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Small Enterprises Research and Development Foundation

18277

PACKAGING OF EXPERIENCE

Part II-C CASES



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18277

DEVELOPMENT OF ENTREPRENEURS FOR
COTTAGE, SMALL AND MEDIUM INDUSTRIES

(PHI/86/018)

PACKAGING OF EXPERIENCES

Part II-C: CASES

*Institution -

Technology and Livelihood
Resource Center (TLRC)

*Beneficiaries -

Villaruel Adote
Ricardo Blancada
Julian Lavadia, Jr.
Jose G. Lijon

THIS IS ONE OF THE OUTPUTS OF THE "PACKAGING OF EXPERIENCES" SUBCONTRACT UNDER THE PROJECT ENTITLED "DEVELOPMENT OF ENTREPRENEURS FOR SMALL, COTTAGE AND MEDIUM INDUSTRIES" (PHI/86/018)

Purpose of the Project:

To assist the government in developing and building up institutions involved in enterprise and entrepreneurship development through the provision of 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 and integrated and systematized long-term programme for entrepreneurship development;
2. to promote and develop entrepreneurship through the implementation of pilot programmes among selected 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.

Output: Case studies documenting the innovative approaches of the institutions tasked to pilot target-specific entrepreneurship development programmes as well as the experiences of the individual beneficiaries of such pilot programmes.

PROJECT TEAM

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EXPLANATORY NOTES

Abbreviations

CASABA	-	Camarines Sur Agri-Business Association, Inc.
CSPG	-	Camarines Sur Provincial Government
CSSAC	-	Camarines Sur State Agricultural College
DA	-	Department of Agriculture
DECSMI	-	Development of Entrepreneurs for Cottage, Small and Medium Industries
DS	-	Data Sheet
EDP	-	Entrepreneurship Development Programme
FIT	-	Focus Interview Technique
LEAD	-	Livelihood Enhancement for Agricultural Development
MSI	-	Management Systems International
PEC	-	Personal Entrepreneurial Competencies
SRQ		Self Rating Questionnaire
TLRC	-	Technology Livelihood and Resource Center
UP-ISSI	-	University of the Philippines Institute for Small Scale Industries
UNIDO	-	United Nations Industrial Development Organization
UNDP	-	United Nations Development Programme

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

PHI/86/018

**Pilot Project for Small Business
Entrepreneurs Engaged in Agro-Based
Industries Utilizing Appropriate
Technologies for Coconut
By-Products Processing**

CASE STORY:

PILOT PROJECT FOR SMALL BUSINESS ENTREPRENEURS ENGAGED IN AGRO-BASED INDUSTRIES UTILIZING APPROPRIATE TECHNOLOGIES FOR COCONUT BY-PRODUCTS PROCESSING*

PART I. INTRODUCTORY SECTION

A. Project Background

The coconut industry supports 17 million Filipino people. While traditionally, 90% of coconut is converted into copra, the present utilization of coconut by-products is very limited. The province of Camarines Sur is geographically located in the central part of the Bicol Peninsula which forms the Southeastern part of the island of Luzon. It is the largest of the six Bicol provinces and has a total land area of 526,682 hectares. Twenty-one percent (21%) or 111,363 hectares are planted with coconut. However, despite the given expanse of land utilized for coconut products, coconut by-product processing is still not maximized due to concentration on copra production, lack of financing, poor technological and marketing knowledge and poor copra quality.

Of the total provincial population of 1,257,100

*Written by Gil Dennis A. Raposa of the U.P. Institute for Small-Scale Industries for the "Packaging of Experiences" 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 1988-89.

1989 projects). 15,000 households are engaged in some type of cottage, small and medium-scale industries on coco-based products despite the potential markets for products such as soap, cooking oil, essential oil, vinegar, nata de coco and activated carbon.

This pilot program is one of the three (3) subcontracts of Project PHI/86/016 - Development of Cottage, Small and Medium Industries (DECSMI). It was implemented in Camarines Sur with the aim of developing entrepreneurship through the transfer of technology which will enable the beneficiaries to acquire the skills and techniques necessary to establish small coconut-based businesses.

B. The Proponents

The Technology and Livelihood Resource Center (TLRC) is the lead agency in this subcontract. TLRC is a governmental organization that responds to the needs of households and communities for information on appropriate technology and their applications to livelihood and industrial activities. For detailed profile of TLRC, refer to Annex 1.

The coordinating agency is the Camarines Sur Provincial Government (CSPG). Two other agencies namely the UP-Institute for Small-Scale Industries (UP-ISSI) and the United Nations Industrial Development Office (UNIDO) monitored all the project activities and

also provided support through some forms of inputs when necessary. Annex 2 provides a roster of the staff of the proponents and the support institutions.

C. Project Inputs

DECSMI provided several inputs to the pilot programme in order to prime efforts to implement it. These included:

1. Trainers' Training Course on Entrepreneurial Identification and Selection Schemes

A four-day training on the various selection schemes to be used in identifying and selecting Entrepreneurship Development Program (EDP) participants was conducted from January 20-23, 1988 by trainers from the Management Systems International (MSI) of Washington D.C. TLRC and CSPG trainers and extension workers together with the staff of the other subcontractors participated in the course. The trainers/extension workers were then expected to apply the knowledge and skills acquired from this course when they identify and select the beneficiaries of their pilot programmes.

2. Business Consultancy Course

From February 16 to March 4, 1988, the UP-ISSI conducted a three-week Business Consultancy Course. The same participants of the Trainers' Course were taught the basic steps in business plan formulation and the fundamentals of business consultancy. This course therefore aimed to equip them with the knowledge and skills necessary in assisting their beneficiaries as they set up and manage their small enterprises.

3. A Technical Expert on a part-time basis.
4. An Associate Expert from UNIDO for the duration of the subcontract whose main responsibility was to assist the proponent in the implementation of the pilot programme.

D. Expected Outputs

1. Approximately twenty-five (25) potential entrepreneurs identified and selected using the adapted selection schemes.
2. The following training courses conducted for the identified beneficiaries:
 - Technical Training on Soap-Making and Essential Oil Extraction
 - Mini-Plant Operation on Soap-Making and Essential Oil Extraction

- Basic Business Planning and Management Course
3. Approximately 25 potential entrepreneurs assisted and monitored in their efforts to set up their own agri-business ventures in coconut and by-products processing.
 4. Reports prepared on the following:
 - Technical Training Course
 - Mini-Plant Operation Course
 - Basic Business Planning and Management Course
 5. Bi-monthly reports on the experiences and progress of each participant as soon as the 25 beneficiaries shall have been selected.
 6. A final report summarizing the proponents' experiences during the total subcontract period.

E. Project Cost

The total cost of the pilot programme was Three Hundred Seventeen Thousand Six Hundred Eighty Pesos (P317,680) broken down as follows:

<u>Description</u>	<u>Amount</u>
Training Expenses	
- Technical Training	P 83,600
- Mini-Plant Operation	125,400
- Basic Business Planning and Management	20,900

Operating Expenses

- Promotion, selection of
participants, materials and
miscellaneous expenses 29,260

Monitoring activities

- Support Services 41,800

- Progress/Status Reporting 16,720

TOTAL P317,680
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F. Other Terms and Conditions

The details on the other Terms and Conditions of the project are contained in the last sections of the Contract signed between TLRC and UNIDO. Annex 3 presents these conditions.

PART II. INSTITUTIONAL CASE: THE TLRC EXPERIENCE

This institutional case is a detailed account of all activities undertaken by ILRC through its collaborating agency, the CSPG. This pilot programme which focused on technology transfer has chosen soap-making and essential oil technologies as the specific areas of concern.

A. Project Promotion

The people of Camarines Sur first came to know of the project through the media blitz that CSPG has undertaken. Local television as well as radio stations were approached to request for the airing of the Project Orientation Workshop which was scheduled last July 8, 1988. Nine (9) radio stations (for listing refer to Annex 4) and one TV station aired the event from July 2 to 8, 1988. Originally intended to run for three weeks, the promotional activities for the orientation workshop went for only seven days since final date for the said orientation has been decided by CSPG at a later date. On the orientation day itself however, an interview was conducted at the radio station DWRN where representatives from UP-ISSI, TLRC, CSPG and UNIDO were given the opportunities to talk about the project.

Media blitz was also done after the orientation date for the period covering July 11 to 14, 1988 to promote the first training activity of the project which was the Technical Training on Soap-Making and Essential Oil Extraction.

B. Orientation Workshop

On July 8, 1988, the Project Team consisting of Beato Griarte of TLRC, Arturo O. Mangabat of UP-ISSI, Sirkka Numminen of UNIDO, and Grace Imperial of CSPG, conducted a half-day Orientation Workshop for forty-two (42) Bicolanos interested in joining the project. Atty. Honesto Bonnevie, Provincial Administrator, represented the province in this activity.

The project concept and objectives were explained to them as well as the roles of each of the participating agencies. Since the Technical Training will be the first training input of the project, its course content was then discussed so that interested parties may be informed of what the course will cover. A listing of those who attended the Orientation Workshop can be found in Annex 5.

Some instruments which were later used in the Selection Scheme component of the project were administered to all those present. These were the Data Sheet and the Self-Rating Questionnaire. Details of

this Selection Scheme will be discussed in the Selection Scheme Section.

C. Pre-Training Activities

On CSPG's end, preparations were made for the Technical Training. From the period covering July 5 to 15, 1988, reproduction of training materials as well as procurement of raw materials (i.e., refined oil, pails, cheesecloth, aromatic plants, etc.) were done. Choice of venue, which was the Conference Room of the Camarines Sur State Agricultural College (CSSAC) in Pili, was then finalized.

D. Technical Training

From July 18-21, 1988, the Technical Training on Soap-Making and Essential Oil Extraction was conducted at CSSAC. However, instead of the allotted five (5) days for the training, only four (4) days were actually spent for both courses. All morning sessions were scheduled for Soap-Making (which was handled by Mr. Beato Griarte and Mr. Rafael Ibarra of TLRC) while the afternoon sessions were for Essential Oil Extraction (handled by Pio Andrade, also from TLRC). Twenty-two (22) of the forty-two (42) interested parties finally attended the course. (Listing of participants can be found in Annex 5.

The course on Essential Oil Extraction aimed to acquaint the participants with the significance of essential oil industry, including the potentials of many oil-yielding plants in the country. Furthermore, the course aimed to provide the participants with the knowledge on the available technology for the production of essential oil and the compounding of perfumes and other fragrance products and flavours.

On the other hand, the course on soap-making aimed to explain the characteristics and uses of the different ingredients in soap-making as well as provide the participants with the knowledge and skills in soap production. Also, the course wanted to explain how financial projections and costings for soap production can be done so that various purchasing and marketing plans can be properly undertaken by these potential soap producers.

The details of the contents of these courses can be found in Annexes 6 and 7. Present to monitor this particular activity were Gil Dennis A. Raposa of UP-1381 and Sirkka Numminen of UNIDO. Video documentation was undertaken by Mr. Restituto Reyes, UNIDO Mass Communication Consultant.

The Technical Course on Soap-Making was rated favorably by the participants, with 30% of the participants rating it as (1) or excellent; (on a scale of 1 to 5 with 1 as excellent and 5 as poor), 25% as (2), and another 25% as (3) with the remaining percentages to (4) and (5). When asked whether they learned what they wanted to learn from the course, with (1) as completely and (5) not at all, 10% gave a rating of (1), 40% a (2), 30% a (3) and 20% a (4). Among the significant comments/suggestions given included:

- need for better facilities/equipment
- need for handouts/reference materials

Annex 8 presents the summary of the evaluation for soap-making.

On the other hand, the Technical Course on Essential Oil Extraction was also rated favorably by the participants, with 22% of the participants rating it as (1) or excellent, 39% as (2), 17% as (3) and the remaining percentages to (4) and (5). When asked whether they learned what they wanted to learn from the course, 10% gave a (1) or completely, 45% a (2), 20% a (3) and 25% a (4).

Among the significant comments/suggestions given included:

- more reference materials
- show actual finished products
- laboratory apparatus be prepared and complete to avoid delay
- formulas be given in one sitting so that there will be no need to go back to them when needed.
- also teach how to build own nursery of aromatic plants.

Annex 9 presents the summary of the evaluation on Essential Oil Extraction.

The Monitoring Team meanwhile carried out coordinating activities by discussing with the CSPG staff the different Data Requirements and Monitoring guidelines needed for the reporting system and data bank. A marketing study on soap-making was also presented to the staff for use by the project beneficiaries. The study discussed the demand, supply and prices of soap. It also detailed the different marketing practices and strategies of leading soap producers including a comparative price listing of leading bath and laundry soaps. To complete the information necessary to plan for their business, the study included a financial plan.

E. Selection Scheme

The Selection Scheme was intended to provide the proponents with substantial and a more systematic way of identifying and selecting beneficiaries with more chances of succeeding in entrepreneurial endeavors. This would have therefore meant that administration of such scheme precedes the conduct of subsequent interventions since only then would the proponents have determined individuals with certain entrepreneurial pre-dispositions. This approach would have been in keeping with the Impact Evaluation Study Subcontract's ^{1/} aim of validating some of the adapted Selection Schemes.

However, this pilot programme did not utilize the scheme to select its participants. The 22 individuals who actually attended the Technical Training were in fact the only ones who finally decided to pursue the course. With this as the eventuality, it would have been immaterial then had the original 42 been further screened and then finally getting this actual number which is even below the target number of participants which is twenty-five (25).

The pilot programme still decided to undertake this scheme not so much as a basis for selection but

^{1/} This is another subcontract of PHI/86/018. For details of its nature and results, see output of the Impact Evaluation Study.

more as a support in generating data necessary for the Impact Evaluation Component. Hence, three (3) instruments were administered to the participants. These were the Data Sheet (DS), the Self-Rating Questionnaire (SRQ), and the Focused Interview Technique (FIT). To help CSPG process the results of these schemes, a simple format was suggested by the monitor.

1. Data Sheet

The Data Sheet is a questionnaire-form of instrument that lists thirty-one (31) items which the applicants fill out. Entries in this form will later be scored using a Data Sheet Scoring Guide. Scoring is based on some premises generated from various studies and researches on entrepreneurship. These identify twenty (20) variables as key factors that form an individuals inherent and latent pre-dispositions to entrepreneurship. Forty (40) applicants were able to fill out the DS and their scores can be seen in Annex 10.

Due to the extreme variability of total DS Scores, averaging them would not have really given an approximate group pre-disposition to entrepreneurship. Thus, individual cross-

reference will be more helpful in getting an individual's profile.

2. The Self-Rating Questionnaire (SRQ)

The SRQ is a self-administered questionnaire that lists fifty-five (55) situations. The applicant is instructed to rate on a scale of 1 to 5, how well these situations describe him/her. The situations were structured in such a way that all ten (10) Personal Entrepreneurial Competencies (PECs) 2/ would be covered. The applicant's responses would then determine how strong or weak these competencies are in him/her. Together with the DS, this was administered to the applicants during the Orientation Workshop. A total of forty (40) applicants also accomplished the SRQ. For their PEC Profile Rating, refer to Annex 10.

2/ Behavioural scientists and psychologists who have been studying entrepreneurship for a couple of decades now have identified ten (10) PECs found to be present among successful entrepreneurs. For description of these PECs, refer to Annex 11.

From the listing of their scores, the applicants were found to have generated the following profile in terms of which PECs they are, on the average, relatively strong at or weak at.

Strong : Goal-Setting
Commitment to the Work Contract
Information-Seeking
Systematic Planning and Monitoring

Moderate : Persistence
Opportunity-Seeking
Demand for Quality and Efficiency
Persuasion and Networking

Weak : Risk-Taking
Self-Confidence

These profiles however will bear much more significance when compared against what their PECs were after the various interventions of the project. Only then can we say whether the project did or did not at all develop the beneficiaries' entrepreneurial competencies. Again, detailed findings and discussion on this account are presented in the results of the Impact Evaluation Study of PHI/86/018.

3. Focused Interview Technique (FIT)

The FIT is a method of determining how a person thinks and acts in five (5) designated situations. These situations are those that one would have normally experienced already. Just like the SRQ, the FIT also measures whether the respondent exhibits any of the 10 PECs in these five situations. Points are then scored each time these PECs were exhibited.

The FIT was administered last July 25-28, 1988, five days after the Technical Training Course. The team composed of UP-ISSI monitor, UNIDO Associate Expert and the CSPG staff administered the FIT. A team of two members conducted the interview, with one as the interviewer and the other as co-validator. The team then deliberated on their scores after every interview. Nineteen (19) respondents submitted themselves for FIT. Annex 12 presents their scores.

Looking at the mean scores for each competency, it is apparent that Goal-Setting again registered as the strongest PEC while Risk-Taking and Demand for Quality and Efficiency, the weakest. But then again, just like the results of the SRQ, much more significance of these scores

aside from being baseline information on the applicants will be discussed in the Impact Evaluation Study Results.

F. Mini-Plant Operation Course on Soap-Making and Essential Oil Extraction

A total of six (6) days were allocated for the Mini-Plant Operation for both Soap-Making and Essential Oil Extraction. This course aimed to provide the opportunity for the participants to conduct hands-on exercises on these two areas. Facilities and equipment for this purpose were installed at the Conference Room of CSSAC. The period covering August 15-17, 1988 was devoted to soap-making hands-on while the remaining days from the 17th up to the 20th of August was for Essential Oil Extraction. Before the hands-on day however, the participants were requested to bring with them aromatic plants that they can get hold of within the locality. Materials for soap-making were brought by the trainers. As in the Technical Course, Mr. Griarte handled the soap-making session while Mr. Andrade, the Essential Oil Extraction. The participants brought home with them sample products that they were able to come up with by the end of the course. A total of sixteen (16) participants (from the 22 who attended the Technical Training) attended this course. For a listing of these participants, refer to

Annex 5. The contents of the Mini-Plant Operation Course for Soap-Making and Essential Oil Extraction are presented in Annex 13.

The Mini-Plant Operation course had mixed ratings from the participant's evaluation. But when asked whether the course met its objectives, 2 out of 14 said very well or (1) - [on a scale of 1 to 5 with 1 as very well and 5 as never!], 3 out of 14, gave a (2), 7 out of 14 or 50% gave a (3) or average, and 2 out of 14 a (4). As to adequacy of facilities and equipment, 70% gave a 2 (with 1 as very adequate and 5 inadequate), 5 out of 14 gave a (3), and 2 out of 14 a (4). The rating for raw materials were more on the average (3) rating with the rest rating it up to (1) or even up to (5), with (1) as very adequate and (5) inadequate.

Among the significant comments/suggestions given included:

- use Pilipino once in a while so participants can better understand
- should have more demonstrations
- need more materials for everybody

Annex 14 presents the summary of the evaluation.

The monitors took the opportunity to distribute a one-page questionnaire asking the beneficiaries to assess their resources, capabilities and anticipated problems and needs in setting up their businesses. The data gathered will be discussed in the Monitoring Section of this case. A copy of the one-page questionnaire can be found in Annex 15.

The CSPG and TLRC staff together with the monitors reviewed the status of the Basic Business Planning and Management Course. A course outline was generated as well as the tentative resource speaker. The monitors' concern for data requirement pointed out the absence of a preliminary plan for data generation and filing system by the collaborating agencies which then required for the suggested formats. It was understandable though that assistance should be rendered to CSPG at least for this large phase of the pilot programme. It was therefore highly encouraged that more provincial government participation be generated to augment the existing staff support.

G. Basic Business Planning and Management Training Course

From September 6-8, 1988, Mr. Jaime Reyes of TLRC conducted the Basic Business Planning and Management Training Course for the project beneficiaries. The course aimed to prepare the participants to establish their own small businesses by providing them with the

knowledge and skills to prepare their own pre-feasibility studies, which financing institutions including TLRC may require.

The course did not exactly proceed as planned. The participants had difficulty accomplishing the exercises. The expected output of the course was the pre-feasibility study (PFS). It turned out, however, that it was too ambitious to require this from the participants as only one actually completed the PFS. Nevertheless, the uncompleted pre-feasibility studies of the participants were still subjected to an evaluation so that recommendations for improvement will be considered by the participants. Annex 16 shows the details of the participants' business plans.

Annex 17 presents the contents of the course. A total of sixteen (16) participants attended the course.

From the nature of the business plans presented, it appeared that almost everybody was interested in pursuing both soap-making and essential oil extraction business. Some of the participants had plans to form a cooperative. So they presented their plans as a group which consisted of two phases. Individual enterprises will first be organized, one or two specializing in different activities (essential oil extraction and soap-making). The second phase will then include the formation of a corporation out of these individual

enterprises According to their business plans, 7 planned to engage themselves in soap-making, 2 in essential oil extraction, 5 in both soap-making and essential oil extraction, 23 in nursery preparation and one in trading the soap manufactured by the other participants.

The Business Plan evaluation also served as the venue where certain concerns/developments by the participants were threshed out, such as:

1. The participants indicated that they would require further assistance in financing, marketing and technical know-how.
2. Possible financial arrangements in the form of a guaranty fund, etc. initiated by the Provincial Government of Camarines Sur have been considered.
3. Generation of seed capital for business venture has to come from the participants themselves.
4. The Department of Agriculture will start propagating essential oil plants in Camarines Sur. Initial commitment was obtained from Dra. Fe Laysa of the D.A. to make the participants of this pilot programme the first target beneficiaries of this effort.

5. The plans to set up a cooperative among the participants are being formulated. A temporary set of officers elected to be responsible for the formulation of the by-laws and articles of incorporation.
6. The ISPS will draft a proposal to provide support services for the beneficiaries of the pilot programme as soon as possible.

The course was rated differently by the participants. As to how they would rate the overall course, 4 of the 15 gave a (1) (with one as excellent and 5 poor), 3 gave a (2), 4 a (3), 3 a (4) and 1 a (5). When asked whether they learned what they wanted to learn from the course, 3 out of the 15 said completely or (1), 4 gave a (2), 5 a (3) and 3 a rating of (4). Significant comments and recommendations given included:

- extend lecture hours
- conduct another training specifically on feasibility study only
- there were terms that were not understood by the "laymen".

A summary of the evaluation results are in Annex 18.

Augmentation in staff assignments from CSPG was now observed. This largely contributed to better management of the subsequent activities by the collaborating agencies. Apparently, coordination constraints still dragged the feedbacking/reporting activities not only between CSPG and the monitor but among CSPG, TLRC and the monitor.

After having completed all training interventions in this pilot programme, the business start ups by the beneficiaries now remain to be seen. The extension of the support services by the proponents remains to be seen as well. At this point also, the cooperative-type of organization envisioned by the beneficiaries at the start has now started to materialize as the Camarines Sur Agri-Businessmen Association, Inc. (CASABA, Inc.) was created.

H. Follow-up Training on Compounding of Perfumes and Other Fragrance Products

A two-day training on Compounding Perfumes and other Fragrance Products was conducted from May 15-16, 1989. This was an added training intervention eight (8) months after the supposedly last training input of the pilot programme was undertaken. This was given to the beneficiaries after they requested that a follow-up training of this nature be conducted for the members of the now organized Camarines Sur Agri-Business

Association, Inc. (CASABA, Inc.). Ms. Emerita V. Beltran, a TLRC Consultant, handled the two-day course. The course's main objective was to discuss and demonstrate the technology involved in the manufacture of perfumes and other fragrance products. During the first day, the lecturer covered the theoretical inputs in the formulation and procedure for compounding of perfumes and other fragrance product. These sessions were conducted at the CSSAC. The second day was devoted to the workshop portion of the training and the demonstration on how to prepare the various perfume products such as lotion, cream or gel. This was done at the laboratory of the Department of Agriculture. (Annex 19 presents the course outline while Annex 5 lists the participants of the course.) At the end of the course, a field visit to two nursery sites of essential oil plants was made by the lecturer, staff and some beneficiaries. These sites were the areas of Ms. Bacsaín and Mr. Elancada.

A consequence of the coordination between the CSPG and the Regional Director of the Department of Agriculture was the latter's making available its laboratory facilities to the beneficiaries.

I. Monitoring/Support Activities

As originally envisioned, monitoring activities were undertaken over a 10-month period. The first monitoring visit was conducted last October 25-30, 1988. During this visit, a monitoring questionnaire was administered to the beneficiaries to gather information on their status as potential entrepreneurs, problems encountered and support services required.

a. First Monitoring Visit (October 25 - 30, 1988)

At the outset, about half of the number of participants who completed the Basic Business Planning and Management Course planned to operate on single proprietorship or in partnership with their family business. The remaining portion of these participants were finalizing the formation of their cooperative. They had planned a meeting on the third week of November in Naga City to discuss their future plans. One of their plans was to request for a follow-up training on essential oil processing. The Camarines Sur State Agricultural College (CSSAC) has indicated to the group the possibility of requesting funds from the LEAD-program (Livelihood Enhancement for Agricultural Development) of the Department of Agriculture and the Buklod Yaman Program.

At this point, however, two (2) of the participants were already producing soap commercially in their "mini-plants." They were Mr. Salvador Federizon and Mr. Jose Lison.

A number of the participants have also been experimenting on soap-making. Those interested in essential oil extraction also did their own experimenting. Four (4) have acquired their own distilling equipment and have tried distilling from various plants like ylang-ylang, sampaguita, citronella, lemongrass, etc. They still had to wait for the harvest of these plants while determining further the feasibility of their ventures. When asked what delayed the implementation of their plans, most attributed it to both the direct and indirect effects brought about by the recent typhoon that struck the province. Details on the status of each of the participants' venture can be found in Annex 20.

Other related development for the period:

1. Mr. Ruben Martinez submitted his feasibility study for a Water-System Distillation Plant for essential oil to TLRC for review by their consultants.

2. Mr. Julian Lavadia visited Manila to discuss the development of his soap-making venture with TLRC consultants.

3. CSPG drafted a project proposal for a Bicol Small-Scale Technology Demonstration Center in a Mini-Industrial Park in Comarines Sur. This was forwarded to NEDA and UNDP/UNIDC for endorsement to a prospective sponsor. NEDA, however, preferred to wait for the results of the pilot programme before endorsing the proposal to UNDP. A favorable result of the programme will definitely facilitate the endorsement of the proposal to UNDP.

b. Second Monitoring Visit (February 20 - 24, 1989)

Two (2) sets of monitoring instruments were used as the monitors interviewed the beneficiaries. One instrument was designed for those who were in business before the training while the other one for those who had no business before the training. Annexes 21 and 22 presents these questionnaires. A total of 21 participants were monitored.

Annex 23 presents a summary of the status of the beneficiaries' business for the period. The status of the participants' business were classified as:

- Maintaining existing business
- with new business
- with plan to:
 - set-up new business
 - expand existing business
 - not definite
- no plan at all

Of the beneficiaries in business before training, 14 were maintaining their own businesses while 12 had new businesses in line with soap-making or essential oil. Two (2) had plans of setting up business in line with the two areas as well while three did not have definite plans. One beneficiary, however, did not have any plans at all.

Of those who were not in business before training, seven were presently maintaining their existing business while one had new business in line with the two areas. Another had plans to set-up a new business not related to the two areas while three did not have definite plans. Six (6)

did not have any plans at all and these included two participants whose plans were subject to further verification.

Other developments:

1. The Camarines Sur Agri-Business Association, Inc. (CASABA)

Thirteen (13) of the 21 participants have formed among themselves the Camarines Sur Agri-Business Association, Inc. (CASABA). CASABA will act as a marketing association while each member constitutes his own production unit.

CASABA has recently been active in acquiring information on essential oil markets abroad from countries such as the United States of America and Federal Republic of Germany directly and from their embassies in Manila. CASABA has sought further technical support from the Province. For instance, the Regional Office of the Department of Agriculture has scheduled to conduct a laboratory training course on essential oils distillation for CASABA members on 6-10 March 1989.

Reportedly new members, not associated with the Pilot Programme, have sought membership with CASABA.

2. Financing

Most of the participants who have started a business or invested in equipment, nursery, etc. have financed them from their own resources or from existing businesses. The estimated capital requirements to start a full-scale production varies from a few thousand pesos to 1.5 - 2 million pesos depending on the line and the size of the business of each participant. Financing was the major problem by eleven (11) out of the fourteen (14) participants interviewed. See Annex 24 for details of these problem.

3. Assistance

Aside from the financial support, the participants indicated that they would require technical support, mainly to acquire the skills for the right compounding and purification of the essential oils into refined ducts. Guidance was also necessary for the installation of the essential oils distillation equipment and on the prevailing standards and regulations for

the technology and the products. See Annex 25 for the specific assistance required.

Another area of major concern is the prospected export market and the market price of essential oils abroad. The participants considered information on the trade statistics, pricing and the marketing channels abroad important before venturing into the business of the essential oils.

After the training courses were conducted, four participants with specific technical problem have contacted the TLRC consultants and trainers in Manila. Another agency where the participants have successfully acquired assistance is the Regional Office of the Department of Agriculture in Pili, Camarines Sur.

TECHNOLOGY AND LIVELIHOOD RESOURCE CENTER (TLRC)

TLRC is a governmental organization that responds to the needs of households and communities for information on appropriate technologies and their applications to livelihood and industrial activities.

Essentially, TLRC aims to implement the following activities:

- a. Information on appropriate technologies and their applications to livelihood and industrial activities;
- b. Resource Center for users of technology, bringing together the resources needed to apply the technology;
- c. Technical and financial assistance to small and medium enterprises who want to modernize their production facilities in order to compete in the export market;
- d. Collection of documents, evaluation and dissemination of information on appropriate low-cost and indigenous technologies needed to meet present economic needs.

Services Offered:

1. Business Technology Training Courses
2. Techobank library, databank on Appropriate Technology
3. Free consultancy clinics on agriculture and aquaculture
4. Funding assistance to small and medium-scale industries (Agro-Industrial Technology Transfer Program)

TLRC is located at Senator Gil J. Suyat Avenue, Marikina, Metro Manila.

ANNEX 2

RESPONSIBILITIES AND PROFILE OF THE
STAFF OF THE PROPONENTS

A. TLRC

1. Sylvia M. Ordonez
Senior Managing Director
Technology and Livelihood Information
and Dissemination Department
TLRC
 - * Directs and monitors the implementation of the pilot program.

2. Dr. Vedasto R. Jose
Project Head
 - * supervises the implementation of the pilot program;
 - * coordinates with the other collaborating agencies and with the Project Management;
 - * coordinates all project-related activities.

3. Francisco F. Cayco
Trainer/Consultant
 - * coordinates business planning and management activities.

[Mr. Cayco's role as trainer on Business Planning and Management was later taken on by Mr. Jaime Reyes.]

4. Beato H. Griarte, Jr.
Trainer/Consultant
 - * coordinates the technical training activities on soap-making.

5 En. S.M. Andrade
 Trainer/Consultant

- * coordinates the technical training activities on essential oil extraction.

B. CSPG

Grace T. Imperial
Guilbert P. Romero
Project Support Staff/Extension Officers

- * coordinates the activities in Camarines Sur
- * monitors the implementation of the pilot program in the province
- * gathers data on the output of the pilot programme.

(These two were later backed-up by Ms. Francia Borja and Julie Grimpluma, also of CSPG.)

C. UNIDO

Sirkka Numminen-Guevara
Associate Expert

- * Assists in:
 - implementing the pilot program in collaboration with CSPG with particular regard to support services for linkage institutions;
 - implementing follow-up and affiliated activities;
 - incorporating findings of the pilot program in TLRC's Training Course;
 - implementing organizational development activities in TLRC relevant to current and future project requirements.

D. UP-ISSI

Gil Dennis A. Raposa
Project Officer

- * Coordinates with collaborating agencies in monitoring the progress/performance of the pilot
- * Responsible for data gathering and preparation of reports on the different areas of responsibility.

OTHER TERMS AND CONDITIONS

1. Contractors Responsibilities

In accordance with the terms and conditions hereinafter and overleaf the Contractor shall provide for the full and proper performance of his obligations under this Contract, all the facilities and services as described in the Annex B "Pilot Project for Small Business Entrepreneurs Engaged in Agro-Based Industries Utilizing Appropriate Technologies for Coconut By-Product Processing" and made a part hereof. All work required under this Contract shall be completed not later than 30 June 1989.

2. Contract Price and Payment

UNIDO shall pay the Contractor for the full and proper performance of all his obligations hereunder the sum of THREE HUNDRED SEVENTEEN THOUSAND SIX HUNDRED EIGHTY PESOS (P317,680.00). This sum shall cover all expenses incurred by the Contractor including, but not limited to, salaries, indemnities, social charges, overhead, technical assistance and supervision costs. The Contractor shall not do any work which may result in any charges to UNIDO over and above the sum of without prior written consent of UNIDO and a formal amendment to this contract.

3. Entry into Effect of the Contract

This Contract shall be deemed to be effective from the 1st July 1988.

4. Report

A regular Progress Report on the activities of the project shall be submitted every three months to the project PHI/86/019 management.

6. Payments

Payments on Account of Advance Payments shall be made on the basis of the Contractor's invoice of accountancy and according to the following schedule:

- a. Upon Contractor's signature of the Contract, the sum of ONE HUNDRETH FORTY EIGHT THOUSAND EURO, (€ 148,000).
- b. Upon six months thereafter until the 1st of June 1989, the sum of NINETY FIFTEEN THOUSAND EURO, (€ 15,000).
- c. Upon acceptance of the Final Report by UNIDG HQ, the sum of FIFTY SEVEN THOUSAND SIX HUNDRED EIGHTY SEVEN (€ 57,687).

6. Submission of Invoices

The Contractor shall submit his invoice in one (1) original and four (4) copies to Mr. Fiedler, Head - Purchase and Contract Service UNIDG, P.O. Box 300, A-1400 Vienna, Austria.

7. General Conditions

The Parties agree to be bound by the United Nations General Conditions of Contract.

LIST OF TV AND RADIO STATIONS
WHICH PROMOTED THE PROJECT

1. Radio's Television (RTV) B - Naga
2. DNLV
3. DGBE
4. DWBB-FM
5. DWSB
6. DWRF
7. DWAC-FM
8. DWMLD
9. DUCR
10. DZFE

ANNEX 5

PARTICIPANTS' ATTENDANCE

NAME	1	2	3	4	5
1. Adote, Villaruel	X	X	X	X	X
2. Adupe, Jose M.	X	-	-	-	-
3. Asuan, Elvira Ma. A.	X	-	-	-	-
4. Atad, Amalia Ma. C.	X	-	-	-	-
5. Ayo, Reino Stephen	X	X	-	-	-
6. Bacsain, Belinda B.	X	X	X	X	X
7. Bascuna, Edward	X	-	-	-	-
8. Benjamin, Dennis	X	X	X	X	-
9. Blancada, Ricardo	X	X	X	X	X
10. Belain, Lito E.	X	X	-	-	-
11. Briones, Natividad	X	-	-	-	-
12. Carolina, Tessie P.	X	-	-	-	-
13. Celetaria, Lourdes	X	X	X	X	-
14. Chavez, Willy C.	X	X	-	-	-
15. Destura, Belen C.	X	-	-	-	-
16. Escobar, Clarencio E.	X	X	X	X	X
17. Estrella, Arnel	X	X	X	X	X
18. Federizon, Salvador H.	X	X	X	X	-
19. Fernandez, Abelardo	X	X	-	-	-
20. Gatuslao, Augustias A.	X	X	X	X	-

LEGEND:

- 1 - Orientation Workshop
- 2 - Technical Training on Soap-Making and Essential Oil Extraction
- 3 - Mini-Plant Operation on Soap-Making and Essential Oil Extraction
- 4 - Basic Business Planning and Management Course
- 5 - Follow-up Training on Compounding of Perfumes and Other Fragrance Products

NAME	1	2	3	4	5
21. Lavadia, Julian C.	x	x	-	-	-
22. Lee, Edward	x	-	-	-	-
23. Lijon, Jose G.	x	x	x	x	x
24. Marites, Eriones Dy	x	-	-	-	-
25. Martinez, Asuncion Ma.	x	x	x	x	x
26. Martinez, Ruben	x	x	x	x	x
27. Orcine, Cynthia	x	x	x	x	-
28. Pabines, Nephthalie R.	x	x	-	-	-
29. Perez, Romeo, Jr.	x	x	x	x	x
30. Pielago, Edmundo H.	x	x	x	x	-
31. Prades, Lilian Francis	x	-	-	-	-
32. Ramos, Rouel M.	x	-	-	-	-
33. Redina, Dominga D.	x	-	-	-	-
34. Resuena, Marileu	x	-	-	-	-
35. Rivera, Fidel M.	x	-	-	-	-
36. Rodriguez, Herminia	x	-	-	-	-
37. Uy, Willy	x	-	-	-	-
38. Valencia, Danilo A.	x	x	x	x	-
39. Ventura, Mary-Yol S.	x	-	-	-	-
40. Vinas, Nestor C.	x	-	-	-	-
41. Yu, Fidel	x	-	-	-	-
42. Zaragoza, Belen A.	x	-	-	-	-
TOTAL	42	22	16	16	9

* Other non-beneficiaries who attended the follow-up training were Armando Rueda, Sabiniano Alamag, Nemia Idian and Faz Patria G. Lobu.

TECHNICAL TRAINING COURSE ON
ESSENTIAL OIL EXTRACTION

Lecturer: Mr. Pio Andrade

COURSE OUTLINE

Objective:

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

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

TOPICS

- | | |
|--|---|
| DAY I (Monday)
July 18, 1988
9:00 - 12:00 Noon | <ol style="list-style-type: none">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 uses of essential oils. |
| DAY II (Tuesday)
July 19, 1988
9:00 - 12:00 Noon | <ol style="list-style-type: none">1. Demonstration of water distillation of essential oils, e.g., ylang-ylang 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 (Wednesday)
July 20, 1988
1:00 - 4:00 P.M.

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

DAY IV (Thursday)
July 21, 1988
1:00 - 4:00 P.M.

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

TECHNICAL TRAINING COURSE ON
SOAP-MAKING

Lecturer: Beato H. Griarte
Rafael Ibarra

COURSE OUTLINE

TOPICS

DAY I (Monday)
July 18, 1988
1:00 - 4:00 P.M.

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 (Tuesday)
July 19, 1988
1:00 - 4:00 P.M.

4. Basic Chemistry in Soap-Making
5. Making of special soap
(laundry and bath soap)
6. Film: "Chemistry of Soap-Making"
 - TLRC Soap-Making
 - Video Course

DAY III (Wednesday)
July 20, 1988
9:00 - 12:00 Noon

7. Purchasing and Marketing

DAY IV (Thursday)
July 21, 1988
9:00 - 12:00 Noon

8. Integration Session Course
Evaluation

COURSE EVALUATION

TITLE OF SEMINAR : SOAP-MAKING
 DATE OF SEMINAR : MAY 18-20, 1988

I. Please check the appropriate blanks.

1. Did you learn what you wanted to learn from this seminar?

	2	8	6	4	-	
Completely	-----	-----	-----	-----	-----	Not At All
	1	2	3	4	5	

2. Do you feel that your participation in the programme has made you a more qualified professional/entrepreneur?

Yes, much more qualified	1	9	4	6	-	
	-----	-----	-----	-----	-----	Not At All
	1	2	3	4	5	

3. How did you find the instructional procedure?

Practical	5	4	6	4	2	
	-----	-----	-----	-----	-----	Theoretical
	1	2	3	4	5	
Easy	6	8	3	3	-	
	-----	-----	-----	-----	-----	Difficult
	1	2	3	4	5	

4. How did you find the handouts/training materials provided in the course?

Theoretical	1	12	3	1	-	
	-----	-----	-----	-----	-----	Practical
	1	2	3	4	5	
Valuable	7	5	6	1	-	
	-----	-----	-----	-----	-----	Worthless
	1	2	3	4	5	
Too Many	1	4	8	2	1	
	-----	-----	-----	-----	-----	Lacking
	1	2	3	4	5	
Relevant	6	6	6	1	-	
	-----	-----	-----	-----	-----	Irrelevant
	1	2	3	4	5	

5. How were the seminar coordinators?

Helpful/ Approachable	10	3	3	4	-	Not Helpful/ Not Approach- able
	-----	-----	-----	-----	-----	
	1	2	3	4	5	

6. How did you find the training schedule?

Too Heavy	2	1	10	5	2	Too light
	-----	-----	-----	-----	-----	
	1	2	3	4	5	

7. How would you evaluate the whole training course?

Excellent	6	5	5	3	1	Poor
	-----	-----	-----	-----	-----	
	1	2	3	4	5	

II. Please answer the following questions:

8. What part of this seminar did you like most?

- procedures of making soap
- actual soap-making - 11
- lecture and practical portion - 2
- knowing the prospects/potentials of soap-making as a cottage industry - 1
- all - 3
- the part on formulation of the mixture for soap-making

9. What part did you like least? Why?

- discussion of different chemistry formula
- theoretical portion because it was too long - 2
- when the lecturer did not fully give the right formula during the actual soap-making
- symbol and formulas (compounds) due to brief explanation - 2
- when the lecturer did not explain much the different chemicals' uses, purposes and how to use them
- the chemistry portion
- memorizing technical jargon of various chemical properties
- the side talks

10. What topic should be added? Why?

- discussion of the different chemicals that would make the soap more fragrant
- specify and concentrate on coco oil refining and other materials used for soap-making
- how to propagate the cutting/seeds; make actual familiarization with its plants
- more examples on the different formulations of soap
- the marketing, selling, delivery, and collection activities of existing producers to anticipate possible problems and find corresponding solution
- small/medium-scale coconut oil and coco by-products processing industry
- operation, design and fabrication of small/medium machineries in soap-making
- business organization and finance
- other agri-business ventures

11. What topic should be removed? Why?

- refining of coco oil - it is a completely different kind of topic

COMMENTS/SUGGESTIONS

- I suggest that the project should be implemented as soon as possible with the help of the local government
- lecturer too fast
- poor facilities; no punctuality; no complete soap-making paraphernalia
- I suggest that in hiring new instructors, let's see to it that they are "sincere" in teaching the right method.
- better to use one lecturer only because the two lecturers had different ideas on the refining of the compound.
- help us organize ourselves.
- every participant should have made their own laundry/bath soap.
- the participants should have been briefed on the actual activities of various producers in order to motivate them more.
- more hands-on
- no reference materials provided
- laboratory equipment be complete
- various processing equipment be on display and test-operated
- no comment at all but better for us to have a technologist here in our province
- I thank the trainers for their excellent performance
- lecturers are helpful/approachable
- I like practical only because I can't understand English very well.

ESSENTIAL OIL EXTRACTION

COURSE EVALUATION

1.	Did you learn what you wanted to learn from this seminar?						
	Completely	2	9	4	5	-	Not At All
		-----	-----	-----	-----	-----	
		1	2	3	4	5	
2.	Do you feel that your participation in the programme has made you a more qualified professional/entrepreneur?						
	Yes, much more qualified	1	9	4	5	-	Not At All
		-----	-----	-----	-----	-----	
		1	2	3	4	5	
3.	How did you find the instructional procedure?						
	Practical	4	4	6	3	3	Theoretical
		-----	-----	-----	-----	-----	
		1	2	3	4	5	
	Easy	2	6	5	2	-	Difficult
		-----	-----	-----	-----	-----	
		1	2	3	4	5	
4.	How did you find the handouts/training materials provided in the course?						
	Theoretical	5	4	4	2	-	Practical
		-----	-----	-----	-----	-----	
		1	2	3	4	5	
	Valuable	7	4	4	4	-	Worthless
		-----	-----	-----	-----	-----	
		1	2	3	4	5	
	Too Many	-	3	7	4	2	Lacking
		-----	-----	-----	-----	-----	
		1	2	3	4	5	
	Relevant	7	4	6	2	-	Irrelevant
		-----	-----	-----	-----	-----	
		1	2	3	4	5	

5. How were the seminar coordinators?

Helpful/ Approachable	11	2	2	3	1	Not Helpful/ Not Approachable
	-----	-----	-----	-----	-----	
	1	2	3	4	5	

6. How did you find the training schedule?

Too Heavy	2	1	9	5	2	Too Light
	-----	-----	-----	-----	-----	
	1	2	3	4	5	

7. How would you evaluate the whole training course?

Excellent	4	7	3	1	3	Poor
	-----	-----	-----	-----	-----	
	1	2	3	4	5	

8. - actual demonstration of water steam distillation - 8
 - session on actual distillation/extraction of different oils - 6
 - discussion on business viability and opportunities of projects - 2
 - identification of aromatic plants - 2
 - compounding of essential oil
 - All - 3
9. - side talk of the trainer's personal experiences
 - all lecture/theoretical portions especially those done after lunch - 3
 - no organization in lecture. always asked us questions
 - memorizing technical jargon of various plants
 - discussing different plants which are not locally available
 - some materials are not enough
 - computations/symbols of compounds due to brief explanation
 - discussion of name of different aromatic plants because they were not recognizable to us; know them with its Bicol name.

10. - Philippine Herbal Medicines
- the marketing, sale, delivery and collection activities of existing producers in order to anticipate possible problems and find corresponding solutions
 - location where sources of aromatic plants can be found
 - actual solvent and purification process of essential oil to meet the international quality standards
 - processing resins (industrial products like pine nut resin and other trees)
 - how to distinguish non-essential from essential oil plants
 - aromatherapy so we could apply this type of healing in Bicol
 - the propagation and culture of best (aromatic) plants and their substitutes
 - explanations on the uses/purposes of some of the instruments/equipment used (i.e., condenser).
11. None

COMMENTS/RECOMMENDATIONS

- formulas be given in one sitting so that we do not go back to them when we need them.
- lecturer too fast
- laboratory apparatus must be prepared and completed to avoid delay and to have good results
- participants must be informed of what materials they must bring to avoid delay and be able to work on any project we want
- more hands on next time
- show us still shots of plants from where we could extract essential oils
- also teach us how to build own nursery of aromatic plants
- poor and inadequate facilities especially other paraphernalia for oil extraction - 2
- provide more references materials
- actual plants displayed
- our instructor is very helpful to us and understanding and always ready to answer our questions
- show actual finished products
- I thank the lecturer for making us aware of the many opportunities of essential-oil extraction.

A. PERSONAL ENTREPRENEURIAL CHARACTERISTICS (PECS)

Achievement Cluster

Opportunity Seeking

- * Sees and acts on new business opportunities
- * Seizes unusual opportunities to obtain financing, equipment, land, work space or assistance.

Persistence

- * Takes repeated or different actions to overcome an obstacle
- * Makes a personal sacrifice or expands extraordinary effort to complete a job
- * Sticks with own judgement in the face of opposition or early lack of success

Commitment to the Work Contract

- * Accepts full responsibility for problems in completing a job for customers
- * Pitches in with workers, or in their place to get the job done.

as a concern for satisfying the customer

Risk Taking

- * Takes what he or she perceives to be moderate risks
- * States a preference for situations that involve moderate risk

Demand for Efficiency and Quality

- * Acts to do things that meet or exceed existing standards of excellence or improve on past performance
- * Strives to do things better, faster or cheaper

Planning Cluster

Goal Setting

- * Sets clear and specific short-term objectives
- * Sets clear long-term goals

Information Seeking

- * Personally seeks information on clients, suppliers and/or competitors
- * Consults experts for business or technical advice
- * Uses contacts or information networks to obtain useful information

Systematic Planning and Monitoring

- * Develops and uses logical, step-by-step plans to reach goals
- * Evaluates alternatives
- * Monitors progress and switches to alternative strategies when necessary to achieve goals

Power Cluster

Persuasion and Networking

- * Uses deliberate strategies to influence or persuade others
- * Uses business and personal contacts to accomplish own objectives

Self-Confidence

- * Has a strong belief in self and own abilities
- * Expresses confidence in own ability to complete a difficult task or meet a challenge

FIT SCORES

NAME	DETERMINING	CONTRACT	PERSISTENCE	TRAINING	RISK-TAKING	DEMAND FOR QUALITY & EFFICIENCY	GOAL SETTING	INFORMATION SEEKING	SYSTEMATIC PLANNING	PERSUASION	SELF-CONFIDENCE
1. WISE, WILLIAM	1	1	2	0	0	0	1	1	0	0	1
2. BROWN, ROBERT S.	1	0	0	0	1	1	1	1	0	1	1
3. BURGESS, DONALD	1	1	1	2	1	1	2	1	1	0	3
4. BURGESS, DONALD	1	1	1	0	1	1	3	1	1	1	1
5. BURTON, ALAN S.	1	1	1	2	1	0	1	1	1	0	1
6. CALVERT, JAMES	1	0	1	1	1	0	2	0	0	0	1
7. CANNON, WALTER	1	1	1	2	1	2	2	1	2	3	3
8. SACKER, CHARLES E.	1	2	4	1	1	2	4	1	1	3	7
9. FRISVOLD, ARNOLD	1	1	2	3	1	2	3	1	3	1	3
10. FLETCHER, BALDWIN W.	1	2	4	1	1	2	4	2	2	2	4
11. GARDNER, ROBERT H.	1	2	0	1	1	1	3	1	1	2	3
12. GIBBS, JIMMIE G.	1	0	0	1	1	0	1	2	1	2	3
13. GIBBS, JIMMIE G.	1	0	2	1	0	1	4	1	1	1	2
14. WATSON, ARTHUR M.	1	1	1	0	1	0	2	1	0	1	2
15. GARDNER, ROBERT	1	1	1	1	1	4	4	1	2	1	2
16. GARDNER, ROBERT	1	0	0	1	1	0	1	1	0	0	2
17. GARDNER, ROBERT	1	1	1	1	1	2	4	1	2	1	4
18. GARDNER, ROBERT H.	1	1	0	1	1	1	4	1	2	1	0
19. GARDNER, ROBERT H.	1	1	1	1	1	1	4	1	1	1	3

Essential Oil Extraction Course -- 18-20 August 1988
Lecturer - Mr. Pio Andrade (TLRC)
Venue - CSSAC Training Center

18 August 1988

Morning : Lecture
Afternoon : Distillation

19 August 1988

Morning to Afternoon : Distillation

20 August 1988

Morning : Distillation and Demonstration
Afternoon : Perfume Formulation

MINI-PLANT OPERATION

COURSE EVALUATION

Date of Seminar: August 16-18, 1989

Kindly check the specific course being evaluated.

1. Did the course meet its objectives?

	2	3	7	2	-	
Very well	-----	-----	-----	-----	-----	Never
	1	2	3	4	5	

2. Did you learn what you wanted to learn from the course?

	3	3	3	5	-	
Very much	-----	-----	-----	-----	-----	Never
	1	2	3	4	5	

3. Did your participation in the course make you more qualified technically?

	3	4	3	4	-	
Very Qualified	-----	-----	-----	-----	-----	Never
	1	2	3	4	5	

4. How would you rate the facilities and equipment used in the course?

	-	7	5	2	-	
Very Adequate	-----	-----	-----	-----	-----	Inadequate
	1	2	3	4	5	

	1	6	4	2	-	
Very Useful	-----	-----	-----	-----	-----	Not Useful Not All
	1	2	3	4	5	

5. How would you rate the raw materials used in the course?

	1	3	5	2	1	
Very Adequate	-----	-----	-----	-----	-----	Inadequate
	1	2	3	4	5	

	3	3	5	2	1	
Very Useful	-----	-----	-----	-----	-----	Not Useful At All
	1	2	3	4	5	

6. How well did the facilitator/lecturer conduct the hands-on activities?

	2	3	7	2	-	
Excellent	-----	-----	-----	-----	-----	Poor
	1	2	3	4	5	

7. How well did the facilitator/lecturer satisfy inquiries and other needed assistance in the course?

	1	4	7	2	-	
Excellentt	-----	-----	-----	-----	-----	Poor
	1	2	3	4	5	

8. How adequate was the time/duration allocated for the course?

Very Adequate	1	4	7	2	-	
	-----	-----	-----	-----	-----	Poor
	1	2	3	4	5	

9. What is your over-all rating of the course?

	2	4	6	-	1	
Excellent	-----	-----	-----	-----	-----	Poor
	1	2	3	4	5	

II. COMMENTS/SUGGESTIONS

- I cannot understand very well due to the language which used was not Filipino
- there was less demonstration, should have been more - 2
- conduct this training seminar for others for expansion purposes in order to compete with the multinationals
- sufficient materials be made available for actual perfume trial formulation
- book on formulations be made available
- on the hands-on, there should be enough raw materials for everybody to make his/her own soap/perfume.

NAME : _____

- How do you assess your own resources and capabilities and the overall readiness to run your own business on soap/essential oils?

- What kind of problems do you think you will encounter when you start your business on soap/essential oils?

- What kind of support/services/information do you think you would be needing in the near future with regards to your business? (e.g.,

- Technical Assistance
- Financial Assistance
- Business Knowledge
- Accounting
- Banking
- Individual Counselling

MINI BUSINESS PLAN

Villaruel Adote	-	Vinel Soap (Laundry Soap)
Shirley C. Tible	-	Sampaguita Soap & Cosmetics (Essential Oil)
Salvador H. Federizon	-	Soap-Making & Essential Oil Extraction
Ricardo Blancada	-	Esso Products (Essential Oil & Soap Product)
Augustias A. Gatuslao	-	Gatuslao Pharmacy (Ylang-Ylang Perfume & By-Products)
Clarencio E. Escobar	-	E & T Co., Inc. Essential Oil & Soap-Making
Julian C. Lavadia, Jr.	-	World Enterprises (Laundry & Natural Bath Soap)
Dennis M. Benjamin	-	Horizon Enterprises (Bath & Laundry Soap)
Edmundo H. Pielago	-	Princeton Soap Mfg. Industry Bath & Laundry Soap
Jose Lijon	-	Lijon Manufacturing Soap Mfg. (Laundry) Amer/Marine Soap

BUSINESS PLAN EVALUATION

	<u>TOTAL RATING</u>
Danilo Valencia (Essential Oil)	51 84 83
Augustias Gatuslao	56 98 77
Belinda Bacsain (No B.P.)	
Clarencio Escobar	84 98 87
Shirley Tible	37 57 61
Romeo Perez, Sr.	62 85 88
Maricion Martinez	65 70 72
Ruben Martinez	79 91 87
Ricardo Biancada	50 68 45
Edmundo H. Pielago	67 91 73
Salvador H. Federizor	94 96 92
Jose Lijon	85 98 94

TOTAL RATING

Julian C. Lavadia

71
67
83

Dennis Benjamin

34
60
61

Villaruel Adote

45
55
45

Arnel Estrella

68
88
75

BUSINESS PLANNING COURSE SCHEDULE

Date : 6-8 September 1988
 Lecturer : Mr. Jaime Reyes, TLRC Consultant
 Venue : CSSAC Training Center, Cadian, Pili, Camarines Sur

=====

06 September 1988
 (Tuesday)

9:00 - 12:00 P.M. - Mini-Business Plan Module
 1:00 - 2:00 P.M. - Mini-Business Plan Module
 2:00 - 4:00 P.M. - Group Exercise: Organizing the Business
 (The participants formed groups depending on the form of business they are going to engage in. They filled up forms in preparation for the next day's group presentations.)

07 September 1988
 (Wednesday)

9:00 - 11:00 A.M. - Pre-feasibility Study Preparation Module
 11:00 - 12:00 P.M. - Presentation of Tuesday's Group Activities
 1:00 - 3:30 P.M. - Pre-feasibility Study Preparation Module (Continuation)
 3:30 - 5:00 P.M. - Open Forum and Panel Discussion on Financial Aspects, Support Services and Institutional Linkages

08 September 1988
 (Thursday)

8:00 - 12:00 P.M. - Pre-feasibility Study Preparation Module (Continued): Financial and Technical Aspects
 1:00 - 3:00 P.M. - Financial and Technical Aspects
 3:00 - 5:00 P.M. - Presentation of Group activities, Individual Plans
 5:00 - 5:30 P.M. - Closing Ceremonies and Graduation (Closing Remarks by Atty. Bonnevie, Provincial Administrator)

BUSINESS PLANNING COURSE

COURSE EVALUATION

Title of Seminar : Business Planning Course
 Date of Seminar : September 6-8, 1989

I. Please check the appropriate blanks.

1. Did you learn what you wanted to learn from this seminar?

	3	4	5	3	-	
Completely	-----	-----	-----	-----	-----	Not At All
	1	2	3	4	5	

2. Do you feel that your participation in the programme has made you a more qualified professional/entrepreneur?

Yes,	4	2	4	5	-	
much more	-----	-----	-----	-----	-----	Not At All
qualified	1	2	3	4	5	

3. How did you find the instructional procedure?

Practical:	3	1	9	-	2	
	-----	-----	-----	-----	-----	Theoretical
	1	2	3	4	5	

Easy	3	1	6	2	1	
	-----	-----	-----	-----	-----	Difficult
	1	2	3	4	5	

4. How did you find the handouts/training materials provided in the course?

Theoretical	-	5	6	3	-	
	-----	-----	-----	-----	-----	Practical
	1	2	3	4	5	

Valuable	6	1	3	3	1	
	-----	-----	-----	-----	-----	Worthless
	1	2	3	4	5	

	-	3	6	1	-	
Too Many	-----	-----	-----	-----	-----	Lacking
	1	2	3	4	5	
	6	1	2	2	1	
Relevant	-----	-----	-----	-----	-----	Irrelevant
	1	2	3	4	5	

5. How were the seminar coordinators:

Helpful/	7	1	3	1	1	Not Helpful/
Approachable	-----	-----	-----	-----	-----	Not Approachable
	1	2	3	4	5	

6. How did you find the training schedule?

	-	-	9	5	2	
Too Heavy	-----	-----	-----	-----	-----	Too Light
	1	2	3	4	5	

7. How would you evaluate the whole training course?

	4	3	4	3	1	
Excellent	-----	-----	-----	-----	-----	Poor
	1	2	3	4	5	

8. - all parts - 4
 - marketing - 2
 - workshop - 3
 - actual operation techniques
 - open-forum

9. - paper works because I need to study it more
 - feasibility study
 - the accounting part - 2
 - none - 2

10. - theories on Practical Accounting (to be narrowed down)
 - how to advertise products
 - economies of soap production
 - how to export
 - Principles of Management

COMMENTS/SUGGESTIONS

- There must be a periodic monitoring as to number of trainees who applied the technology in their livelihood: those who succeeded and failed and find out the reasons for remedial study and solutions for those who failed.
- The subject matter used terms which laymen can't understand especially those who do not have any business background.
- I hope we can extend the lecture hours.
- We were under pressure: either we extend the number of days of the seminar or start classes early.
- Conduct another training seminar specifically on feasibility study preparation.

COURSE TITLE : "PERFUMES AND OTHER FRAGRANCE PRODUCTS"
COURSE DATE : 15 - 16 MAY 1989
VENUE : Department of Agriculture, Regional Office in Pili, Camarines Sur Training Facilities & Laboratory
LECTURER : Ms. Emerita V. Beitran, Consultant TLRC
COURSE OBJECTIVE : To discuss the technology involved in the manufacture of perfumes and other fragrance products.

COURSE OUTLINE:

15 MAY / SESSION 1 / 3 HOURS / LECTURE

1. Essential Oil Industry
 - a. Growers/Processors
 - b. Manufacturers of flavors and fragrances
 - c. Manufacturers of finished products (perfume and various fragrance products)
 - d. Isolation/synthesis of essential oils

2. Production requirements for small scale/big scale production
 - a. Equipment
 - b. Manufacturing procedure
 - c. Materials
 - d. Packaging
 - e. Standard operating procedure (Plant)
 - f. FDA requirements

15 MAY / SESSION II / 3 HOURS / LECTURE

1. Fragrance products: raw materials (alcohol-fragrance-fixative-water-colorant)
 - a. Perfumes
 - perfume
 - cologne
 - toilet water
 - b. Other fragrance products
 - c. Other industrial applications

16 MAY / SESSION III / 3 HOURS / LECTURE

1. Formulations/manufacturing procedure
 - a. Perfumes
 - b. Other fragrance products

16 MAY / SESSION IV / 3 HOURS / WORKSHOP

1. Workshop (Hands-on)
 - actual demonstration in the preparation/compounding of perfume and cream perfume

STATUS OF THE BUSINESS VENTURES OF THE PARTICIPANTS OF THE PILOT PROGRAMME MONITORING VISIT TO CAMARINES SUR. 25-30 OCTOBER 1989

1. JOSE G. LIJON

-
- Background Information - Naga City
 - age 36
 - works for "Yu Saute Trading", grocery and retail stores in Naga (3) and Balatan (1)
 - has set up a new business early in 1988 in partnership with Mr. Fidel Yu, who also attended the technical training courses under the pilot programme; this business. "Lijon-Manufacturing" is under registration, the total capitalization is about P25,000, the products are vinegar and laundry soap, plus clorox (bleaching detergent) in the near future
 - the volume of the production up till the end of October was 5,000 bottles of vinegar and 4,000 bars of laundry soap
- Status of the new business venture - Mr. Lijon has been producing laundry soap with a manual method in the premises adjacent to the "Yu Saute Trading" outlet in Gen. Luna St., Naga City for a couple of months. It takes 3 hours to get 150 bars of soap. "Amor" is selling at P6.50 per bar, "ACBAR" is another brand he has just started to produce
- "Amor" and "ACBAR" are distributed and sold in the outlets of "Yu Saute Trading"; according to Mr. Lijon, there are no problems in marketing

the soap and especially "Amor" has been selling well.

- He has been experimenting the manufacture on toilet soap, too, but has encountered problems with the essence.
- Mr. Lijon would like to get more know-how on the processing of soap-stock and the manufacture of synthetic detergent

2. SALVADOR H. FEDERIZON

- Background Information
- Naga City
 - age 63
 - a retired PNB Manager (Provincial level for 35 years)
 - has a business on the sale of dry goods since 1987 with capitalization of P75,000; a fire last year slowed down the operations
 - Mr. Federizon has been producing soap as his hobby for a couple of years; he has an organized business on soap-making (not yet registered) since 1986, with total assets at the time of organization P50,000; himself, his wife and the maid are engaged in the business

Status of the new venture

- Mr. Federizon has a well-organized mini-plant for soap in the premises in the backyard of his residence including a mixer acquired from Mr. Rafael Ibarra, consultant of TLRC in February 1988.
- He has been producing 600 bars of his "Natural Soap" since September this year and 1,000 bars since he acquired the mixer in February 1988.

- Mr. Federizon's target market are friends and relatives; he wants to continue "small" in spite of the increasing demand for his soap; he thinks the political and economic situation is not stable enough for expansion (market situation, barangay elections bases agreement) and has not started with his business plan, which he presented during the business planning course in September
- He has no problems with regards to the technological aspects; should such problems arise, he consults with Mr. Ibarra in Manila through long-distance.

3. JULIAN LAVADIA, JR.

Background Information

- Naga City
- age 27
- He is engaged in a family business, "Gueng's Enterprises" in retail and wholesale, since 1985; the present capitalization is P500,000 plus with six full-time employees.
- He plans to set up "The World Enterprise" for laundry and "natural" bath soap manufacture with the estimated capital input of P100,000.

Status of the new business venture

- Mr. Lavadia has been experimenting on the manufacture of his bath soap with his brother and sister-in-law; according to him, toilet soap is difficult to make
- He is planning to launch his bath soap in connection with the city-wide basketball clinics with the target group of about 1,000 10-16-year old

boys. (19 November) Mr. Lavadia is the president of the local basketball/sports association

- The selling price of his soap will be P4.00 per piece, which would bring 50% profits

4. DENNIS BENJAMIN

- Background Information
- Naga City
 - age 29
 - working on his thesis
 - has a Buy-and-Sell busienss (dried fish, eggs, etc.) since 1979, with capitalization of about P40,000 and two full-time employees
 - presently, he is preparing a feasibility study for setting up an enterprise "Horizon Enterprise" for the manufacture of bath and laundry soap
 - according to his original business plan, this business will start operations in January 1989.
- Status of the new business venture
- Mr. Benjamin has been experimenting on the manufacture of bath and laundry soap, but the quality of the soap has not been good enough
 - He plans to visit TLRC in Manila in early November for some additional information

4. RUBEN MARTIREZ

- Background Information
- Naga City
 - age 48
 - Has a business on cargo

forwarding and customs brokerage "GRM International, Inc." since January 1986 the company has an office in Manila and a branch in Naga City with present capitalization of P100,000 out of which P45,000 is his own cash; the company has two part-time employees

- Mr. Martinez plans to organize an enterprise on soap/essential oil development and marketing; the estimated capital requirements are P70,000 for soap and P20,000 for essential oil
- Mr. Martinez completed his thesis in 1962 on essential oils; he has attended several courses on essential oils and related subjects at the TLRC, the last one was in February 1988
- He has been collecting plants systematically for years, owns distillation equipment and has a mini-laboratory in his residence in Naga City

Status of the new
business venture

- Mr. Martinez has made calculations in connection with the feasibility study for the new business and its viability. His calculations show an estimated income of P652,260 for a period of nine months with the expenses of P50,000 for the same period; this includes the export of the essential oils; according to Mr. Martinez, his existing business has the necessary business contacts in the U.S.A., U.K. and Germany already.
- He has established contact with several landowners in Camarines Sur who are willing to offer their lands for planting the plants suitable

for essential oil extraction at a corporate share of 20%. This would include planting, weeding and harvesting and Mr. Martirez would be in charge of the capitalization of the plants (seedlings) and he would provide the technological know-how and equipment for the extraction. Mr. Martirez is even willing to borrow his own equipment and demonstrate the technology for those interested.

- Mr. Martirez has discussions with Dra. Fe Laysa of Camarines Sur State Agricultural College with regards to the training offered by CSSAC. Dra. Laysa has indicated the possibility of applying funds for the projected cooperative from the LEAD-assistance program (LEAD = Livelihood Enhancement for Agricultural Development) (Buklod Yaman Program)
- The papers for setting up a cooperative among the participants of the Pilot Programme are recently under preparation

5. MARICION MARTIREZ

- Background Information
- Naga City
 - age 21
 - daughter of Mr. Martirez
 - attended all the training courses
 - Business Plans: see Mr. Ruben Martirez

6. RICARDO BLANCADA

- Background Information
- Baao
 - age 45
 - Mr. Blancada had a business

(tire dealer) earlier in Samar; it failed because of insufficient capital. He has plans to set up a new business by the name "Esso Products" with the initial products clorox, shampoo and soap. The estimated capital requirement will be around P50,000. He has already made market surveys for his products

Status of the business venture

- Mr. Blancada has been preparing samples of soap, shampoo, clorox and aceton. He has also contacted plastic bottle manufacturers and label makers in Naga. He has made statistical surveys on the market demand and viability of these household products, for instance, by interviewing the owner of the Robertson's department store
- Mr. Blancada has exact plans how to get 1% of the markets for his products, which would generate him a P9,000 monthly income
- He plans to introduce his products in January 1989 and has planned an expansion of his business in Samar
- He has 0.5 ha. planted for lemongrass and has recently acquired a stock of 1,000 seedlings of Ilang-Ilang for trading at a price of P10 each
- He has previously encountered financial setbacks and is anticipating similar kind of problems this time, too, especially in raising the initial capital for this venture

7. AUGUSTIAS A. GATUSLAO

Background Information

- Tinambac
- age 71
- Mrs. Gatuslao has had a

pharmacy "Botica Gatuslao" since 1950: the present capitalization is P50,000 with one full-time employer (daughter)

- She plans to add new products to her business, namely Ilang-Ilang Perfume and its by-products; she will get all the required capital from her existing business, raw materials from her own Ilang-Ilang trees or from friends; she also owns the distillation equipment

Status of the new business venture

- Mrs. Gatuslao is right now waiting for the harvest of her trees. Her house and pharmacy, located by the sea, suffered slight damages during the latest typhoon; the Ilang-Ilang trees remained unaffected

8. ARNEL ESTRELLA

Background Information

- Poblacion Balatan
- age 27
- He has a business "Starfood Products", organized in 1986, total capitalization is P300,000; initial products are soy sauce, vinegar and patis
- He plans to add new products to his existing business: trading of soap manufactured by the other participants of the pilot programme and selling it to his existing clientele

Status of the new business venture

- in the questionnaire submitted through another participant he strongly indicated the need for financial support before starting the new venture.

9. EDMUNDO H. PIELAGO

Background Information

- Naga City
- age 40
- engaged in a business, rice-

mill since 1986 with the present capitalization of P300,000

- He has planned to set up a new business "PSMI" ("Princeton Soap Manufacturing Industry") for bath and laundry soap with a working capital of P11,550 per year

Status of the new business venture

- He was not available during the time of the visit but according to another family member he has been making some experiments on soap-making.

10. CLARENCE E. ESCOBER

Background Information

- Quipayo, Carabanga
- age 44
- has a rice farm with the capitalization of about P500,000 since 1971
- He plans to set up a new business "E and T Co." ("Escobar & Tible Enterprise"); in January 1989 for essential oil and nursery, bath and laundry soap with another participant, Shirley Tible (cousin); the estimated capital requirement is P350,000
- Mr. Escobar has his own distillation equipment

Status of the new business venture

- He was not available during the time of the visit but according to his wife, he has been distilling Ilang-Ilang from his own trees

11. SHIRLEY C. TIBLE

Background Information

- Magaray
- age 30 (estimate)
- cousin of Clarence Escobar

- plans to set up a business "Sampaguita Soaps and Cosmetics", with the principal business of selling sampaguita essential oils

Status of the business venture - N.A.

12. VILLARUEL ADOTE

- Background Information
- Sta. Maria, Lagonoy
 - age 44
 - was engaged in a handicrafts business before which failed, probably because of lack of capital
 - he has plans to set up a new business "Vinel Soap" for laundry soap in February 1989, with special concern on the essence
 - He has reportedly essential oil distillation equipment of his own; capital requirements for his new business will be P20,000

Status of the new business venture - N.A.

13. DANILO VALENCIA

- Background Information
- Taweg, Caramoan
 - age 37
 - He has earlier been engaged in business, buy-and-sell of hogs, which failed due to financial problems

- presently, he has plans to start raising pigs and ducks in his farmland, but will concentrate on essential oil extraction and soap-making, if

it proves profitable:
estimated capital requirement
for soap-making is P30,000

Status of the new
business venture - N.A.

14. ROMEO PEREZ. SR.

Background Information - Naga City
- age 57
- a retired policeman
- he has currently a business
for home-made banana chips
since August 1988, with a
capitalization of P25,000
- He plans to go to soap-making
and essential oil extraction
with the initial capital of
P3,500

Status of the new
business venture - Mr. Perez was not available
during the time of the visit,
but according to his daughter
he has been experimenting on
the soap-making.

15. BELINDA BACSAIN

Background Information - Baao
- age 40
- She is engaged in the family
business, merchandising and
livestock, since 1973 (her
family started the business
already in 1950): the total
capitalization is P1,500,000,
out of which P300,000 is her
own cash, with 13 full-time
and two part-time employees
- She plans to start a nursery
for essential oil plants
(pachioli and others) but has
not yet defined a business
plan

16. LOURDES CELETARIA

Background Information - Pili
- age 28
- never in business before

- plans to set up a business on poultry or swine raising
- business plans related to the training

17. WILLY CHAVEZ

- Background Information
- Naga City
 - age 34
 - He has a trading business since 1985 (foodstuffs, general merchandise, agriculture)
 - wants to expand his existing business, estimated capital requirement will be P50,000 - P100,000

18. ABELARDO FERNANDEZ

- Background Information
- age 58
 - never in business before
 - intended to start a business on soap-making after the training

19. LITO E. BOLALIN

- Background Information
- Baao
 - age 29
 - never in business before
 - attended the training because might start a business on soap or essential oil sometime in the future
 - no definite plans yet, estimates the capital requirement at P10,000

PHI/86/018
DEVELOPMENT OF ENTREPRENEURS FOR COTTAGE.
SMALL AND MEDIUM SCALE INDUSTRIES

PILOT PROGRAM FOR SOAP-MAKING AND ESSENTIAL OIL EXTRACTION
TLRC/Provincial Government of Camarines Sur

Monitoring Questionnaire I
(For those who have no business before the training)

NAME : _____
ADDRESS : _____
TELEPHONE NO.: Residence: _____
Office : _____

1. After having attended the TLRC trainings on soap-making and essential oil extraction, have you started your own business?

- _____ Yes (proceed to question 4)
- _____ No (proceed to question 1.1)

1.1 What is/are the major reason(s) that prevent(s) you from starting a business?

- _____ No start-up capital
- _____ Lack/inadequate technical know-how
- _____ Lost interest in business
- _____ No business idea at present
- _____ Failure in other business attempts
- _____ Satisfied with present endeavor
- _____ Others (please specify) _____

1.2 Do you still have plans to start a business in the near future?

- _____ Yes (please proceed to question 2.1)
- _____ No, please explain why not. _____

2. Do you plan to start your own business?

Yes. (please proceed to question 2.1).

No. (please proceed to question 6).

2.1 When do you plan to start your business?

2.2 What kind of business do you plan to start?

2.3 What is the reason for this choice?

2.4 What is the status of your plans? Check one or more of the following.

idea stage

business plan preparation

negotiations for financing, registration, patents
are on-going

assets (land, building, equipment) purchased

purchase of inventories (raw materials, supplies,
etc.)

other(s) specify: _____

2.5 What is your planned role in your business?
(Please check one or more of the following answers)

Financing (please specify) _____

Technical (please specify) _____

Management (please specify) _____

2.6 How are you planning to acquire your business?

inheritance/family business

organize with partners

organize by yourself

other(s) (please specify): _____

2.7 What is the planned form of organization?

single proprietorship

partnership

corporation

other(s) (please specify): _____

2.6 How much is the planned start-up capital? _____

2.9 How much can you finance from your own business?

2.10 If you cannot finance all from your own resources, how are you planning to obtain the additional funds?

- _____ borrowing not necessary
- _____ borrow from family/friends
- _____ borrow from private financing institutions
- _____ other(s) (please specify): _____

2.11 What are your needs in establishing your business?

2.12 How do you intend to cope with them?

3. Did you seek assistance from any other institutions for your business activities?

- _____ Yes, please proceed to question 3.1.
- _____ No, please proceed to question 4.

3.1 Which institution(s)?

3.2 What kind of assistance did you need?

- _____ Technical (please specify) _____
- _____ Financial (please specify) _____
- _____ Managerial (please specify) _____
- _____ Other(s) (please specify) _____

3.3 Were you successful in getting the assistance?

- _____ Yes, please explain. _____
- _____ No, please explain. _____

4. Even though we inquired about the influence of the training courses already, we will ask it here again as your perception of this influence can change by time.

In planning and/or operating your business, how useful were the following:

	Very Useful	Somewhat Useful	Not Useful
1. Technical Training on Soap-making	_____	_____	_____
2. Technical Training on Essential Oil Extraction	_____	_____	_____
3. Hands-on Training on Soap-making	_____	_____	_____
4. Hands-on Training on Essential Oil Extraction	_____	_____	_____
5. Business Planning Course	_____	_____	_____

5. Does the business that you started after the TLRC trainings still exist?

_____ Yes, please proceed to question 5.1.

_____ No, please proceed to question 6.

5.1 What is your business name? _____

5.2 When did you exactly start your business? _____

5.3 What is the nature of your business? _____

5.4 What is your role in the business? (Tick one or more of the following answer.)

_____ Financing (please specify) _____

_____ Technical (please specify) _____

_____ Management (please specify) _____

_____ Other(s) (please specify) _____

5.5 How did you acquire this business?

- Inherited/Family Business
- Organized with partner(s)
- Organized by yourself
- Other(s) (please specify) _____

5.6 What is the form of organization?

- Single Proprietorship
- Partnership
- Corporation
- Other(s) (please specify) _____

5.7 How much was the start-up capital? _____

5.8 How much is the present capitalization? _____

5.9 What is your equity share? _____

5.10 Does the business seem profitable? (Please explain why)

- Yes _____
- No _____

5.11 If you had to borrow to obtain the start-up capital, from whom/where did you borrow?

- No funds borrowed
- Family/Friends
- Government financial institutions (please specify) _____
- Private banks (please specify) _____
- Other(s) (please specify) _____

5.12 How many employees are working for you?

- Full time
- Part time

5.13 What are the biggest challenges in operating your business at this moment?

5.14 How are you planning to cope with them?

PLEASE PROCEED TO QUESTION 7

6. Please explain what happened with your business?

7. Did you seek assistance from any other institutions for your business activities?

_____ Yes, please proceed to question 7.1
_____ No, please proceed to question 5.

7.1 Which insitution(s)?

7.2 What kind of assistance did you seek?

_____ Technical (please specify) _____
_____ Financial (please specify) _____
_____ Managerial (please specify) _____
_____ Other(s) (please specify) _____

7.3 Were you successful in getting the assistance?

_____ Yes, please explain. _____
_____ No, please explain. _____

8. What are your entrepreneurial goals?

In six months time: _____

In one year time: _____

9. Do you need assistance from TLRC and/or PGCS for your business activities?

_____ Yes, (please specify) _____

_____ No, please proceed to question 10.

10. Thank you for your time and we would appreciate any comment regarding this questionnaire.

PHI/86/018
DEVELOPMENT OF ENTREPRENEURS FOR COTTAGE,
SMALL AND MEDIUM SCALE INDUSTRIES

PLRS/PGCS Soap-Making and Essential Oil Extraction Project

Monitoring Questionnaire II
(For those who are in business before the training)

NAME : _____

ADDRESS : _____

TELEPHONE NO.: Residence: _____

Office : _____

1. Did you have a business prior to attending the TLRC Trainings?

_____ Yes, please proceed to question 1.1.

_____ No, please proceed to questionnaire I).

1.1 What is your business name? _____

1.2 When did you exactly start your business? _____

1.3 What is the nature of your business? _____

1.4 What is your role in this business? (Tick one or more of the following answers.)

_____ Financing (please specify) _____

_____ Management (please specify) _____

_____ Other(s) (please specify) _____

1.5 How did you acquire this business?

_____ Inherited/family business

_____ Organized with partner(s)

_____ Organized by yourself

_____ Other(s) (please specify) _____

1.6 What is the form of organization?

- Single Proprietorship
- Partnership
- Corporation
- Other(s) (please specify) _____

1.7 How much was the start-up capital? _____

1.8 How much is the present capitalization? _____

1.9 What is your equity share? _____

1.10 What is your production capacity? _____

1.11 What is your geographical market coverage? _____

1.12 Does the business seem profitable? (please explain why)

- Yes _____
- No _____

1.13 If you had to borrow to obtain the start-up capital, from whom/where did you borrow?

- no funds borrowed
- family/friends
- government financial institutions (please specify) _____
- private banks (please specify) _____
- others(s) (please specify) _____

1.14 How many employees are working for you?

- Full time
- Part time

1.15 What are the biggest challenges in operating your business at this moment? _____

1.16 How are you planning to cope with them? _____

2. Was the training useful to your existing business?

2.1 Technical Training on Soap-Making and Essential Oil

Yes, explain. _____

No, explain. _____

3. Are you embarking on a new business aside from your present business?

Yes
 No (specify). Why not? _____

If yes, proceed.

3.1 Is this new business related to the TLRC Trainings?

Yes
 No

3.2 What type of business enterprise do you plan to organize? _____

3.3 What is its estimated capital requirement?

3.4 What is the status of your business plan? Check on or more of the following:

idea stage
 business plan preparation
 negotiations for financing registration patents are on-going
 assets (land, building, equipment) purchased
 purchase of inventories (raw materials, supplies, etc.)
 other(s), specify _____

3.5 State the major problems you encountered or are encountering in achieving your business goals.

3.6 What type of assistance or support do you need at present? _____

3.7 Is there any assistance you need from TLRC and/or PGCS? _____

TABULAR RESULTS OF SECOND FOLLOW-UP ACTIVITY:
CAMARINES SUR PROGRAMME

	S	T	A	T	U	S
CATEGORY OF RESPONDENT BEFORE TRAINING				W i t h		
				B u s i n e s s P l a n		
	Maintain Existing Business	With New Business	Set-up New Business	Expand Existing Business	Not Definite	No Plan At All
In Business	14	12	2	-	3	1
Not In Business	7	1	1	-	3	6

1/ Type of business: soap-making, essential oil

2/ Other types of business not directly related to soap-making and essential oil.

3/ Includes two participants whose plans are subject to further verification.

FINANCING

	Estimated Capital Requirement	Possible Source of Financing	Problem Encountered
1. Jose Lijon	(Expansion of existing soap-business)	-	increase of present capitalization for expansion
2. Ruben Martinez	P33,000.00	-	capital outlay is a major problem
3. Clarencio Escobar	P50,000.00 - 2,000,000.00	-	financing of capital expenditures
4. Ricardo Blancada	P1,500,000.00	-	financing
5. Belinda Bacsain	-	-	-
6. Danilo Valencia	P30,000.00	-	financing
7. Villaruel Adote	P25,000.00	-	financing
8. Salvador Federizon	-	-	-
9. Edmundo Pielago	P6,000 (for every 2 has. of planted lemon-grass	-	financing support needed
10. Arnel Estrella	P300,000.00	existing credit programmes	identification of the appropriate loan program
11. Romeo Perez	P60,000.00	possibly borrow from private banks	financing
12. Maricion Martinez	?	-	financing
13. Shirley Tible	P1,000.00	Borrow from family friends	-
14. Dennis Benjamin	P50,000.00	-	financing

SUPPORT/ASSISTANCE

	TECHNICAL NEEDS	MARKET-RELATED NEEDS	PROBLEMS ENCOUNTERED
1. Jose Lijon	-	-	-
2. Ruben Martinez	Info on compounding of essential oils, apparatus, equipment	Market price for essential oils abroad	Lack of planting materials
3. Clarencio Escobar	Info on cost of installation of equipment, packaging standards, etc. for essential oils	Cost estimates of exported oils, trade statistics	-
4. Ricardo Bianzaga	Info on compounding of essential oils	Marketing channels, price abroad for essential oils	-
5. Belinda Faccaro	Technical info on essential oils	-	-
6. Danilo Valencia	Technical assistance for compounding essential oils into consumer products	-	-
7. Villaruel Adote	-	-	-
8. Salvador Federizon	-	-	Constant supply of raw materials (caustic soda)
9. Edmundo Fielago	-	Market price for essential oils abroad	-
10. Arnel Estrella	-	-	-
11. Ponce Perez	Guidance on Government regulations, standards	Market price for essential oils abroad	-
12. Mariclon Martinez	Info on the purification of essential oils	-	-
13. Dennis Benjamin	-	Target markets, price of essential oils abroad	-

Villaruel Adote

CASE STORY:

VILLARUEL ADOTE*

Villaruel "Ruel" Adote, 45 years old, is a farmer-handicraft entrepreneur from Pamplona and Lagonoy, Camarines Sur. He is also a father of five children, most of whom are already grown. Ruel looks like a typical farmer -- brown-skinned, somewhat sinewy, ruggedly dressed, but he is soft-spoken and gentle-mannered. During the interviews, he eagerly talked about his business plans and prospects.

Family Background

Ruel is the firstborn in a family of eight children born to a farmer and his wife. His father was a tenant in a big rice hacienda in Lagonoy. At the age of eight, he was helping his father clean the fields and take care of the crops. "When I came home from school, I used to go straight to the fields," he remembers. He was 16 when he first worked with a plow. Since then, he did the work of an adult farmer. Life was just as hard for his other brothers and sisters but he recalls that, being the

*

Written by Myrna R. Co of the U.P. Institute for Small-Scale Industries for the "Packaging of Experiences" component of the "Development of Entrepreneurs for Cottage, Small and Medium Industries (DECSEMI)" project sponsored by the United Nations Development Programme (UNDP) and the United Nations Industrial Development Organization (UNIDO) and implemented in 1988-89.

oldest, he had the most responsibility. He saw to it that the younger ones studied their lessons at the same time helped out in the household and farm chores. He took care of them as well as helped discipline them.

In turn, Ruel remembers being raised strictly by his parents. His father's word was law which he seldom disobeyed, he says.

He was expected to work in the farm and forbidden to fight, to stay out late, etc. and he often complied "because I did not want to be whipped." He feels no less grateful to his parents, "because they took care of me and educated me as much as they could afford to."

The young entrepreneur

He attended Pamplona Central School, where he finished the grades. He would have wanted to study further but his parents could not support him through high school.

Ruel was in grade school when he learned and began a trade. As a ten-year-old, he chanced upon trainers from the National Cottage Industry Development Administration (NACIDA) who were teaching the townfolk the craft of basketweaving near the mercado (town market). He became very interested and stayed

around during the training. Although he was not a formal participant, he readily learned the craft just watching and listening.

Having learned the craft, Ruel couldn't wait to get into action "I gathered bamban (wild vines) from the mountains, wove these into baskets and showed my parents the finished products. They were so surprised! And I felt proud." he recalls. Bamban used to grow so abundantly in the mountains, he adds.

The young Ruel earned extra money selling his baskets in the mercado. His first "volume" production was two dozen baskets which earned him 60 centavos a piece. As he grew older, he pursued this trade, passing on the skill to other members of his family -- and soon a family basketweaving enterprise emerged which augmented their livelihood.

Adult years as farmer-entrepreneur

When he got married in 1962, Ruel carried on the basketweaving venture in order to supplement the income he earns as a farmer. His wife, Nelia Abante, soon developed into a skilled basket molder and weaver and actively helped him in production.

Ruel and Nelia raised a family of five children (Ariel, now aged 24; Julvio, 23; Jocelyn, 21; Eleanor, 16; and Hermoginia, 6.)

As they were growing up, most of them helped out in the handicraft business.

In 1983, he registered "Adote's Handicrafts" with the NACIDA in order to avail himself of tax and other incentives for cottage enterprises.

Over the years, Ruel has taken advantage of opportunities to improve his skills. In 1982, for example, he enrolled in a training program in basketmaking run by the NACIDA. However, he learned little from the training because "I already knew what they were teaching." In that program, he sometimes acted as part-time resource person because he was able to demonstrate better ways of basketmaking. Earlier, he attended a meeting of small handicraft entrepreneurs which was likewise organized by the NACIDA. "I came because I was told that we would be given loans ... but nothing came out of it. They said that the funds ran out," he recounts.

On his own, however, Ruel keeps an alert eye on new products

On his own, however, Ruel keeps an alert eye on new products and new designs. He visits factories, markets and trade fairs,

looking around for prospective innovations. It is not difficult for him to adopt innovative designs in basketmaking. "I only have to see a design to know how to do it," he says confidently.

At the same time, Ruel farms a four-hectare riceland, where he has also grown coconut trees and, lately, lemon grass, ilang-ilang trees and citronella grass. The land was originally mortgaged to him in 1975 by another farmer for P800 and, in time he foreclosed the property. Today, he says that he will not sell the farm even at P20,000 a hectare. His wife and two of his sons help him in the farming chores.

Between farming and basket production, Ruel finds time to perform some civic activities. For instance, he was active in the Parent-Teacher Association of Legonoy Elementary School where he once served as president. During his term, he ran school improvement and self-reliance projects like vegetable gardening for the children. He also used to invite students to his home to learn basket making. He feels, likewise, that he is doing his bit of community service by training neighbors in basket production and employing them from time to time.

Status of the handicraft business

At present, Adote's Handicraft produces baskets and other handicraft items for export through an exporter-trader. He started exporting in 1983. Ruel employs five permanent workers and, when volume of orders so warrants, some part-time workers from among his neighbors whom he has trained in basket making.

On the average, the enterprise turns out 100 baskets a day. Aside from baskets, other products manufactured are potholders and wall decor items. In place of bamban fiber (which he says are now getting scarce), he uses tilog vines and Chinese bamboo poles as raw materials. He also uses abaca fiber, nito leaves and certain fabrics to embellish his baskets.

Like most cottage entrepreneurs, Ruel is his own marketing, financial and personnel manager. He also does his own quality control, he says. When he incurs rejects, he sells these "seconds" in the local market.

According to him, he earns only an average of P100 a day from the business. "My profits scarcely meet our family's needs," Ruel says ruefully.

Ruel complains that his handicraft business has not progressed much over the years. Because of lack of capital, Adote's Handicrafts produces only on a job order basis. When he

receives an order, he usually asks the trader to give him an advance payment with which to purchase raw materials.

It was, nonetheless, this handicraft project, as well as his farm, which has tided his family over through the years. Today, his oldest son is employed as a technician at the Bicol University College of Fisheries, where he also finished a course in fisheries as a scholar. His oldest daughter is a sophomore college student. Another is in high school. The youngest child, six years old, is not yet in school. However, he feels disappointed that one of his sons has dropped out from school.

Future prospects for basketweaving do not look too bright to Ruel. Raw materials are getting increasingly scarce and working capital is hard to come by. Moreover, monetary rewards are not all that lucrative. He is, therefore, open to opportunities to set up a new, more promising small business.

Training with the TLRC-UNIDO program

When Ruel got wind of the entrepreneurial assistance programs being offered by the Technology and Livelihood Resource Center (TLRC) and the Provincial Government of Camarines Sur (PGCS) with support from the United Nations Industrial Development Organization (UNIDO), he eagerly came forward.

From the TLRC trainers, Ruel learned technologies for soapmaking and essential oil extraction. He attended classroom lectures, and then underwent hands-on training on mini-plant operation. Aside from these, he also took part in a workshop on business planning conducted by the UP ISSI and the PCGS. He says that he learned a lot from the technology training especially because the techniques were demonstrated well. However, he regrets that he was not able to fully grasp business planning concepts because the workshop was conducted in English and Pilipino (which he does not understand as well as he does his native Bicolano dialect).

A few months later, Ruel participated in a follow-up training on compounding of essential oils, perfumes and other fragrance products -- likewise conducted by the TLRC.

Ruel was so impressed with the technical training programs that soon after, he purchased a set of oil distillation equipment from TLRC. The apparatus, which cost him P600, consists of a condenser, a tank and a clavender trap and is good for small-scale production. Ruel has produced extracts from lemon grass and ilang-ilang on an experimental basis and hopes to go on commercial-scale extraction in the near future.

Instead of just throwing away the lemon grass from which he has extracted oil. Ruel fermented the grass for several months and then used it to fertilize his crops. According to him, the lemon grass waste product was an effective fertilizer, especially since "...unlike chemical fertilizers, it does not harm the soil."

Once, he tried mixing ilang-ilang extract with lemon grass oil, deodorized alcohol and patchouli (for fixative) to produce a fragrant scent. "I sold the perfume to friends and neighbors - and some of them later asked to buy more. I earned P300 from it," he says proudly.

Similarly, Ruel has tried making soap, "... but only for household consumption." He included lemon grass, citronella and ilang-ilang extracts into his soap formula to enhance the quality and scent of the product. However, he does not have the necessary equipment to manufacture soap on a commercial basis.

In the training, Ruel also learned that there is a market for ilang-ilang saplings. So, he obtained cuttings which he cultivated in a backyard nursery. In five months, he was able to sell 500 saplings at P5.00 each. Up to now he still grows ilang-ilang in his nursery which he plans to sell either to the TLRC or the Department of Agriculture. In addition, he

grows ilang-ilang -- as well as lemon grass and citronella-- in his farm for its flowers which he plans to use in his own oil extraction operations. "Ilang-ilang extract is first class among essential oils." he maintains.

Business Plans

Ruel intends to engage in essential oil extraction and soap making as soon as possible. He is convinced that essential oil extraction is a profitable venture. He explains that there is a big market for these oils not only here but in many countries abroad. In France alone, he says, the demand is one ton per annum. "We are told that even if the whole of Camarines Sur is planted to lemon grass, the yield would not be enough to supply the needs of the market. And even if we cannot do the marketing ourselves, TLRC promises to buy all our output," he adds. Lemon grass oil, for example, is not only an important ingredient for perfume making but also has medicinal uses. According to Ruel, it has been found to be an effective cure for hypertension, rheumatism, asthma and other ailments.

After the series of training, the Camarines Sur Agribusiness Association (CASABA) was organized from among the trainees. The CASABA was formed for the purpose of expanding and updating the membership's technical skills as well as to look

for markets for the various products. The CASABA also plans to offer common facilities for the final distilling and refining process needed in essential oil production.

With the assistance of CASABA, Ruel has applied for a loan of P25,000 from the TLRC. He plans to use the money to clean, plot and cultivate his farm for expanded planting of lemon grass and other plants. He adds that he needs to purchase additional seedlings which sell at P5.00 each.

Ruel says that he wants to start small his oil-extraction venture. He reckons that with P25,000, he can begin production with his available equipment and make some profit which he intends to plough back into the business. "With the first money I make, I can probably buy more and bigger-capacity equipment," he says hopefully.

Later, when the business becomes stable, he also plans to diversify into soapmaking for the local market. He rationalizes that if ever he would encounter problems in marketing his essential oil products, then he could always use it in his own soapmaking operation.

He also intends to keep on raising lang-ilang saplings in his nursery. For his next batch, he wants to grow at least 10,000 cuttings which he would eventually sell to TLRC, which promises

to provide a ready market for the plants. "Whatever profit I get from this, I plan to use in setting up my oil-extraction venture," he says.

Whether or not the loan from TLRC materializes, Ruel seems determined to go through with his business plans -- on a very modest scale. On this scale, "I and other members of CASABA might produce no longer for export but only for the local market."

At the moment, Ruel refuses to think of his future business in terms of volume of production, sales or profit. "There is time enough for that later ... especially if my loan goes through.

If I think of that now I might get frustrated or crazy!" he exclaims.

In a year's time, Ruel sees his economic status improving dramatically "...especially if I get the assistance I am asking for." If he relies only on his own resources, however, he still believes that he would succeed "... but it will take longer."

In fact, Ruel is willing to turn his back on his handicraft business in order to concentrate on his new venture. "Anyway,

one of my children or one of my brothers can always take over that (handicraft) business."

Mobilizing the community

Ruel's enthusiasm for the project seems to go beyond self-interest: rather he tends to think of it as a means of developing the community. Thus, he thinks of involving other people in the project. "I will teach them how to plant lemon grass which they could sell to me, to TLRC or to CASABA. If they are interested to go into oil extraction or soapmaking, then I am willing to show them how." He promises to approach the mayor of Lagonoy to promote the project among the townspeople as a source of livelihood since "...after all, the market for essential oil has room for many, many producers."

Ruel also looks at the project in terms of youth development. "We live today and die tomorrow, but our children will stay behind. We should think about the future of our young people."

Helping others has always been Ruel's dream and philosophy but "...I lack resources to help people in a big way. Perhaps this is the opportunity I've been waiting for."

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Ricardo Blancada

CASE STUDY OF RIC BENDASOBA

THE MAKING OF AN ENTREPRENEUR AND/OR A HERBAL DOCTOR

"I have already treated at least 25 patients with this lemon grass oil", asserts Ricardo Bendasoba, a 46 year-old native of Baco, Camarines Sur. Ric extracts essential oils from lemon grass, citronella, ilang-ilang and other herbs that abound in Bicut. Ricardo or Ric as he prefers to be called acquired this skill from a series of seminars which he attended not only on essential oils extraction but also on soap making and business planning. These training programs are part of a pilot project which the United Nations Development Program and the United Nations Industrial Development Organization support under the "Development of Entrepreneurs for Cottage, Small and Medium Industries Project." The Technology Livelihood Resource Center (TLRC) and the Provincial Government of Camarines Sur jointly implemented the program. Ric decided to participate in the above training programs after learning about them from the local radio station.

Immediately after the technical classroom and mini-plant operation course on soap making and essential oil extraction, Ric set up an oil distillation system in his home.

*Written by Antonio G. Maghat of the ILO Institute for Small Scale Industries for the "Packaging of Experiences" component of the "Development of Entrepreneurs for Cottage, Small and Medium Industries (DECMII)" Project sponsored by the United Nations Development Programme (UNDP) and the United Nations Industrial Development Organization (UNIDO) and implemented in 1988-89.

He derives more satisfaction and challenge from extracting essences than making soap, because, as he pointed out, "our ancestors had been making soap since Magellan's time; it is a very old technology and there is no challenge technically."

Finding the cost of equipment high, he looked for cheaper sources of alternative equipment in Manila. For boiler, he made use of a locally fabricated equipment; he was able to buy a condenser in Raon at P 52, a price he found very cheap compared to what his classmates in the seminar paid for their condensers. He made use of a catsup bottle for the oil separator, rubber band for clamp and a soy sauce bottle and a medicine dropper for graduated cylinder. He fashioned a stand out of locally available bamboo stick. He always proudly and happily recalled that he really made a bargain when he set up his distillation unit at a cost of P300. He adds that he did not mind walking the whole day around Raon and Sta. Cruz in Manila so long as he was able to get what he wanted.

Ric was not satisfied with his initial attempts at extraction. His oil recovery was 4 ml for every 3 kg input of lemongrass. He found out later that this was due to leaks in the distillation unit. After plugging the leak, he was able to raise the oil yield substantially to 3 ml per 1 kg of lemongrass input. Using the lemongrass oil extract, he produced samples of shampoos, herbal medicines which he gave away in liberal doses to his neighbors and friends in an attempt to test the healing or medicinal

potency of the oil. He swears that the oil is effective in treating various ailments like fever, skin disease, hypertension and even baldness. He first tried the oil on himself to cure his hypertension. He claims that he enjoyed immediate relief after administering the oil on himself. He also shows off his own balding head as a proof that the oil he used was slowly bringing back his hair. Quite a number of other users have subsequently found relief in the oils, Ric asserts confidently, including a member of the UP Institute for Small Scale Industries (UP ISSI) monitoring team who successfully used it as a salve to bring down the fever of an ailing son.

Anticipating a potential problem on the steady source of lemongrass to support his oil extraction operation, Ric sold the idea of planting lemongrass to his neighbors and friends. Among them is a townmate who owns several hectares of what used to be idle land.

Faced also with a potential problem of how to dispose the voluminous lemongrass from which oil had been extracted, Ric thought of an innovative solution. He experimented on the production of paper from the by-product. Bringing samples of paper he produced, he approached the UP-ISSI for help in the formulation of his process. He was referred to TLRG where he was able to get the information he needs from the library. Now, he is eyeing the possibility of making particle board or construction material from the waste.

In June 1989, during a distillation process, the boiler exploded and Ric suffered second-degree burns. Refusing to be brought to the hospital for medical treatment, he administered lemongrass oil on his burns. He now presents himself as a living proof that the oil is also an effective burn ointment.

LOOKING BACK

Ric was born in Baao, Camarines Sur on February 7, 1943 to spouses Benito and Andrea Blancada. He is the youngest in a brood of 12, five of whom died during their childhood years. His father was a mechanic at the Al Amen Transportation Company, (ALATCO), a bus firm set up by a retired soldier after the war and which later became the present PULLRANCO.

Ric obtained his elementary education at the St. Monica's Academy in Baao between 1950 to 1956. He enrolled in the Mabini Memorial Colleges for his secondary education which he was not able to finish because, "I was too engrossed with my "barkadas,"* movies and gallivanting". He enrolled every year only to drop out after about a few months. He now finds it ironic that it was not a lack but an excess of money to gallivant with which hindered him from finishing high school. Educational benefits open to all dependents of World War II veterans (his father was a master sergeant during that war) were also available to the young Ric, but he was too fun-loving to take advantage of the opportunity. He tried taking up but did not finish refrigeration and air conditioning in the German Institute of Technology.

*gangmates

In 1952, Ric got married and had two kids. His wife died and he got married again in 1957. His second marriage produced another three children, one of whom died.

To support his family, he took various jobs. He was a waiter at Luisa and Son's Soda Fountain and Restaurant for five months, a worker at Atlas Textile and a security guard at the Tamaraw Security Service for eight months.

In 1969, he was employed with the Department of Public Highways in Bicol. Ric considered himself as one of the "15-30" employees, who only reported to office on the 15th and 30th of the month to collect his wages. He owed his position to a local politician, hence a political appointee. He stayed with the agency for about 11 months.

He joined PHILIRANDCO next as driver-conductor. Feeling the economic pinch of a growing family and a low salary, he was driven to look for additional sources of income. He saw the opportunity to augment his salary from selling of "hot meat" and taking advantage of transporting his products free from Bicol to Manila, since he was driver of PHILIRANDCO. He made regular sales to employees of the Presidential Management Staff in Malacanang, where a friend worked. This friend was responsible for his entry into the PMS cooperative which also became his client. He quit the business after two years because, as he put it, "it was not good and he had lots of receivables".

Two years after joining the bus company, he was promoted as officer-in-charge and assigned to Samar. In 1985, he left the firm and established a tire-selling business which, according to him netted him an average monthly income of P12,000. Simultaneously, he also went into other income-generating activities. He acted as sales agent, getting commission from the sales of vehicles in Samar and Bicol. He quit the business when he suffered a financial setback from a transaction which involved the non-payment of three units of ten-wheeler trucks which he sold to a Chinese buyer in Samar. He diversified into the restaurant and boarding house business but this also closed down after several months because of uncollected receivables from customers. He decided then to go back to Bicol.

In 1984, Ric was lured by the call of overseas employment in the Middle East. He pawned his BLISS house and lot in Pili, Camarines Sur to raise P25,000 which he gave to an illegal recruiter. In the end, he was not able to work abroad and, worse, cheated of his money.

LOOKING FORWARD

To-date, Ric estimates that he has spent a total of P8,000 for his oil extraction activities, mostly on experimentation and transportation costs. With no alternative source of capital, he used part of his meager salary, thus further straining his family's budget. He laments that he could not even give his son money to pay a dentist so he could have his tooth extracted. But

he said that he must continue what he had started.

Ric can see himself becoming a millionaire in the near future, treating a lot of distressed patients with his "miracle extract". But first, he has to obtain financing. He estimates that he will at least need about P150,000 to operate on a commercial scale. Together with the other officers of the Damarines Sur Agri Business Association he has approached the TLRC and tapped the LGFD for this. He and his colleagues are waiting for the results of this. According to Ric, he is prepared for the worst. With or without financing, he is determined to pursue his business plan.

Julian Lavadia, Jr.

CASE STORY:

JULIAN LAVADIA, JR.*

Jun Lavadia is quite accomplished, for a young man of 27. A one-time athlete, card dealer, salesman and teacher, he was elected captain of his barangay and member of the City Council of Naga, Camarines Sur. He insists that he did not plan to be in politics since he had an eye on business. "I was derailed into barangay politics ... it just happened," he says. He is determined, however, that his training in business will not go to waste. "I will use it to help my constituents," he asserts.

Student Days

Jun is a middle child but the eldest boy in a family of six children. Originally from Tuguegarao, Cagayan, the family moved to Naga when Jun was very young. His father is a Filipino while his mother is a Chinese-Filipino. Both were teachers at Asian Cultural High School, a Chinese school in Naga. Jun and his other siblings went to this school because their father insisted on a Chinese education for them all the way to college. "Dad thought it would be an advantage for us to learn Chinese as a second language." After high school, however, Jun went against

* Written by Celia R. Pascual of the U.P. Institute for Small-Scale Industries for the "Packaging of Experiences" 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 1988-89.

his father's wishes by enrolling in a university of his own choice, Ateneo de Naga, a Catholic university, where he took up management and marketing. He had to pay a price for his willfulness: his father did not give him full support. "There were times I had to walk to school because I did not have money to pay for a ride. Mama, however, was more understanding. She secretly gave me transportation money."

His parents were disciplinarians. He recalls being punished when he did wrong. He feels no resentment, however, since he realizes it was for his own good. He asserts that both Filipino and Chinese cultures shaped his life.

Offered an athletic scholarship at University of Nueva Caceres, he left Ateneo de Naga. At this new school, he played table tennis and basketball. Sports as well as other extracurricular activities caused him to relegate his academic studies to the background. As a result, he was not able to finish a degree. Nevertheless, he did complete a one-year program on sports management conducted by the University of Life and the U.S. Sports Academy. Years earlier, when he was in high school, he also attended the Zone Youth Officers Training, a program on community leadership.

Work Experience

As a gradeschooler, Jun earned extra money selling food items to schoolmates. He also served as a bill collector of his father's newspaper distribution business. There was really no need for the young Jun to work but he liked the idea of earning his own pocket money.

As a young man, Jun worked as a salesman and casino card dealer. Card-dealing was a lucrative job but the single and carefree Jun spent as fast as he earned. In Olongapo, he made an enemy of a big-time gambler, who created trouble in the casino. When he began receiving death threats as a result, Jun fled home to Bicol. In Sorsogon, he spent a quiet year as a Chinese language teacher.

Sports Involvement

Tall and well-built, Jun is actively involved in sports and sports development. He helps spearhead the Association of Basketball Clubs in Naga which boasts of 2000 members. One of major projects of the association is to teach schoolchildren how to play basketball scientifically and to organize tournaments for them. According to Jun, he used his power of persuasion to recruit others in the community to get involved in sports development.

Community development work

In the 1988 barangay elections, Jun was convinced to run and won. Subsequently, he was elected by his fellow barangay captains to be their sectoral representative in the city council of Naga. He earns a modest per diem as barangay captain and a fixed salary as sectoral councillor. These income helps his family of two children get by, he says. Moreover, he has a wife of independent means: she manages a family-owned grocery business.

As captain, he has responsibilities to his constituents in Barangay Tubuco. Nevertheless, he realizes that as councillor, his constituency really extends to the other barangays in the city. "I have to look after them, too. If there are projects that other barangays could do better, then it should be given to them. My own barangay cannot expect special treatment." To prove this point, he recounts that a senator has promised his barangay some P250,000 from the senator's discretionary funds. Rather than use this solely for Barangay Tubuco, he has decided to spread out the money to benefit other barangays as well.

Proposed Barangay Soap-Making Project

His barangay consists of about 8,000 people and 1,200 households. With his training in soapmaking received from the Technology and Livelihood Resource Center and the Provincial

Government of Camarines Sur. Jun plans to mobilize 10 to 20 families in soap production. Each family is expected to produce in its own household but the barangay itself will be responsible for marketing the output. Selling will be done on the first floor of the barangay hall. He counts on the whole barangay to patronize the soap. If the project succeeds, Jun plans to replicate it in the other barangays.

Another market which Jun is eyeing for the soapmaking project are the members of the basketball club. He figures that the young basketball players can be asked to sell soap bars to their parents in exchange for basketball training. Anyway, there are no training charges; even membership fees are waived. "At 10 bars of soap per member, 2,000 members can dispose of 20,000 bars," he says. The children and their parents may also be involved in soap production.

Aside from soapmaking, Jun has plans for fish-drying and mushroom-culture projects for his barangay. But before he proceeds with any of these plans, he wants to have a study on the socio-economic profile of the community in order to identify the jobless and the underemployed. He proudly points out that other barangays, following his example, will be undertaking similar studies.

Other plans for his barangay include "clean surroundings, improved peace and order situation and street lights in all areas." He has reactivated the Barangay Tanod to help keep the peace in the community. Since the Tanod volunteers receive no compensation, Jun plans to give priority to their wives in his livelihood projects.

So far, everything is turning out well for Jun and his barangay. "My most serious problem is the presence of intrigues among people I am working with. But I am sure this can be averted with improved communication among them." Unlike other barangay captains, Jun is not bothered with funding problems. He considers himself lucky in that people whom he approaches for help seldom turn him down.

Future Plans

He has chosen to shelve his own business plans indefinitely. He admits that he is not much of a risk taker. Even if he had the capital to start his own business, he would still prefer to do what he is doing now. "Where I am, I can help more people. I love the responsibility and authority that goes with my work."

By the time he is 40. Jun anticipates leaving politics and devoting more time to his family. By then he hopes to have accomplished his plans for his constituents. "That would be my legacy not only to the barangay people but also to my own family."

Jose G. Lijon

CASE STORY:

JOSE G. LIJON*

Jose G. Lijon is a Chinese-Filipino born in Naga City, Camarines Sur in 1952. He is married to Carmen Peosio, with whom he has two children.

Family Background

Jose's father, Lee Hong, who started as a general merchandise trader in Naga City, moved his family to Lopez, Quezon in 1969 in search for better opportunities. There he put up a similar trading business. As a child, Jose learned business ethics and values from his father. Trustworthiness, more than the desire for profit, was regarded as a key factor in doing business. The young Jose admired his father's entrepreneurial skills and good public relations ability. He remembers him as a businessman who was always looking for ways to cut down costs and who always set his prices lower than his competitors'.

He and his brothers were brought up in a patriarchal way. His father's word was law and his mother had little say in decision-

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making. His father forbade them to go out without his permission, monitored their school work and inculcated the idea that "Father knows best." At an early age, Jose questioned his father's highhanded manner even as he tried hard to retain his respect for him.

Memorable to Jose was the time he defied his father's wish for him to study in Manila. Determined that his sons would get a Chinese education in the city, the patriarch purchased a condominium unit in Manila's China town. Jose's brother moved to Manila obediently but Jose insisted on staying in his old school. For sentimental reasons, he did not want to leave Quezon and his friends. Besides, he felt that Chinese education was too difficult for him. Jose's decision angered his father at first. Eventually, he came to the terms with it, especially when Jose started showing a desire to learn a trade. To his surprise, he and his father began to understand and communicate with each other.

In 1968, tragedy struck. A strong earthquake hit Manila and his brother was one of the victims. He was among those buried alive when Ruby Tower, the condominium where he was staying, collapsed. Jose realized that he would have died with his brother had he let his father's will prevail.

Employment background

Jose's first job was as a salesman at Gumaca Lumber Company where he found himself the least among the sales force. Unaccountably, he got a bigger salary. Surprised, he was obliged to strive harder. It was only when his father died two years later that Jose learned that the handsome salary he received came from his father's pocket. Bewildered at first, he realized later that his father probably wanted to motivate him to work hard.

Jose next tried his luck in Manila where he worked as a salesman in a Chinese textile store for two years and as an electrician at Art Delta Electric Company for three years. This time of his life was marked by depression. He could not get over the two deaths in his family and he learned to gamble and drink.

In 1976, he went back to his hometown, Naga City, to start a new life. He joined a trading company as a salesman where he met and married his wife.

In the late '70s, Jose joined the exodus of Filipino workers to the Middle East. His experience as an electrician became his passport to a job in Saudi Arabia which earned him dollars for a period of three years.

Past Entrepreneurial Experience

Back in the Philippines, he was able to build a house for his family. The rest of his earnings was spent on a tricycle which he plied to earn money. Finding his income too meager, he sold the tricycle to purchase a vegetable stall in the public market which he asked his wife to manage. Again, he felt dissatisfied with this venture and next tried a sweepstakes (lottery tickets) dealership which, in his own words, taught him how to convince people to buy a "fortune." The dealership lasted only a few months after which he found employment again as a salesman.

In the meantime, he was avidly reading business books and journals. Eventually, he was able to convince his employer to put up with him a coco-vinegar production business. With equity shares of P20,000 each, the partners registered Lijon Manufacturing in February 1988. Jose himself was involved in vinegar production and occasionally experimented on producing other products like sago, cassava flour, tahu (soy milk), and soap from coconut oil. He liked to read up on new technologies that he could use in his business. When he heard the announcement on the local radio that a seminar on soapmaking and essential oil extraction will be conducted in his province, Jose signed up with without hesitation.

Technical and Business Training

Jose attended the series of training programs offered by the Technology and Livelihood Resource Center and the Provincial Government of Camarines Sur. These are the classroom training on soap making and essential oil in July. the mini-plant operation course on soapmaking and essential oil extraction in August and the business planning seminar in September.

Jose found the training useful. particularly the hands-on sessions on soapmaking (mini-plant operation course). He learned more cost-efficient ways of producing soap, he asserts. On the other hand, the classroom training gave him more knowhow on markets, consumption trends and characteristics of coco-based soap.

Likewise. Jose found the business planning seminar interesting and useful. He learned simple methods of cost calculation, pricing and profit estimation.

Post-training developments

Naturally, Jose was eager to use the mechanized soap-making equipment demonstrated to them by the trainers. Lacking capital to purchase the equipment, he fabricated a device consisting of a pedal-driven mixer (made from tin cans), wooden moulds, cutter

and containers. The improvised equipment proved to be successful. Jose personally prepared the formulation (ingredients) while two helpers served as operators.

From July to October that year, Lijon Manufacturing was able to produce 4,000 bars of "Amor" and "ACBAR" soap. These are distributed through the grocery stores owned by his partner and other retail stores in Naga City which Jose himself contacted. Soon, sales were being made to neighboring towns in the province. By October, Jose's equity in the business increased to P25,000. He also received a fixed monthly salary of P1,500 from the enterprise. For his part, Jose's partner raised his contribution to P100,000 in June, 1989. He must have been encouraged by prospects of increasing demand and profit, Jose says.

Like any other fledgling enterprise, the company was beset by operational problems. Foremost of this was the fluctuating price of coconut oil which could only be bought in Manila.

By February 1989, soap production capacity increased with the addition of two mixers. Cumulative production up to February 1989 was placed at 15,000 bars at a market price of P7.00 per bar. By May, this increased to 23,000 bars. Four new employees had to be hired to help in sales promotion. The increase in sales was attributed to the use of "market penetration strategy," that is, selling through dealerships all over the province and

sometimes using house-to-house selling. Amor soap increasingly became competitive with other multinational brands selling at P10.50 per bar. Locally, Amor did not have a competitor.

Breaking out from an old to a new business

The success of Amor soap reinforced Jose's desire to have a business that is solely his own. This was a plan he had long nurtured and which he felt would make his father happy. He considered the risks involved. Alone, he needed a big working capital. If his present partner continues producing soap, then Jose would be competing with him. An issue that should be resolved was the ownership of the Amor brand. On the plus side, he was confident of his technical knowhow as well as the bright prospects in the soap market.

Help and encouragement came in the person of Jose's mother who agreed to lend him the title of her land if he needed it to collateralize a business loan. Finally, he summoned enough courage to bid goodbye to his partner who, as it turned out, understood his decision and wished him luck. They also agreed that Jose can use the Amor brand. He also got back his share of P30,000 from the partnership with which to start a new business all his own.

By June 1989, Lijon Enterprises, a sole proprietorship, has been registered with a capital of P30,000. The location of the business is his own residence at Kagilihan Street, Naga City.

Setting up his work area at home, he used two improvised mixers. Soap is produced per batch formula. Initially, one to two batches a day are run. For each batch formula, 200 bars are produced. Two out-of-school boys whom he pays P10 a day, plus lunch, help Jose in production.

As of August, Lijon Enterprises has produced 1,600 bars of soap. Of these, 1,400 bars have been sold. He uses the brandname "New Amor." The original Amor soap consisted of four cakes in each bar, each cake weighing 100 grams. Jose's new brand has three cakes per bar, each cake weighing 135 grams. With his new, improved product, the consumer gets a bit more for the same price. Jose also plans to produce chlorox under the brand Amorox.

Selling will be done initially to public markets in neighboring Pili, Ocampo, Libmanan and Calabanga towns. As a promotional strategy, Jose plans to give away a bottle of chlorox, costing P3.50, for every bar of soap at P6.25 per bar.

Jose realizes the problems that await him in business. But he feels proud that he has finally made it on his own. He feels confident about the prospects of his business. At the same time, he is happier as a family man. He feels that as a result, he and his wife now have more time to devote to their growing family.