Organization (UNIDO) and implemented in 1988-1989.

The Scheme for University-Industry Linkage is aimed at serving as a model for entrepreneurship development programs universities or academic institutions can use as a guide in focusing its thrust with an industry.

#### TARGET BENEFICIARIES

The Model Scheme for University-Industry Linkage is focused at the young minds of students whose ages range from 16-21 or those already in the collegiate education level such that they will think about entrepreneurship and ultimately prepare themselves to go into the field of entrepreneurship.

#### RATIONALE

The Project on the Development of Entrepreneurs for Cottage, Small and Medium Scale Industries (DECSMI) was conceived for the following reasons: (1) to assist the government in developing and/or improving the cottage, small and medium scale industry (CSMI) sector and (2) to identify the lack of direction and coordination and the overlaps of activities among government and private institutions. To this end, three propositions are presented:



(1) the CSMI sector can be developed more effectively through programs which are target group specific, their needs assessed so that appropriate programs are designed and support mechanisms are provided to facilitate business start ups;

(2) the entrepreneurship development programs (EDPs) depending on the target group must observe the stage of enterprise development (i.e., pre-investment, investment and post-investment stages) because there are peculiar barriers at each stage; and

(3) the growth of the CSMI sector can be accelerated if programs of government and non-government organizations complement each other rather than compete.

#### THE UNIVERSITY LINKAGE EXPERIENCE OF UP ISSI

The promotion and development of the small-industry sector is the raison d'être of UP ISSI. Through its functions of research, training, extension and information services, enterprise and entrepreneurship development was carried out nationwide as better and more effective approaches were developed.

IS-University-Industry.../3

In 1985, entrepreneurship training was taken with an eye to orienting young people towards entrepreneurship. This was done through the Entrepreneurship Development in the Collegiate Education Level (EDCEL) Project where entrepreneurship was introduced in the formal educational system.

1. The EDCEL Project

For the past five years, UP ISSI has been implementing the Entrepreneurship Development for Collegiate Education Level (EDCEL) in cooperation with the Philippine Association of Collegiate Schools of Business (PACSB) and the Small Enterprises Research and Development Foundation (SERDEF). Two factors brought about the EDCEL project. (1) the lack of companies or firms that could absorb graduates rendering them either unemployed or underemployed and (2) the lack of indigenous entrepreneurs or individuals who can take moderate risks in setting up businesses of their own. It was to fill this lack of distinctly competent small entrepreneurs in the country that the EDCEL concept was developed. The three above mentioned institutions recognized the productive and positive contributions of the entrepreneur in the development of a country's economy and for this reason joined efforts in developing a concept where at an early age, the entrepreneurial spirit could already be developed.

The Entrepreneurship Development for Collegiate Education Level (EDCEL) was thus developed to cultivate the seeds of entrepreneurship and small business mindedness in college students. EDCEL hopes to make them aware of the possibilities of self employment as a career in life besides the other traditional careers they are preparing themselves. The goal, therefore, is for schools of business to offer courses in entrepreneurship development in their curriculum either as a 3-unit subject or as a major course for the students.

The stages undertaken by UP ISSI in starting the implementation of this project were:

First: Identification of institutions that were producing or have the potential to produce results in the fields of entrepreneurship and small business development, i.e., students who will ultimately go into self-employment after a four-year college course in business administration. Questionnaires were sent out to FACSBB-member schools all over the country. The questionnaire was divided into two parts: the first part was the background information on the institutions covering such areas as location, type of studentry served, field of specialization and objective for existence of said institution; the second part focused on the more salient points which served as basis for future curriculum and instructional materials development of FACSBB member-schools to assist them in re-orienting their business administration courses towards self-employment. Two

distinct areas were considered: (1) physical, technical and manpower resources of the institutions to determine their capability in training students on entrepreneurship and small business management and (2) existing curriculum of institutions already offering entrepreneurship and small business management and their problems.

Second: Dialogue with existing small-scale entrepreneurs was organized as basis for the development of a curriculum that will fulfill the academic requirements while making the course practical to the students. In this dialogue the existing entrepreneurs were asked what they would have wanted included in an entrepreneurship course and which they believe would be beneficial to them if they were to go back to school.

Third: Promoting the concept to people that mattered, namely, the deans and school administrators. This was done through a series of one-day orientation seminars to apprise them of the objectives of the project and its implications.

## 2. Performance

The three major activities undertaken to prepare the PACSB-member schools are as follows:

## 2.1 Curriculum Development

In 1985, a model curriculum was developed for a three-unit subject which the FACSB member schools introduced the following school year. Likewise, a model curriculum was developed for a four-year course. Enough flexibility was, however, given the schools who will pilot test the curriculum as electives. The curriculum developed was not imposed on them as such. Rather, only the core subjects were mandatory. Other subjects could be enriched by the schools. At present, five schools are pilot-testing the curriculum and these are San Sebastian College-Recoletos in Cavite City and Manuel S. Evergas University Foundation in Lucena City which are both located in Luzon; the Protestant University of Central Philippine University in Iloilo City and University of San Jose Recoletos in Cebu City in the Visayas and for the Mindanao area, there is the Notre Dame University in Cotabato City. Periodic monitoring visits are rendered to determine the developments in the pilot testing of the curriculum, to identify weaknesses and strengths in the management of the curriculum and to formulate recommendations towards attaining greater success for the program.

## 2.2 Instructional Materials Development

A textbook entitled Introduction to Entrepreneurship for use of students has been developed by EDCEL. Other instructional materials that are being developed are cases and reading

materials. To encourage the development of indigenous materials, fellowships are granted to faculty who can develop reading materials and cases in the Philippine setting. The cases and research studies completed by the faculty will later on be printed into book form and these will be disseminated to business schools all over the country.

### 2.3. Faculty Development

Basic training on entrepreneurship development is given the faculty of FOCSE member-schools regularly in order to prepare them handle entrepreneurship subjects. Advanced training on entrepreneurship is also provided those who have taken up basic training on entrepreneurship. Besides these two kinds of training, case writing workshops are also regularly conducted.

### 3. Problems

In pursuing these EDCBL activities, the following problems have been encountered:

3.1. A major problem is the inability to attract enough number of students into the program because the students find the Business Administration major more attractive. As a solution, there are thoughts of integrating the two courses.

3.2. Another area of concern is the availability of funds to support the practicum phase of the course. All pilot schools do not have funds to finance the practicum of the students where money will be loaned out to the students so they could start a business. Some schools encourage the students to finance their own business. The business could be secured closed after the practicum or could be sold out to a new batch of students after the practicum.

In spite of all these obstacles, entrepreneurship development as a major in college is considered a breakthrough to help alleviate the plight of many graduates who end up unemployed. For this reason, a model scheme patterned after the EDCBE experience is proposed. However, instead of business schools, technical schools are being tapped to pilot test the model.

### III. THE MODEL SCHEME

With crisis after crisis besetting the Philippine economy, the government is all for the emergence of the small and medium enterprise sector to provide an alternative activity to fill the void left by the divestment of large industries. This leads to the creation of more entrepreneurs who will be willing to come forward to take risks and have the confidence to respond to the challenges posed by the environment. Entrepreneurship now has a niche in the formal educational system specifically in the

business schools. Considering, however, that the EDCEL project has grown roots with the business schools, another link up is being eyed - this is through the students of technical courses. For this model scheme, the industry selected is the food industry which is one of the dominant industries in the country today.

#### 1. Target Beneficiaries:

The model scheme is for technical students, like the Home Economics students of the College of Home Economics of the University of the Philippines and students enrolled in technical and engineering courses in other colleges and schools in the country. The University of the Philippines has been chosen as the co-participating agency or institution since ISSI like the College of Home Economics is under the UP System and thus, piloting of the scheme will be more manageable. Besides, the College of Home Economics has been an advocate of entrepreneurship development in its regular and summer courses that sessions on entrepreneurship and small business development were integrated. These sessions were handled by the staff of UP ISSI. This, however, was not on a formal basis and was only for a brief period as part of the special course module. The Food and Clothing Departments of the College were the first ones to respond to the promotion of entrepreneurship in technical education. Being with the UP system is clearly an advantage but the willingness of the faculty to participate in the national



program for small and medium business development was the mark of preparedness and interest.

### 3. Co-Participating Organization:

The co-participating organization, the UP College of Home Economics was created by the Board of Regents on July 27, 1981 and through its programs of resident instruction, research and extension, it aims :

To educate men and women and prepare them for leadership roles in the various professions in the field of Home Economics; and

To evolve, disseminate and share knowledge in Home Economics for effective personal, family and community life.

Four departments constitute the instructional division of the College and these are : Clothing, Textile and Related Arts (CTRA); Family Life and Child Development (FLCD); Food Science and Nutrition (FSN) and Home Economics Education (HEED).

The faculty of the College are encouraged to practise their profession outside the University through consultancy to industries. The presence of a Garments Center and a Pilot Food Plant in the College also equip the faculty with the much needed

practical experience which they could put to use in handling entrepreneurship development courses.

### 3. The College's Curriculum:

The curriculum of the college shows that in almost all majors, there are electives that the students have to take in order to complete the prescribed units of the courses. Entrepreneurship development as an elective could prepare the students to an alternative to employment. Through this scheme other technical schools or colleges will take up the cudgel of integrating entrepreneurship education in their curriculum.

### 4. Goal of the Model Scheme

This model scheme is designed to provide the UP College of Home Economics or a technical school in the collegiate level with an approach towards the infusion of entrepreneurial concepts and small industry management in its curriculum. At the end of the school training, students will exhibit behaviors that are entrepreneurial and achievement-oriented.

Specifically, the project will:

1. assist faculty members in designing a program that will increase the need for achievement of their students;

2. assist faculty members in infusing their regular subjects with entrepreneurial concepts, examples and cases:

3. develop a corps of trainees that can reach out to potential entrepreneurs among the students:

4. develop in the students behaviors that are entrepreneurial and achievement-oriented.

The scheme that is developed will draw from the experiences of UP ISSI in running its Entrepreneurship Development for Collegiate Education Level (EDCEL). The problems encountered by EDCEL in offering Entrepreneurship Development as a major could be solved with the proposed scheme. Firstly, entrepreneurship development will be offered as a three-unit subject and not as a full-blown course. Secondly, entrepreneurship development will be offered as an elective and initially, only in some courses. The target students are the students of the College of Home Economics particularly, those students taking up Food Technology, Hotel and Restaurant Administration, and Home Economics. Later on, however, the entire college could have entrepreneurship development as an elective in its curriculum. The reasons for choosing this particular college are two-fold: (1) home economics is considered a technical course and (2) being in a technical course, the students enrolled in this college could easily see the relevance of entrepreneurship development.

## 5. Strategy

A project team, will be formed to manage the project. The project team will initially discuss with the authorities of the College of Home Economics to explain the benefits in including a three-unit subject in Entrepreneurship Development and the tentative curriculum (Appendix 1). This is patterned after the curriculum being used by business schools involved in the EDCEL project.

Implementation activities are:

5.1. A core group composed of faculty and staff from both ISSI and CHE will have to be formed. This will be composed of the following:

- Project Director, who will act as the head of the core group and as such will see to it that the scheme is properly implemented by the staff concerned.

- Project Manager, who will carry out the implementation of the scheme and as need be also act as resource person or facilitator in the subjects to be offered.

- Project Coordinator, who will coordinate the activities of the scheme.

- Secretary, who will render administrative support to the scheme.

These staff will have to come from both sides - ISSI and the College. The core group will be the one to handle all the activities related to the offering of the course. On the part of ISSI, the staff assigned should have extensive knowledge in entrepreneurship management, and technical or production management. On the part of the College, the faculty assigned should come from the department that will be offering the course.

5.2. One-day seminars or appreciation courses on the principles of entrepreneurship development will be conducted by ISSI for the faculty and staff of CHE. The topics covered in this one-day seminar is shown in Appendix 2.

5.3. ISSI trainers will develop the CHE faculty and staff to handle the sessions so that subsequent sessions will be handled by the trained CHE faculty or staff. The faculty of the College who will handle the subject will be given priority in attending a longer course in entrepreneurship development given by ISSI. While the ISSI trainers are handling the entrepreneurship development subjects, faculty of the College who will eventually be assigned to teach the subject should be attending regularly to see how the subject is handled. Faculty members who have attended these entrepreneurship development subjects will comprise the core group on the side of CHE.

5.4. Monitoring and evaluation will have to be done jointly by the core group from both sides (ISSI and the College) to determine the deviations from plans and observe how the possible outcome will be affected.

5.5. Graduating students who have taken up the entrepreneurship elective and opted to set up their own business, will be endorsed to the Incubation Center of UP or any incubator of their choice. The core group will render technical and managerial consultancy until such time they could be on their own.

#### 6. Budget Requirements

Budgetary provisions must be made for the personnel and operating requirements of the following:

- One-day appreciation seminars
- Honorarium of core group members
- Administrative support
- Monitoring and evaluation
- Technical and managerial consultancy

Appendix 1

SUBJECT TITLE: Entrepreneurship and Economic Development  
in the Philippines

Description: The course provides a theoretical foundation for entrepreneurship and the relationship of entrepreneurship to economic development particularly in the Philippine setting and the government's role in fostering a climate for the growth of entrepreneurial initiatives.

Specific

Objectives: At the end of the course, the students should be able to:

1. Explain the role and importance of entrepreneurs in the Philippine economy.
2. Describe entrepreneurial characteristics and competencies.
3. Identify and discuss the Filipino values that are favorable or deterrent to entrepreneurship.

4. Interact with entrepreneurs.

5. Point out the role of the government in developing the climate for the growth of entrepreneurial initiatives.

6. Explain how enterprises are set up.

7. Describe the entrepreneurial process.

	<u>Topic</u>	<u>No. of Hours</u>
I.	The Nature of Entrepreneurship	3
	a. Definition of entrepreneurship	
	b. Historical background & evolution of entrepreneurship	
	c. Role of the entrepreneur in a nation & its economic development.	
II.	Entrepreneurship in the Philippine Setting	5
	Role of government laws & policies in entrepreneurship	



III.	Economic Growth & Development	3
	a. Theories that explain how economies grow	
	b. Theories most useful for us	
IV.	Social & Economic Impact of Entrepreneurship	3
V.	Indications of Socio-Economic Development	3
VI.	Entrepreneurial Characteristics	5
	a. Characteristics of successful entrepreneurs (based on the motivation theory of McClelland)	
	b. Personal Entrepreneurial Competencies	
VII.	Are Entrepreneurs Born or Made?	6
	a. Early life experiences	
	b. Cultural values	

- c. Phil. culture & entrepreneurship
- d. Practices & values deterrent to entrepreneurship
- e. Appraising oneself for an entrepreneurial career

VIII. The Entrepreneurial Process 4

IX. Successes & Failures in New Business 6

- a. What causes failure
- b. Overall failure data analysis
- c. Reasons for failures
- d. Essentials for survival
- e. Potential for entrepreneurship

4. How To Get Started 6

Starting your own business

Total Lecture Hours 42

Quizzes 5

Major Examinations 5

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TOTAL NO. OF HOURS 52

## APPRECIATION COURSE ON ENTREPRENEURSHIP

<u>Topics</u>	<u>No. of Hours</u>
Role of Entrepreneurship in Economic Development (Entrepreneurship will be defined and its relevance to the economic development of a country will be discussed)	3
Personal Entrepreneurial Competencies (The characteristics that differentiate the entrepreneur from an ordinary man will be discussed)	2
Forms and Sources of Assistance (Forms of assistance that an entrepreneur might be needing in starting and managing his business will be pointed out like technical, financial, marketing, management. The sources of this assistance will also be given)	2

You Too Can Be An Entrepreneur

1

(An entrepreneur will be invited to interact with the participants so that they could learn from the experiences of this entrepreneur)

AN INTRAPRENEURSHIP  
DEVELOPMENT PROGRAMME

**AN INTRAPRENEURSHIP  
DEVELOPMENT PROGRAMME**

## MODEL SCHEME FOR AN INTRAPRENEURSHIP DEVELOPMENT PROGRAMME

### 1. Rationale

1.1 Ever since Schumpeter dramatized the significance of the role played by entrepreneurs in economic development, efforts to locate and develop these individuals have become an important preoccupation in development programs. Today, after the decades or so of experimentations on various Entrepreneurship Development Programmes, the difficulties in searching and nurturing of individuals who are able to undertake enterprises successfully are evident.

1.2 Two important factors are apparently critical for the success of any effort to assist a motivated individual to go into entrepreneurship. One is previous experience in business (particularly in the line of the business being planned), and the other is access to financial, technological or marketing resources. These two factors point to important implications regarding current approaches to entrepreneurship development.

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Written by Angelita Bajaro-Resurreccion as a consultant of Small Enterprises Research and Development Foundation (SERDEF), formerly UP ISSI staff for the "Model Scheme" component of the "Development of Entrepreneurs for Cottage, Small and Medium Industries" (DECSMI) project sponsored by the United Nations Development Programme (UNDP) and the United Nations Industrial Development Organization (UNIDO) and implemented in 1988-1989.



1.3 If previous business experiences is important to success, programmes must entail an on-the-job training to entrepreneurship by the would-be entrepreneur. The lessons, skills, and orientations to be learned in order to launch a new business are much too complex to be learned in a classroom for a few days (or even weeks). Thus, the usual approach of training potential entrepreneurs in a situation which is less than the real world of business may not help the individual much at all in learning the essentials of success and survival in business.

1.4 The availability or access to the right resources as a factor to success has to do with the tremendous entry and survival barriers to a neophyte in enterprise. It is common, for example, for graduates of entrepreneurship development programs (EDPs) to go into micro or cottage type of businesses which give very little value added to the economy. Very few, or none at all, actually do go into small scale manufacturing, which are the establishments which count for more economic contributions in the long run. In Third World countries like the Philippines, not enough newcomers are going into industry not out of lack of good ideas, or out of distaste for this vocation, but often because they do not have the capital, the technological knowhow, or the marketing clout to be competitive. Entrepreneurial hopefuls need empowerment to act on their ideas.

1.5 Many realize the economic advantages in starting small new enterprises. But the situation is such that not many are able to set up their own small business on a sustained basis. Modernity has an inherent bias for bigness : it requires many

tasks to be accomplished on a big scale such as, for example, car or appliance manufacturing. In addition, small local entrepreneurs eventually lose out to foreign investors who not only come in with more money and entrepreneurial experience, but also often with more sophisticated technology to produce more competitive products.

1.6 An Intrapreneurship Development Programme is seen as an alternative for developing local entrepreneurs while taking the above factors into account. While developing individuals working in a big industry to become entrepreneurial, the program will

- enable the individuals to learn on-the-job, thus gaining valuable experience in launching and running a business like it was their own

- enable the corporation to take advantage of opportunities through innovative and competitive products while it takes care of its people, ensuring its growth and profitability

- enable labor and management to work together for a common good through a unique and company-specific formula combining freedom and cooperation

- enable the country to benefit from a policy that is often adopted as a short term measure to limit unemployment and promote growth : foreign investments. Through intrapreneuring, the local human resource pool gains access to proprietary technology and valuable market networks, systems and information, all of which would have taken enormous resources to obtain.

Figures 1 and 2 schematically present the rationale for intrapreneurship development.

FIGURE 1

USUAL PATH OF INDIVIDUALS IN AN EDP

Selection	Training	Technology Financing Information	Small Industries
-----	-----	-----	-----
.	.	.	.
.	.	.	.
.	.	.	.
.	.	.	.
Lack of Applicants	Classroom Approach, Not practical	Mad scramble for resources	a. very very small b. not competi- tive c. low value added d. success has inherent bias for "bigness" and modernity.

USUAL PROBLEMS IN AN EDP

FIGURE 2

LIKELY PATH OF INDIVIDUALS IN AN IDP

Large Industries	Access to Co. Technology, Financing & Information	Business Training	Entrepre- neurial Skills	Small Industry within the Co.
	.	.	.	.
	.	.	.	.
	.	.	.	.
	.	.	.	.
	No made scramble	Practical on-the-job training	Human resources development	Breeds inno- vation high morale & producti- vity with- in company

FORESEEN ADVANTAGES IN AN IDP

## 2.0 Brief Description of Methodology

2.1 This model scheme for an Intrapreneurship Development Program has been based on related literature on intrapreneurship both in the Philippines and abroad, as well as case studies on how intrapreneurship is cultivated in two large local companies.

2.2 The literature which were reviewed for this paper included:

Intrapreneuring: why you don't have to leave the corporation to become an entrepreneur, by Gifford Pinchot III. New York: Harper & Row.

Intrapreneurship: how to be an enterprising individual in a successful business, by Ronnie Lessem. Hampshire, England: Wildwood House.

Entrepreneuring-Intrapreneuring: Options for the 90's. the Philippine Women's University Forum, Vol. 3, Nos. 1 and 2, 1988.

"Entrepreneuring-Intrapreneuring: Options for the 90's." the Philippine Women's University Forum, Vol. 3, Nos. 1 and 2, 1988.

"A symposium on cultivating intrapreneurs," Manpower Forum, Vol. 6, No. 1, May 1986.

In Search of Excellence, by Thomas J. Peters and Robert H. Waterman, Jr. New York: Harper & Row.

"Peter Drucker's 1990s," The Economist, Oct. 2, 1989.

2.3 The two local companies which were interviewed for the case studies on intrapreneurship were the Bank of the Philippine Islands and Republic Flour Mills.

See Annexes 1 and 2 for the Cases.

### 3.0 Introduction to the Intrapreneurship concept

3.1 An entrepreneur is defined in the dictionary as one who organizes and manages a business undertaking, assuming the risk for the sake of profit.

3.2 An intrapreneur acts a corporate entrepreneur in that he, while employed as a corporate employee, is given the freedom and incentive by his company to create and market his own idea for his own profit and that of the company.

3.3 The entrepreneur and the intrapreneur are distinct from one another. The entrepreneur performs his economic role for himself and as he does or decides things on his own, he is answerable only to himself. The intrapreneur acts for and within the context of the organization he is affiliated with. The entrepreneur owns the business he is running, the intrapreneur is an employee of the business he is running. The entrepreneur takes more risk in undertaking his business, the intrapreneur does not. The latter puts to use the resources and the infrastructure of the corporation where he is employed. In terms of returns, the entrepreneur enjoys the profits he has gained as

an investor. The intreprenour, meanwhile, is only rewarded by the company as it would an employee who has performed extraordinarily.

3.4 Intrapreneuring can be a better alternative to entrepreneuring for several reasons.

A. Big companies have resources that can make it easier for a new idea to be developed. For example, there might be a pilot plant available, one that is operating under capacity and therefore eager to try something new. During the years of economic crisis in Manila (1984-1985), when the market contracted and most other businesses closed shop, Procter and Gamble embarked on its biggest capital investment program in the company's fifty-year local history. That meant about P230 million or nearly US \$ 13 million. The company also embarked on 56,000 consumer interviews costing P23 million. One of the things they found from the interviews was that consumers had cash availability problems. Sales for soap products dipped. Production slowed, and there was plenty of idle plant capacity. Thus, when an engineer came up with the idea of coming out with 45 gram soap bars, it was transformed into a money making venture fast, without much capital needed.

B. Some ideas are inherently meant to build on to or improve the corporate business. For example, the automatic teller machines that BFI installed was an 'intraprise' conceived by an innovative employee who wanted to improve the retail customer services already provided by the bank. In the pharmaceutical industry, new compounds are discovered as improvements on them last, and such discoveries are constantly sought in view of the demand to increase life expectancies of the public.

C. Sometimes individuals do not desire to leave the friendships they have built and the security they enjoy within the corporation, and yet they do want to do new things or build something great. In a corporation, there are likely to be people one can trust, who can answer questions, who do what they say they will do, and who make things happen. Such support would be missing if one were on his own in a new business.

D. Capital for some ideas are easier to come by inside the corporation than outside. There are ventures that inherently require huge capitalization to launch. In the pharmaceutical industry, research alone for a single product can cost about \$100 million. There is no way by which a small entrant to the industry can finance the manufacture of such a product, and then market it afterwards.



E. One can practice creating a business inside an existing successful business before risking one's own funds outside. At RFM, where employees are given freedom to be entrepreneurial on the job, the policy is to provide every employee an opportunity for a second career after working for 20 years within the organization. Indeed a high percentage of those who leave RFM after a time do end up setting up their own businesses, with success.

F. One can make use of the company name or marketing channel to boost the size or chances of success of the new business. A new manufacturer of a tape recorder will have difficulty entering the market which looks at the name "Sony" or "National." Customers will doubt whether the newcomer will be around long enough to back the product with after sales service. It is sometimes better to sell the product using the name of the big company.

G. One can have access to a company's proprietary information and technology. Large companies often conduct various and simultaneous researches because they do not know for sure in which business areas a research might lead. Such findings offer goldmines of business ideas for a new entrepreneur. In addition, large companies share proprietary secrets only with insiders to prevent their drifting into the ears of competitors. An intrapreneur can freely gain access to such valuable secrets. A potential small and new competitor to Procter and Gamble cannot

just get the findings the company has gathered from interviewing 56,000 customers at a cost of P333 million.

In summary, the advantage of intrapreneuring for the individual is that it enables him to take personal risks to make new ideas happen using company resources. Corporations can provide manufacturing facilities, networks of supportive suppliers, a depth of proprietary technology, all kinds of personnel resources, and marketing clout.

For the corporation, intrapreneuring allows it to hold onto its best innovators by providing them with the opportunity to make their ideas happen without having to leave the company.

When practiced, intrapreneuring is consistent with cultural values for being a part of something or somebody worthwhile, i.e., "keisa," "kasama," "kabalikat."

#### 4.0 Developing Intrapreneurship

4.1 Elements. The success or failure of an enterprise established within the corporate umbrella is dependent on the following elements:

- an innovative idea
- a plan of action
- persistence despite any setback

- a corporate commitment to provide resources for the use of the intraprise

4.2 Entry points. A intrapreneurship development programme (IDP) needs to be addressed to two target groups: (5) the individuals (single or in groups) who will launch the intraprise, and (6) the managers who will create the environment for intrapreneurship. Of the two, the managers are to be the primary target group because intrapreneurship must proceed on the basis of self-selection. This means that one cannot just pick up individuals within the company, have them go through a programme, and expect them to be intrapreneurial afterwards. Experiences in intrapreneurship both here and abroad point to the importance of spotting intrapreneurial individuals within the company, and to harness their sterling qualities for the benefit of all.

#### 4.3 Programme for Managers/Executives/Board

It is suggested that the key people in management be gathered for a brief workshop which will cover the following:

##### 4.3.1 Corporate rationale for IDP

Almost all of the top performing corporations see themselves as "people-oriented" institutions, i.e., they would like to see themselves as taking care of the total development of their people. Intrapreneurship is

a way by which companies can actualize such commitment. Through it, the ideas and talents of individuals are recognized; they actually feel and see that their own personal contributions matter to the success of the company; and they have the option of a "second career" after serving the company.

Innovation is the key to being competitive in business. Coupled with high morale and productivity, innovativeness in the company that actively promotes intrapreneurship assures it of competitive edge, growth and profitability. And if the situation is true for many Philippine businesses, the quality of life for all can only turn better.

#### 4.3.2 Establishing climate for intrapreneurship

Although it is recognized that controls, systems and procedures are necessary for efficient functioning of the business, nothing kills the spirit of creativity and innovation more than an overdose of them in the company. For intrapreneurship to thrive, intrapreneurs must have plenty of freedom within the bounds of corporate culture. In the context of Philippine society, it is believed that the following strategies can help establish a conducive climate for intrapreneurship.

A. Collecting as many suggestions for corporate improvement from improvement from as much people as often as possible.

(1) The Japanese are known to have a prominent suggestion box to which employees regularly place personal suggestions to improve the parts or the products that they make or handle, i.e., anything at all that has to do with the business. Such suggestions are based on their own personal dissatisfaction with the product or method of working.

(2) In all Philippine companies which have reported cases of intrapreneurship, corporate managers did much walking about and sitting around, mainly listening or talking with the people all over the company. This was true from REM, Procter and Gamble, Bank of the Philippine Islands, and United Laboratories. Sometimes the ideas for new ways of doing things can come from the most unlikely people, so it is best to ensure that all levels or tiers in the organizational hierarchy, from the lowliest to the highest, are tapped for new ideas.

B. Acting on the suggestions made

(1) People want to have feedback that their ideas, no matter how little, count. Management must react to suggestions made. Of course the best way to show that suggestions matter is to implement or act on them. However, since not all suggestions

are implementable, one does not have to be enslaved to do what is suggested. The idea is to let the people know that all ideas are being processed, and that they are considered important. One way of letting them feel this is to give recognition to the best ideas in various categories (say, the most practical, or most implementable, or most promising for intraprise) probably by publishing them and their authors in the company gazette, or by awarding appropriate monetary prizes for them.

### C. Spotting the project champion

(1) Many of the suggestions the manager may gather has to do with cost reductions, or methods improvement and so on. What the manager must especially look out for is the ideas that can be transformed into an intraprise. It is best that this task be given to the one who is best committed to prove that the idea will work, i.e., not to a dreamer (who always has ideas but not the guts to work it through), and neither to a department in charge of such things. Oftentimes, the intrapreneur is the self-appointed originator of the idea. If so, it is best not to switch the people working on the idea to others who are not as committed as he is to prove that the idea works.

(2) The potential intrapreneur is likely to stick out from everybody else. But even so, a manager is not likely to know of the person's potentials unless he or she has interacted deeply with the person.

In fact, it has been found that intrapreneurs had to have sponsors from the top (management) because most others in the company would not see the value of what he is pursuing in the beginning.

(3) It is likely that the potential intrapreneur can come from individuals observed as:

(a) having the need to act, to turn vision into action, often even without permission; they are both thinkers and doers, planners and workers - not just dreamer

(b) does not mind doing mundane work, or getting dirt under his fingers, in pursuit of his goals

(c) able to imagine business and organizational realities in the way that their customers will respond to the innovation. As such, they have a business plan, a working model of all aspects of the business being created and the steps needed to bring them to pass. They see the marketing, production, finance, design and the people as an integrated system. They are able to play over the new business opportunity in their minds, imagining the various ways to go ahead in the event of obstacles in their path

(d) manifesting dedication to the job by cheerfully working long hours

(e) having the tendency to do things his way, based on his own personal internal priorities. As such, they tend to circumvent orders aimed at stopping their dream

(f) setting self-determined goals no one told them to do

(g) setting very high internal standards. They are often often dissatisfied with things, people or events even if others are already satisfied

(h) able to overcome mistakes and failures, and not overly concerned with avoiding them

(i) able to take and manage risks on their own. One tell-tale way to detect this is the openness of the individual to forego promotion, or bonus, or salary increases, in favor of joining the intrapreneurial team. It is understood of course that if the intraprise succeeds, the person will be amply rewarded by promotions, bonuses, or hefty pay increases

(j) identifying with long term business objectives.

D. Showing that one believes in his people

(1) Intrapreneurs are notorious for doing things their way. The manager must learn to allow them to do just that, rather than constantly stopping to explain or present their actions to management.



(2) People must be expected to succeed and this is consistently communicated to them. In other words, a manager's policies and actions, show his faith in their ability to success.

(3) Allow discretionary resources to explore and develop new ideas. In the US, some companies give employees the freedom to use a percentage of their time to projects of their own choosing, and set aside funds to explore new ideas when they occur. Others allow employees to take home company equipment and to tinker around with them in their own workshop or skunkworks.

E. Having some amount of tolerance for risk, failure and mistakes

(1) Nobody hits anything perfectly all of the time. But many companies forget this and aim for a few well-studied, well-planned attempts to hit it big in intreprise. Experience shows that it is better to try more times with less careful and expensive preparation for each. The manager must realize that innovation cannot be achieved without risks and mistakes. Successful innovations generally begin with lots of blunders and false starts. This implies for the management to be patient with the experiments that might go on for a length of time before it is proven to work.

(2) There must be some amount of tolerance for corporate hybrids

(a) In a company where people are overly protective of boundaries between marketing, production, finance, and production, finance, and personnel, departments tend to block ideas that disturb existing patterns. Hence, it is common practice in intrapreneurial organizations to assign a small and closely-knit team to work on an intrapreneurial idea. The members of the team, under the leadership of the project champion (the intrapreneur) take full responsibility for running the intraprise project independently from other existing departments. Thus, the intraprise is run as if it was a new, and independent small business, with its own budget, personnel, and operating procedures. Since the existence of such a team can be divisive on a big corporate entity, it is the manager's task to see to it that the corporate culture accept and tolerate the team by:

- opening up the chance for the same to happen to all who have intraprising ideas
- seeing to the protection of the entrepreneurial team from undue harassment by others within the company.

(b) Many big corporations have applied and found extremely extremely effective the practice of dividing itself into several independent businesses under one corporate umbrella. United Laboratories, Inc. (UNILAB) which has captured a glaringly dominant 20 per cent share

in the extremely competitive local drug industry, attributes its success to its multibrand marketing management. Under the system, Unilab pushes the same product under different brand names, with each brand name under independent units made responsible for market development of the product. The system is said to encourage plenty of initiative, creativity, and innovation - all significant factors in high performance.

Republic Flour Mills (RFM) operates something similar in their scheme called "Strategic Business Units" or SBUs located in key cities like Iloilo, Davao, Metro Manila and Cebu. Each SBU is an independent unit, with its own budget and management system, running on no fixed policies except to be responsible and accountable to RFM. Under this system, each SBU is encouraged to innovate in response to its specific market, and to market their innovations as intraprisers. Each SBU head is well chosen based on entrepreneurial capabilities. Some of the noteworthy innovations that can be cited came from the Davao and Iseabela SBUs.

In Davao, SBU manager Edgar Dande saw an intraprising opportunity in the fact that Muslims did not buy RFM's ordinary Swift brand chickens. Muslims do not eat any animal meat without the blessing of "sumbali," a one-minute prayer to Allah as the animal is slaughtered. The prayer is supposed to "remove" the impurities of the meat. In response, the Davao SBU launched the "Halal" Swift Chicken.

successfully marketing a product for Muslims since the "halal" chicken was butchered in line with Islamic tenets.

In Isabela, the SBU acted on a business opportunity to create and operate its own corn buying station, corn being an important input to its own farm units and an important material for its local growers. The corn buying station has turned out to be a very profitable business on its own (daily cash disbursement average P100,000).

When the corporation already practices the kind of management that combines "tightness" coming from central corporate direction and "looseness" resulting from autonomy in managing one's own turf in the business, people become actively innovative and intraprising.

However, when the business is on a scale that is not as large as Unilever's, RFM's or Procter and Gamble's, (P & G) the company may consider working towards an intrapreneurial culture through an Intrapreneurial Development Committee. The task of the Committee is to regularly study the ideas/suggestions that are coming in as a result of Step (1) and see to the action by an appropriate team on the suggestion. The committee is to be composed of four to five key people representing workers and management. When such a committee exists and truly performs, the intrapreneurial team will have less resistance from others in the company, since they have been chosen to be there by colleagues.

3. Provide incentives to intrapreneurs

(a) Companies differ in their practices as to how the intrapreneurs are to share in the risks involved in launching an intraprise. In EPI, once the Executive Committee gives the go-ahead signal for a particular project, all needed resources are provided the intrapreneur - what the latter is probably risking is only his reputation. If he fails, the Bank does not automatically kick him out of the job. Fortunately, since the Bank is very conservative in the first place and intrapreneurial ideas go through rigid screening and feasibility assessment before implementation, there are no cases of disastrous failures in innovation. At RFM, people who fail are not kicked out, but some do submit courtesy resignations after their failed attempts.

(b) It is suggested that intrapreneurial teams share in the risks involved in the business. They can forego promotion, increases or bonuses for the duration of the project (i.e., until the idea is proven to be sound and profitable)

(c) However, once the intraprise succeeds, the team must be given appropriate monetary rewards and awards for their efforts.

#### 4.4 Proposed Training Programmes for Intrapreneurship

##### 4.4.1 Training in Creativity and Innovation (TCI)

4.4.1.1 This programme can be done on a regular basis for everyone in the company. It may last an hour or two each time, perhaps twice a year at least.

4.4.1.2 The programme will be started by giving to the participants a motivational orientation session on the rationale of an intrapreneurship program in the participants' company, arguing very persuasively that such a program is one dominant characteristics of modern excellent companies worldwide today. Moreover, it could prove to be the participant company's door of opportunity to market leadership and over-all success. The target of this session is to hit the attitude level of the participants seeing to it that they will become emotionally involved with the concept and practice of intrapreneurship and they will commit themselves to pursue such a program in their company.

4.4.1.3 Thereupon, the participants go through a series of brainstorming so that they process the many reasons why they are often unable to see new solutions to old problems, or to find better ways of doing the things they do everyday.

4.4.1.4 During the program, the participants go through individual and group processes and compare how creativity are enhanced under various circumstances. Extensive use of the brainstorming technique is undertaken, trying to really squeeze the participants dry of innovative ideas, filling up the board or kraft papers all over the room just to demonstrate to the participants the amazing limitlessness of the human brain for ideas.

#### 4.4.2 Intrapreneurship Development Programme (IDP)

4.4.2.1 A specific training program for the intrapreneurial team (3 to 5 employees under the leadership of the project champion) can be conducted. The course will cover:

a) Team Building (1 day)

At the end of this module, the participants should have defined their long term and short term goals as a project team; clarified their expectations from one another and from their sponsors within the company; and outlined their activities and timetable for accomplishing their tasks. During the day, participants go through intensive experiences to get to know one another

and commit themselves to exercising helpful/positive behaviors to move the team towards the constructive stage: with effective communication, leadership and interaction patterns among themselves. It is the aim of this session to make the team members truly comfortable with one another, learning to adjust to one another's unique personality, and capitalizing on each other's personality strengths (rather than weaknesses) for motivational and work-productivity purposes.

b) Intrapreneurial Competencies Building (3-4 full days)

During this module, the strong and weak competencies of participants on opportunity seizing, commitment to intraprise contract, persistence in the face of daunting obstacles, calculating risks, setting and beating high standards of quality and efficiency, setting SMART (acronym for specific, measurable, attainable, realistic, and time-bound) goals, seeking and using of information, systematic planning and monitoring, persuasion and networking, and self-confidence are identified and developed.



Specific skills associated with genuine intrapreneurs will be identified and these same skills will be developed in the participants through enlightenment, persuasion, modeling case studies, film shows depicting the genuine intrapreneurs, and positive reinforcement technology.

Actual intrapreneurs may also be invited into the classroom and be interviewed by the participants on various relevant issues. Moreover, field trips may be conducted to observe intrapreneurs work in the actual setting, and for the participants to observe and critique the kind of environment or surrounding conducive to intrapreneurship.

c) Project Development Laboratory (2 weeks)

During this period, intensive brainstorming, experimentation and model-building activities are done in order to get the team working on a clearer and more generalized picture of their product. The production and marketing aspects of the potential intraprise are dealt with intermittently. In other words, as the team develops the project prototype, they go out to the market to test its acceptability to customers.

Practical simulation exercises can be used to train the participants in the various skills for developing an idea apart from the technical aspects of project development such as SWOT (Strengths, Weakness, Opportunities, threats) or Value Analysis.

At regular intervals, the project ideas developed by the team is scrutinized critically by people whose opinions they can trust and respect, such as that of their sponsors, potential learn valuable skills in screening and developing a project, but also practice the intrapreneurial competencies they need to nurture the project.

#### 4) Project Launching Laboratory (2 weeks)

In a practical atmosphere, the participants try to launch the project they have developed by procuring resources (capital, equipment, etc.) for pilot testing of the new intrapreneurial.

Case Study No. 1

REPUBLIC FLOUR MILLS

Respondent: AUGUSTO L. DE LEON  
PRESIDENT and CHIEF OPERATING OFFICER  
19 SEPTEMBER 1989  
PIONEER, MANDALUYONG

A. History

Republic Flour Mills (RFM) started as the first flourmilling company in the Philippines in 1958. It started its second mill and new silos in 1962, then diversified in 1963 into agri-business after its initial success.

This diversification led to new phases of growth. The newly elected president, Jose Concepcion, Jr., drew a vision - by launching a program of massive expansion, diversification, and backward integration.

1970, RFM started as an exclusive franchise agreement with Petersen Industries of Arkansas, USA to breed day-old chicks in the Philippines; this later became the Philippine licensee for H & N layers.

1971, another licensing agreement was forged with Gerber Products Co. of Fremont, Michigan, USA for the local manufacture of Gerber Baby Foods - which now turns out 90 varieties of strained and junior baby foods for the market.

1972, RFM went into another licensing agreement with Libby McNeil and Libby Chicago, Illinois for the manufacture of world famous Libby's brand of processed vegetables.

(This was later terminated with Nestle's buy-out of Libby McNeil).

The year after, in 1978, another licensing agreement came from Swift's and Co., USA to manufacture Swift meat products.

B. Status

RTM maintains a 37-hectare breeder-broiler farm in San Jose, Bulacan, one of the largest and modern farms in the Philippines and Southeast Asia.

In addition, it has a broiler farm in Tanay, Rizal; a dressing plant in Manggahan, Pasig; a hatchery in Tagaytay; a layer/hog grower in Makiling, Laguna; a sow farm in Calamba, Laguna; a breeder farm in Tagaytay; a breeding farm/dressing plant in Mandaue City, Cebu; and a 50 million peso meat processing plant in Cabuyao, Laguna.

It is a major food supplier which caters to the flour and meat requirements of leading fast food chains like: McDonalds, Kentucky Fried Chicken, Mr. Donut and others. It has investments in other independent corporations. It is exporting products to the ASEAN region like: Malaysia, Indonesia, Thailand and Singapore.

It was worth 1.5 billion pesos (assets/liabilities) by yearend 1988. 2,765 P pesos net sales in 1988/or a 36.8% increase from 1987 posted sales of 2,101.5 pesos. Its net assets tremendously increased more than three hundred fold from 48.7 M pesos in 1987 to 189.4 M pesos in 1988.

RFM is best known for the following premium quality brand names: Swift (meat products), Swift - Sarimanok Chicken, Blue Ribbon (chicken/feeds products), Petersen snacks, and White King (flour) products.

RFM Corporation ranks among the top food companies in the Philippines based on the gross revenue ranking over a 3 year period

	'85	'86	'87
RFM	58	50	27
Del Monte	30	26	26
Nestle	14	12	12
Coca Cola	16	13	11
San Miguel	7	6	3

(Source: FBPI and CRC: Business Day)

C. Total Corporate Philosophy and Policy on Human Resource Development (which also serves as an informal ground for harnessing intrapreneurial talents)

It is the corporate philosophy to create an organizational climate conducive to the fullest human potential within the Corporation for greater productivity. As a people-oriented organization, it believes that its people are its greatest asset and is committed towards the total development of an individual - harnessing not only the intellectual potential but also the emotional, spiritual and inter-personal resources of the person. The total development approach towards people has been the "GUIDING

PRINCIPLE" of the human resource division which is responsible for developing an organizational climate and cultivating a dynamic, dedicated, and well-activated work force through its various programs and activities.

This is done at the very initial stage of manpower selection particularly on the future supervisors and managers. Rigid screening starts during the recruitment on the basis of job demands and qualifications. Candidates are hired only after thorough assessment. All potential candidates go through assessment for potential identification, promotability. RFM also has strengthened its management system through Training and Development. It has a linkage with the Louis Allen Management System to particularly service and conduct their Management Training needs. All managers and department heads go through an extension management training to acquire the knowledge and skills towards the RFM goals and overall culture. In order to bridge the knowledge with the rest of the management team, supervisors were also trained using in-house capabilities.

It is always the policy of RFM that each manager/department heads/individual must deal and manage their units as if it is their own enterprise.

RFM, has always maintained its corporate values in developing the family atmosphere of "ONENESS" as well as maintaining a balanced life wherein both work and family are given importance. It has also seriously taken its social

responsibility by extending community welfare and development programs.

Employees, including their families and communities, were provided with livelihood programs, hospital referrals, safety and nutrition programs, and personal and family counselling. A total of 63 livelihood programs directly benefited 221 employees in the various farms, plants and offices of the company. Loans, in the form of cash and materials were released to beneficiary employees.

#### D Cases of Intrapreneurship in the Company

Intrapreneurship has always been encouraged in RSM but always done collectively. Project ideas planned, developed, test run, implemented and commercially run is always done by a team. Each member contributes and helps towards its realization. It could come from the sales staff, the R and D group, management, consumer wants and dislikes as well as behaviours, possible consumer product competition, economic crises, as well as foreseen opportunities.

Once a project idea is suggested a committee is formed, to plan, do background research, draw out a business plan, start-up, project/market test, implement, market the new product and in the end realize profit.

This could be a consumer product, product innovation and/or improvement, a new strategy, cost reduction techniques, new marketing strategy, service, complementation with other company units, new business concepts and just about new business ventures.

Since the company works in the spirit of "ONENESS" a suggestion/or idea is always taken seriously. This is either presented to the supervisors, managers, department heads or the president himself. The president as interviewed welcomes such things. If, at the initial stages are proven to be worth the project gets total support up to its implementation.

#### E. Environment for Intrapreneurship

There is no formal system of intrapreneurship. But system in intrapreneurship does exist.

As mentioned earlier, RFM has a rigid selection and recruitment of young manager and supervisors. They undergo management training. These people have to prove their worth. The performance is carefully assessed at any given project, program, assignments or tasks. Their strengths and or weaknesses are looked into, assessed, later on developed through training, further exposure to new tasks, and other in-house resource development. Those with potentials are promoted or assigned to a more appropriate tasks or are rotated to grasp new perspective in RFM corporate world.



Those that proved to be promising are given incentives in the form of promotion, salary increases, and bonuses depending on how they operate their own business unit as a profit center.

Innovation is seen and worked on collectively and the B and D plays a major role in this respect.

However, in cases where it be a strategy, system or style as implemented by the Strategic Business Unit (SBU's), SBU managers almost always gets complimented.

The SBU's although operating independently, decisions carried out within the unit are always working within the guidelines and parameters of control of the corporate policy. All SBU are treated individually - each with a distinct personality, each with a freedom of its own, each its own management style. All SBU's are required monthly company reports. Top management officials, even the president himself conduct unannounced visits to assess each development. This is said to be one of their form of audit and control system.

The company - PFM - takes all the risks - its investments as well as its resources. The employee does not take part of the risk - except perhaps his own job. Nobody is fired from the job. They are given graceful exists if ever they proved to be unworthy or a failure - they are allowed to resign from the job. The employee themselves realize their failures and take courtesy resignations. But

this is done only after all avenues are exhausted. Employees are given a fair chance to prove themselves again.

#### E. Four Methods of Intrapreneuring in BFM

BFM's continuing efforts to improve has altogether adopted systems, approaches and methods to better meet the challenges and dynamism of its values, culture and growth. through the years BFM has now evolved four methods within which the president, Mr. Augusto de Leon believes to be the seedbed of intrapreneuring in BFM.

##### 5.1 Brand Management

Started in the 60's each company product brand is operated/managed by a brand manager. Each operate independently with a given budget. Each work out its own management style, each its own system as they perceive to be working efficiency to meet their own targetted goals in relation to the overall company goals, system, and thrusts. Each brand group while working as independent business units has also close coordination with the other support service units like R and D, Production, Finance and other units.

This method worked out very well but because of newer thrusts, new opportunities, new ventures, new dynamism and economic challenges paved the way to better sophisticated methods to meet the ever changing needs.

### 3.2 Strategic Business Units (SBUs)

Started only about a year and a half BFM now has 6 SBUs located in different parts of the country: Iloilo, Iztabel, Davao, Metro Manila, and Cebu. Each SBU has different capital requirements. Some are less than a million pesos a few come in million pesos. Again, each SBU works as independent units. Recruitment and selection of SBU managers are very rigid. They have to possess that entrepreneurial talent to own and manage their own business. One who is willing to take charge personally and live within the SBU vicinity/community, with a view and willingness to run it and let it grow as his own business.

Must possess the managerial talent, persistence, perseverance, patience, willingness to go beyond regular work to make his own business run. Must possess ingenuity and be able to devise own system needed and pertinent to his own local conditions.

BFM provides the capitalization, construction of infrastructure as needed, and other assistance for the development of the facilities/equipments, technical assistance and other initial investment requirements.

SBUs plan and implement their own management system. Most SBU managers were carefully selected within the company. Some came from brand management, one is a former financial consultant man, one is a technical/production man, and some were farm managers.

SBU managers hires and selects his own people, makes minor and major decisions as well. However, they provide development reports on a monthly basis and report if everything is well accounted for. No one is governed by a fix policy but each SBU's has its separate responsibility and accountability that is to RFM.

One example of a new innovation or a strategy was hatched in Dave's SBU. This is called the "halal" project. This "halal" project is chicken slaughtering according to Islamic tenets. This is the first in the history of the country according according the RFM president. This project is under the stewardship of Edgar Dada, SBU SBU manager. "Halal" means pure and clean.

This answers to the Islamic tradition that Muslims are not allowed to eat any animal meat without the blessing of a "Basmala," a one minute prayer which in science "removes the impurities of the meat." Further, to be slaughtering animals for food invoking the name of Allah. With the launching of "halal" Swift chicken, the Muslims are now liberated from embarrassing situation where Muslims could hardly eat chicken meat despite its abundance in the community because of the required "Basmala." After Dave's, the product is planned to be replicated and distributed in other parts of Miriaco and eventually in Luzon. This

Entrepreneurial venture was launched this early September.

Another entrepreneurial example is the way how the Probols SBU have initiated its own program of marketing system which is related to their operation as a form of farm linkage. This particular SBU saw a business opportunity in creating and operating its own corn buying station needed for their farm management as well as supplying the needs of their local growers. This project as an early stage is proving to be a profitable venture. While this SBU is given freedom to conduct and manage its own operation, suggestion was offered by the president himself as to how they can manage their cash disbursements daily with the corn farmers amounting to 100,000 pesos. This practice poses some danger on the part of the manager because some "persons" might just might see some temptations that the buying office must be holding a lot of cash daily that it can easily disburse this large amount to different farmers. Theft or hold ups might be thought of. It was suggested therefore to be cautious in their cash management/disbursement. Bank services/facilities can be considered to do the payments. Use of checks can be a better alternative or other better tactics in better handling this matter. This buying station project has just been launched about 3 months ago.

### 5.3 Branch Operations Method

#### a. FFM Branch

These are bigger operations than the SBU's. Like SBU's these are independent operations managed and controlled by a highly qualified and business manager. Each branch has complete control over production, marketing, financial operation, controlling, planning. This operates as profit centers. Like SBU's rewards like bonuses are given depending on each of their own financial performance and overall efficiency. Managers operating their own branch, regarding it as his own actually serves as the seedbed for entrepreneurship within the company and probably as they later go out to start up their own business - having been equipped and honed their managerial or entrepreneurial capabilities.

#### b. Subdivided Company Farms

RFM has also subdivided each of the company farms and operating them as one business unit and as a profit center.

Example:

Farm (1)  
Responsible for producing  
Weanlings

### Farm (3)

Grow out farm to a market age and sell the hog at a profit farm (1) as a business unit conducts itself as a separate farm and may/can sell its weanlings to farm (2) but this does not restrict itself from selling its weanlings to other customers. Farm (2) is regarded as another customer. This concept/method was started in the 60's where capable employees were trained to be independent farm operators/intrapreneurs. This concept was sadly unacceptable to some. They would not want to take such risks - as an entrep/intrapreneur in the company. Some left the company. Since then this Corporation culture became the byword "Work & Operate Each Unit as one's own with its Full Responsibility and Accountability.

#### 4.4 Corporate Extension:

There are two system in this 4th method:

##### a. Contract Operations:

These are individual operators/investors who are willing to face up some financial risks by having contract farm operators or growers. This method actually encourages liveliness and

entrepreneurial activities outside of the company. This contract growing system provides a complete package for one who has a personal interest and some capital for a business that he would want to personally manage. BEM on the other hand provides technical assistance for the development and construction of facilities; provides management know-how training, provides day old chicks and provides a ready market.

b. Business Models

This is the franchising operations. Entrepreneur/investors outside the company enters into franchising arrangement with BEM. The franchise serves as the retail/marketing outlets of the BEM food consumer products. This is entrepreneurship in itself and BEM employees may enter into this venture as their second career.



## Case Study No. 2

## BANK OF THE PHILIPPINE ISLANDS

- Respondent:
1. TITA D. PUANGCO  
VICE-PRESIDENT, PRODUCTIVITY AND DEVELOPMENT/  
PUBLIC RELATIONS  
SEPTEMBER 25, 1989
  2. CEFERINO STA. MARIA  
VICE-PRESIDENT, BRANCH BANKING AND PRESIDENT,  
BPI EXPRESS CREDIT INNOVATOR/  
INTRAPRENEUR OF THE EXPRESS TELLER AND  
EXPRESS CREDIT CARD OF BPI  
23 SEPTEMBER, 1989

## A. History

Bank of the Philippine Islands (BPI) was the first commercial bank to be established in the Philippines. It was first called "Banco Espanol Filipino de Isabel II" when it was founded in 1851. It is the oldest banking institution both in the Philippines and all of Southeast Asia.

It has endured with unwavering strength several economic crises, political upheavals, revolutions and 2 world wars. It was during those trying times that the cornerstones of its success were carefully laid.

Its history is more than just a story of people, places and events. It is a masterpiece that created milestones not only in the banking industry but in the country as well.

It was the first Philippine bank authorized to issue the country's first currency notes called "pesos fuertes" in 1832.

It paved the way for the provinces of Negros and Iloilo to become sugar exporters when it financed the development of these sugarlands.

It started the branch banking in the Philippine banking history when it opened its first branch in Iloilo.

It became a Universal Bank in 1982.

It was the first to introduce the "automated teller machines" in the Philippines ushering the birth of electronic banking in the country.

#### B. Status

Bank of the Philippine Islands is one of the top ten banks in the country, second in rank from top (Philippine National Bank) in terms of liquid assets and total deposits, third in terms of total loans and total assets of the top ten banks. It ranks low in terms of borrowings and capital accounts (as of June 1989).

BPI now offers the following banking products and services: local deposits; foreign deposits; card products; commercial loans; consumer finance; mortgage loans; dealership; corporate finance; trust and investment; domestic and foreign money transfer; agribusiness; specialized financing; trading; and auxiliary services.

At present BPI employs close to 6,000 people; has over 150 domestic and international branches and subsidiaries providing a comprehensive range of financial services tailored to suit the divergent needs of the community.

## D. General Information

BPI which has unparalleled growth and is nearing the 2nd century of its existence is doubtless attributable to its "intrapreneurial" people for its dynamism and successful orchestration of all its "vision" - of what it is today and what it will become next.

As an institution, its core policy is developing its human resources, to its full potential - as it is and will always be - A PEOPLE ORIENTED - institution. With this as its starting point, entrepreneurial qualities as identified in the organization are better developed and harnessed - all for the betterment of all - the intrapreneur - the institution itself - the banking industry - and the nations progress.

First of all they keep a list of "High Performers" based on the performance rating - these are the people who have earned above average and outstanding rating. Then they keep track and follow up - first by identifying their potentials, needs, aptitudes, skills as well as their qualities as innovator, performer/diner, producer, entrepreneur and integrator. Or special abilities. After this career planning takes place they are sent to attend workshops to enhance as well as strengthen and

overall development of the staff concerned. The potentials are also sent to AIM for their MBA to other series of trainings.

As no relevant policies on intrapreneurship, there is no formal scheme to attract entrepreneurs. BPI only has a concept as to what kind of officers of the bank would like to bring in. So, it all starts in the recruitment process considering the deep dimensions/qualifications/traits that they are looking for in the person. They should have strong abilities in marketing, ability to innovate, to communicate, top 10% of the bank, ability to perform. This happens on the officers level. They undergo intensive training for 10 months. This officers training is done on a yearly basis and is limited to 20 selected participants/promising intrapreneurs. Here the training revolves around the BPI overall culture and banking system. After completion and taken to their respective areas and takes periodic follow-ups via their tracking system are taken up. Their development as well as progress are taken and evaluated. Here, they are assigned and move to different areas at least every 3 years. This is BPI developmental movement. Most entrepreneurship happens in the officers level. This can be attributed to their creativity and ingenuity.

BPI has a good and competitive compensation package and benefits. Have mechanism or system of recognitions particularly those who really perform to keep good officers. Yearly BPI has a performance rating. Those outstanding performers also with promising assets are given substantial financial awards, big increase and profit sharing - all based on productivity and achievements.

Keep open communications with the officers.

Have "management development systems" for high potentials.

An innovation/idea or concept is usually brought up to the president or to the immediate superior. Usually a concept paper is written. This is then brought up and taken to the annual planning session. Once taken, its viability is studied - are already taken collectively - a team works on it. So, more ideas come in - it not anymore pinpointed to a particular person - it is more teamwork. The corporate planners move and do this from then on. A very careful study is undertaken because they cannot just play with the peoples money.

It is the nature of the bank to come up with a viable project or innovation - they cannot afford to lose - that is what banking is all about - all is taken with a calculated risk.

Any innovation/project becomes the work of the team.

Cannot think of any failure - all is taken with a calculated risk & cannot afford to fail.

If ever, this will be in the areas of day to day operations, on productivity or processes but not in the market place.

If ever a mistake is committed for example in the process, almost always one gets a second and other chances to try again and innovate and create perhaps other strategies for implementation. Unlike if its a manufactured product - you lose a lot - but in the area of banking services - nobody is put down - devise another investment product - another service

Controls and Independence goes together - one is tempered with another - that is because of the very nature of banking. Again it depends on the Banks thrust - like in BFI they have this while all possible avenues are done to market the product/service - and so much independence to carry out the project/program - there are also measures that contain them or control through audit by BFI as well as the Central Bank regulations and control. Banks are always audit counted because of its very nature - cannot play with peoples money and investments - its a business of trust - so its a highly regulated industry and very conservative in all its undertakings.

In terms of discipline in projects budget, yes, as well as in resources - of course there are some limitations and the team working on a specific project realises this and work within that - but they always work out something and normally comes out highly acceptable and successful.

Independence in its totality - does not exist

But this cannot be compared to a manufacturing entities.

Cannot waste too many resources. But they keep on trying always and improve on it.

The only probable risk involved on the part of the innovator/intrepeneur is his performance rating or his reputation (based on the performance level ratings)

Always an innovation is done by a team so that no one in particular is to be hit on blame. And almost always the risk is shared by the team. But they do not view this as something to be reprimanded - they just think of something else and improve.

In the banking industry a lot of pirating happens. so that, good ones are pirated and are given much more compensation/benefit package. There are time that they cannot compete even if they talked it out to the person concerned because the offer is so challenging and very good - that normally those intrepeneurs - and their very nature would want to try and meet new challenges to keep their creative/innovative juices coming. If the offer of a competitive bank is already in terms of dollar denomination - BIC usually find it hard to compete - also there are salary ranges that they have to follow. What they reap other saw. At the same time what the other banks have invested in training good people - they reap too

Good intrapreneurs are not really frustrated they get pirated with a better package - because other competitive banks do realize their need training systems/management development for their officers. Of course they feel sorry when a good intrapreneur leaves - but they are usually pirated. They do see people from the other competitive banks too. There might be others who become entrepreneurs when they leave but the management is not aware of it. Normally intrapreneurs leave and join other big banks.

As mentioned by Mrs. Pungco, after training they are either go through developmental movement, given specific tasks/cutting edge projects (critical projects).

They also have this succession plans or promotions plans for very promising individuals. Here they choose critical positions and identify candidates for the future promotions.

Career planning's function is to keep a tracking system of high performers/innovators/intrapreneurs - find out their performance - are they too long in a given position/function - do they need movement - rotated - promoted - put away ahead of other people - are they given training - are they being developed - in their own functions - they take care of the people.

With the 1st quarter report increases, all start in profit earning.



Public recognition tokens like tickets for two to cultural shows, published in the newsletter, public recognition rites/awards ceremonies which has started only a year ago. This will be in a nearby year from now on.

Specific projects/services could be servicing and transcending existing as well as new clients (corporate services). This is the service packaging, investment packaging and other finance and bank transactions/services. Performance is assessed according the impact to the client, benefits derived by the bank, gross revenue from the corporate account, as well as teamwork by the group servicing a specific client.

Expectations are also known as well are solicited as sometimes conducted in their private surveys.

Some frustrations like not being able to implement their plans is due to the non-supportiveness of their base. Ordinarily, managers are supportive in the whole of BPI. So, the Base is very critical in the creation of the first-practical release.

But they have also identify who are dreamers/creative but not performers.

Misdirectionary time is not allowed.

Employees are rated according to their creativity, meeting the project on time, systems introduced to better the implementation of the project and many more others.

Innovativeness results to existing products/services that needs to be enhanced, survey program, a suggestion, a failed systems operations, result of a Quality Circle project, result of a unit that is in charge of a system, idea of an employee result of teamwork.

Career planning/management has been introduced for four years now.

BPI is known in the banking industry circle to have excellent training and development programs.

Cesario Sta. Maria  
Vice President, Branch Banking and  
President, BPI Express Credit

Innovator/Intrapreneur of the Express Teller  
and Express Credit Card of BPI

28 September 1989

Innovativeness of the respondent/intrapreneur is attributed to the following: readings, observations abroad, previous employment, skill and expertise in IBM before and was a systems engineer, manager assigned to the finance industry - being in that position plus the training and workshops locally and abroad - gave an understanding of the foreign banking practices particularly on consumer banking services, the latest technology in the industry which is the "enclosed teller machines (atm)"; was with IBM for 10 years as systems engineer, later on as advisory systems engineer, manager systems engineer; it was at this point that respondent was hired as the Vice-President for Automation and soon was made as Head of Branches Operations.

With the position it was apparent that he has to think and innovate something - start innovation in the retail customer servicing - because he knew the technology and had access to technology - was exposed to customer requirements - branch requirements. The proper climate was there. right spot, right time, right support of top management, right training. SFI had the money - very ideal climate.

The Express Teller project was initiated by him, wrote a concept paper/feasibility - then was properly supported.

Then it was the work of a Super Team involving 7 department - not even under him - closely interacting and supervising the team - he claimed he was the Super leader. This project is likened to an enterprise having its own construction, marketing, design, aesthetics, advertising, promotions - all that goes in launching a new business product - a new enterprise.

The project was presented to his "boss," then to the Ex-Com. and was approved - they initially started with 7 machines and subjected it to a shake-down test - similar to a market test only to the own bank officers in November-December, 1988. The project Express Teller became public in January 1989.

The launching was a very crucial and was the most nervous point in his life - the ceremonial and goal withdrawal from the Express Teller was being documented and shown in the TV network - was the first live transaction - but it proved to be smooth and very successful launching.

There was no major difficulty during the development of the project - sent 3 team members to Singapore for a special training on advanced teller machines.

The automated teller machine system of BPI is the first banking teller operation in the Philippines. The team did not however, rely heavily on IBM as the leader of the technology. It is to the credit of the team - the development of the project did not encounter any major hitches.

It took them to launch their project for only a period of 7 months from the time it was approved by the Ex-Com. It was very smooth and very fast.

Now the Express Teller services customers of 66 branches in Metro Manila and key cities in the country.

BPI did not have the reward system before - during the time that they have developed it. But they were recognized the effort, integrity, high performance level of the group - they were recognized by fast promotions - really big salaries - given cutting edge projects/activities - given key positions - there were no ceremonies - but they are well taken care of - they knew that they have accomplished something pioneering - they are restless - keep on innovating - but they almost left the company for some offers outside of them are still in the bank - but the other one is already in the region - Southeast Asia. They were able to keep them by talking it out to them - negotiate for the salary increase - and many time give them cutting edge project to keep their brilliant minds working - because this is what they

lent - some efforts are on-going and give them the challenging work.

They did experience extreme difficulties in the beginning during the introduction phase - there was resistance among its own people - its branches - resistance to change - new technology - seemingly added responsibility and work - but the public acceptance was so great that their branches are now requesting for additional machines - others are complaining that they have to replenish their cash inventory, that branch managers have to get back to their branches to get a pocketful message that their cash needs replenished - replenishment at times have to be done 2x a day.

Another innovation which is the enhancement of the Express Teller is the EXPRESS PAYMENT SYSTEM the first of its kind in the Philippines again and only at BPI.

again the process was the same submitting the concept/feasibility of the new innovation to Board - then to the Ex-Com - but this was again easily approved and was launched in a short time - it is operating in an existing healthy and right climate - and came out successful.

This was to expand and make a wide range of consumer banking services to its clients - marketing of this service was very appreciable - implementing a success.

Another major innovation for the company is the Express Credit Card - it took 8 months for the development and launching of the project - it was done in the same healthy, supportive environment - except that there was one setback - the respondent was not able to hire really good outside people with technical background and expertise to for the project mainly because of the "freeze hiring" situation' that time. That was in 1988, a very crucial stage in our Philippine history.

The BPI Credit Card is now the 2nd in rank. And it has only been in the business for only 3 years.

It is the policy of the respondent - (whose ultimate reward is to head his Project now is the President of the BPI express credit - management and implementation was and is at hand because the right climate and support was there. It is also his personal philosophy that in order to create an intrapreneurial climate and cultivate the people is to be able to listen - sincere willingness to listen and allowing them to fail and rise up again.