



UP-ISSI

newsletter

File copy
6/19/90

VOL. 2 NO. 2

MARCH - APRIL 1990

FORUM ON KALAKALAN 20 HELD

The Kalakalan 20, Magna Carta for SMIs and other laws lobbied in Congress concerning Philippine small and medium businesses, was the focus of discussions of Resource Speaker, Melito S. Salazar, Jr. ISSI Director, during a forum on legislative measures affecting SMEs held last March 17 at the UP-ISSI.

The forum was organized for the participants of the recently completed "Creation of Enterprises, Formation of Entrepreneurs" program to update them on current events and developments in the SME environment.

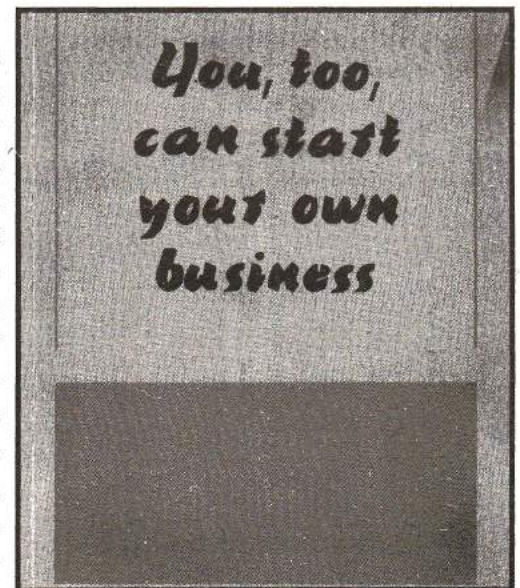
FOURTH ENTREPRENEURSHIP DEVELOPMENT PROGRAM HELD

The Fourth Entrepreneurship Development Program for Business Faculty members was conducted last April 5-7 at the St. Louis University-Extension Institute for Small Scale Industries Foundation, Inc. (SLU-EISSIF) in Baguio City.

Prof. Melito S. Salazar, Jr. addressed participants of the program in his keynote speech which centered on Entrepreneurial Opportunities for 1990. Celia R. Pascual, Jaime S. Guanzon and Zenaida S. Macaspac staff from the UP-ISSI served as Resource Speakers in the program attended by business faculty members.

GUIDEBOOK ON STARTING A BUSINESS NOW OFF THE PRESS

"You, Too, Can Start Your Own Business", a simple and easy to understand guidebook is now available. Written by staff of the ISSI and SERDEF, the guidebook attempts to provide its readers relevant information that will facilitate the setting up of a business organization. "You, Too..." touches on the intricacies of business registration, business planning, general management, financial, marketing and production functions of an enterprise all packaged in a light and easy to comprehend reading material.



The guidebook can be purchased at any National Bookstore branch, or at the ISSI's Industrial Information Department at P 66. a copy.

ON-GOING AND COMPLETED TRAINING PROGRAMS



7th Comprehensive Course on Instrumentation and Process Control

January 27-March 4

No. of Participants: 43

The course aimed to enable the participants to design and install practical instrumentation and process controls thru lectures and actual hands-on learning experiences.

Module 1 : Pneumatics and Electro-Pneumatics Control

February 26-March 16

No. of Participants: 43

The course aimed to enable the participants to conceptualize, design, implement and maintain pneumatics and electro-pneumatics control systems relevant to their respective industries.

3rd Financial Management for Small Business (FMSB)

March 3-April 7

No. of Participants: 21

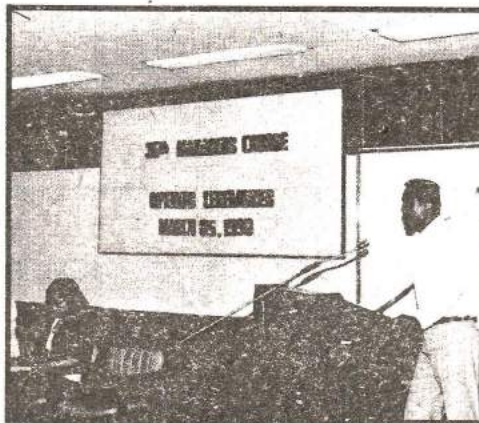
The course was designed to enable the participants to adequately explain the principles of financial planning and control and apply the basic tools and techniques in effective financial management and decision-making.

7th Productivity Thru Effective Supervision (PES)

April 5-20

No. of Participants: 35

The course was designed to develop supervisory and interpersonal skills of supervisors or those about to assume supervisory functions.



36th Manager's Course (MC)

March 5-June 5

No. of Participants: 22

The course was designed to enhance the managerial competence of participants by exposing them to the broad spectrum of management functions, tools and techniques.

3rd Young Entrepreneurs Program (YEP)

April 7-June 2

No. of Participants: 33

The course aims to provide the participants with a venue to practice entrepreneurship and enable them to apply necessary personal entrepreneurial competencies in the process.

Module 2: Digital Control System and Programmable Logic Controller (DCS & PLC)

April 9-27

No. of Participants: 48

The course aimed to enable the participants to design, implement and maintain digital electronic and programmable logic control systems relevant to their specific industries.

Project Formulation and Appraisal Course for the Land Bank of the Philippines Field Officers

April 16-27

No. of Participants: 35

The course aimed to upgrade the competence of the participants in carrying out their tasks in appraisal evaluation and supervision and bank assisted investment projects.



Study Visit for the Development of Lao PDR Leather Sector

February 19-April 6

No. of Participants: 5

The program was conducted as an on-the-job training for Mr. Thanousone Fongsouvanh, Mr. Somphone Bouaphantong, Mr. Houmpheng Ngonekeo, Mr. Vongprachanh Wanavong and Mr. Somphet Ketkeovichith who are local government officials from Laos. Specific areas of the leather industry was tackled in the program: leather technology, commercial management, factory administration and finance control, stock control and tannery machine maintenance.

TECHNONET ASIA CONVENES 20TH EXECUTIVE COMMITTEE MEETING

The UP-ISSI participated in the Technonet Asia Council's Twentieth Executive Committee Meeting (ECM20) last March 23-24 in Singapore.

Seven participants from the different technical institutions in Asia attended the program. Our Filipino delegate was ISSI Director, Melito S. Salazar, Jr. is the Vice-Chairman of the council. The group reviewed past activities of Technonet and discussed its future directions with special focus on key areas such as the dissemination of technical information, upgrading of the quality of SME's for them to become export-oriented and the strengthening of technology development and deliberated on the applicant's to the post of Executive director.

WORK

PROJECTS

PROJECT HANAPBUHAY

Now on its second phase, the PHB embarked on training potential entrepreneurs from Las Pinas. From a total of 30 accepted applicants, 23 participated and graduated from the Entrepreneurship Training conducted from March 2 to April 1 in Las Pinas.

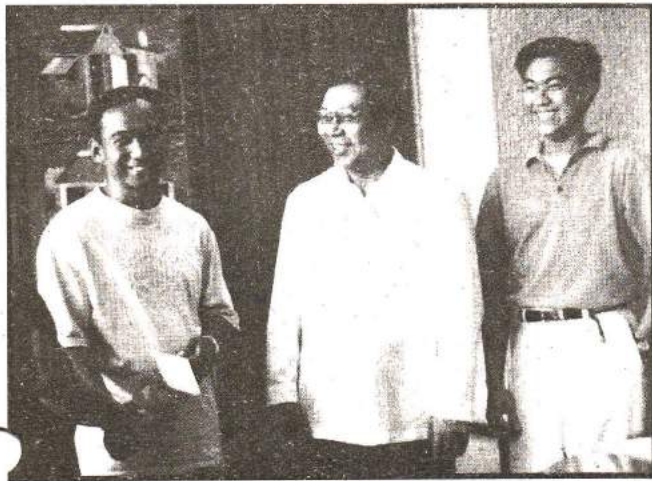
The participants have various business activities to pursue ranging from sari-sari stores, newstands, piggeries, RTW buy and sell, bakeries and fishing. Eight loan applicants have undergone credit investigations and will be scheduled for Loan Evaluation.

On the other hand, in Antipolo and Quezon City, a total of 7 applicants have already been evaluated. Of the seven, two are from Quezon City and are both applying for the third time. Narciso Pecayo and Moises Talisik have loaned P10,000. each to finance their grains retailing and live pigs trading businesses respectively. One beneficiary from Antipolo, Rogelio Arcangel, received his P10,000. loan for his sari-sari store.

The PHB staff has established a conduit with the National Housing Authority's Livelihood Development Department to facilitate PHB implementation in the Las Pinas communities, through NHA field offices in the area.



Closing ceremonies at Las Piñas



Rogelio Arcangel (1st from left) receives check from Melito S. Salazar, ISSI Director (2nd from left), also in photo: Dennis Raposa, PHB Program Manager (right).

The project has been continuously gathering video footages and photos for its documentation component. Its official newsletter "Ay...Buhay" came out with its 2nd issue covering the period December 1989 to March 1990.

Project Hanapbuhay is a joint project of the UP-ISSI, SERDEF and AIESEC aimed to help out-of-school youth in depressed communities of Metro Manila to consider entrepreneurship as an alternative to employment. PHB is sponsored by the Philippine Australian Community Assistance Program (PACAP).

PRIDE AND SUCCEED

The proposed Program for Regional Industrial Development (PRIDE) and Schools, Universities and Colleges Concerned with Enterprise and Entrepreneurship Development (SUCCEED) project is the institute's support for the government's regional development policy that seeks to promote regional balance in economic opportunities through industrial dispersal.

The project, to be sponsored by the United Nations Industrial Development Organization (UNIDO), will provide comprehensive and integrated technical assistance packages in enterprise and entrepreneurship develop-

ment for potential entrepreneurs in cottage, small and medium industries, rural women, the youth, the unemployed, retrenched or retired employees, trade associations and organizations, non-government organizations and private voluntary organizations, schools and universities, trainers and teachers.

To date, a five-man team from the UNIDO head office in Geneva will visit the Philippines in August to prepare the next project cycle of UNIDO in the country. PRIDE/SUCCEED will be among many areas the team will look into, during the review and area visits.

SURVEY OF THE METAL INDUSTRY (SPECIFICALLY TOOL AND DIE April - July

The Survey on the die-making Industry for the metal sub-sector of the Philippines is a research study which aims to formulate comprehensive development programs for the metal industry in line with the targetted objectives of developing exports and creating an attractive investment climate in the country.

The study, conducted in cooperation with the Japan International Cooperating Agencies (JICA) and sponsored by the Japan External Trade Organization (JETRO)-Tokyo, will come up with an updated profile of the die-making industry for the metals subsector in the Philippines. It hopes to determine its problems, prospects and an assessment of the users and manufacturers of dies for the metal industry.

To date, a questionnaire has been designed for users and manufacturers of metal dies. A familiarization visit to the Metals Industry Research and Development Center (MIRDC) was conducted for the staff involved in the project to prepare them for the field survey proper scheduled for May.

SMALL ENTERPRISES SUPPORT PROGRAM

Improvement of the economic welfare of selected hard-to-employ and hard-to-reach poverty groups is the end goal of the Small Enterprises Support Program (SESP). The project promotes and develops entrepreneurship through self-support and employment for specific Palawan communities.

The team-building workshops were conducted for the three communities in Tabon, Quezon, Magsaysay, Aborlan, Ang Sagpangan. Implementation of the workshops aimed to strengthen the cohesiveness of the group members to further motivate them towards greater participation.

The Foundation for People's Livelihood and Welfare (FPLW) of Palawan, a project subgrantee, has to revalidate its target beneficiaries as there is an increase in participants in training programs compared with its initial listings. Although it is a good indication of the communities' response, it should be taken carefully since the expansion might affect resource allocation.

The SESP is a three-year project sponsored by the United States Agency for International Development (USAID).



SESP Project Site

CASEBOOK ON WOMEN ENTREPRENEURS

The Casebook on Women Entrepreneurs will be a documentary on success stories of business women engaged in various enterprises: manufacturing (garments, furniture, metal, gifts, toys and housewares), trading, agriculture, finance, services and others. Through the casebook, it is hoped that its readers will be inspired to by these women who have the entrepreneurial potentials but are reluctant to pursue them. To date, the writers are still gathering data and are preparing the manuscript for final submission.

STUDY ON THE HANDICRAFT INDUSTRIES OF THE PHILIPPINES: WITH FOCUS ON FASHION ACCESSORIES, METRO MANILA January - March

The research study is a compendium of information on Philippine handicrafts specifically fashion accessories to include: product and trade information, articles and directories and other materials published and unpublished focusing on the fashion accessories and jewelry industry in the Philippines covering a five year period.

Outputs of the project will be a Directory of Fashion Accessories Manufacturers, Compilation of Reports and Studies on the Industry and a Literature Research.

ENTREPRENEURSHIP DEVELOPMENT AT THE COLLEGIATE EDUCATION LEVEL (EDCEL)

The EDCEL project aims to develop and cultivate the entrepreneurial potentials of college students to make them aware of self-employment as a career option. Launched in 1984, the project is being implemented in five schools all over the country and has been carried out through these components: business faculty development, instructional materials development, research fellowship and publication.

To date, a text and casebook on financial management for Philippine business students is being prepared and will be published through a tie-up with SERDEF and EDCEL's implementors, ISSI and the Philippine Association of Colleges and Schools of Business (PACSB). Writers shall be tapped from these institutions.

Ms. Celia R. Pascual of the ISSI and EDCEL Project Manager, will be relating the EDCEL experience to an international audience at the "International Conference on Small and Medium Scale Enterprises" to be held at the University Utara, Malaysia on May 28-30, 1990. Ms. Pascual will be presenting a paper entitled "The Strategy for the Development of a Country's SME: The EDCEL Project".

PEOPLE

SPECIAL ASSIGNMENTS:



MS. CLAIRE O. ESTEBAN, Research Assistant of the institute's Entrepreneurship and Management Development Department (EMDD), arrived recently from Japan where she attended a program on the "Measures for Smaller Industries from January 8 to March 26. Ms. Esteban, was joined other Filipino delegates and 11 other participants from various countries such as Malaysia, Bangladesh, Uganda, Thailand, Brazil, Oman, Laos, China, Egypt and Peru. The program, held at the Osaka International Training Center (OITC), in Osaka, Japan, was conducted to enable the participants to devise better measures for the promotion of small businesses in their respective countries. The course introduced the history and status of Japan's small business as well as the measures for their promotion.

According to Ms. Esteban, the Japan experience in entrepreneurship promotion can also be applied in the Philippines. Both countries recognize the importance of its small enterprises and thus the study of measuring their growth will serve to support their development.

ISSI STAFF TO ATTEND INTERNATIONAL CONFERENCES ABROAD

Three ISSI staff will be leaving for abroad to represent the institute in international programs.

To attend the "International Conference on Small and Medium Scale Enterprises" to be held in Malaysia on May 28-30, will be Ms. CELIA R. PASCUAL and Ms. MYRNA CO. They will be presenting papers to an international audience at the University of Utara. Ms. Pascual, who is Project Manager of the Entrepreneurship Development for the Collegiate Education Level (EDCEL) Project, will share her experiences in entrepreneurship development in her paper entitled "The Strategy for the Development of a Country's SME: The EDCEL Project". On the

other hand, Ms. Co, a Research Associate and Project Officer of the institute's "Development of Entrepreneurs for the Cottage, Small and Medium Industries" (DECSMI) project, will present "An EDP Strategy in Rural Philippines: an Experience in Com-



Celia R. Pascual

munity Entrepreneurship Development for Rural Women". This paper was based on research findings of the DECSMI pilot project in Sabangan, Mt. Province.



Ms. Myrna Co

The institute's representative to the ASEAN Course (Trade and Industry Sector) is Ms. ARLENE LIBERAL. Ms. Liberal, a Training Specialist and Project Manager of the Micro Enterprise of 3 Development Program (MEDP), will leave for Brussels, Belgium from May 9 to June 5.



Arlene Liberal

ISSI WELCOMES NEW STAFF

The institute welcomes MOHIDIN ABDUL Din, as he is fondly called, is assigned to the Entrepreneurship and Management Development Department as a Training Assistant. He took his baccalaureate degree in Islamic Studies at the University of the Philippines and is currently taking his Masters degree in Philippine Studies at the UP Asian Center.

UP-ISSI STAFF OFF TO PUERTO AZUL

The ISSI staff and their families and friends took off from the intense heat and frequent brown-outs for a summer frolic at the Puerto Azul Beach Resort last April 21.

The traditional outing served to give the hard-working staff a break to be with their families and to enjoy a day of leisure.



ISSI staff & family: A welcome break from the summer heat.

UP ISSI ALUMNI FOUNDATION

This research paper was prepared by UPISSIAF Trustee DOLORES M. LOZADA-PACIS. Ms. Pacis completed 3 UPISSI Training Programs: Manager's Course in 1988, Entrepreneurial Career Development Program in 1988 and the Financial Management for Small Business in 1989.

MULTI-BILLION PESO POTENTIAL OF WATERSHED

by: Dolores M. Lozada-Pacis

The erosion of topsoil - the upper crust on the earth surface on which man plants his food crops - is now an extremely serious problem in the Philippines. Conservation is not a lost cause through sharing the technology and utility of the production of familiar species of trees such as the nationwide planting of madre de cacao or kakauati¹, narra, rain-tree, balde acacia, rattan and bamboo. Furthermore, utilization of forest waste through mushroom production can contribute to this least capital intensive program.



I have chosen this subject for my research paper in view of its importance to the MWSS and other government services in the operation, maintenance, protection and perpetual care of watershed. This research paper shows the urgency of doing something decisive about the problem of this environment, its solution and its potential.

Two schemes in undertaking this project are presented in this paper. The average investment in Scheme A is P10.9 thousand per hectare. The full recovery of capital formation is on the 10th year with internal rate of return of 14.55%. The scheme calls for the intensified reforestation of fast growing species of madre de cacao or kakauati, narra, raintree, blade acacia, rattan, and bamboo. In Scheme B, the initial investment of P88.8 thousand per hectare has an average rate of return of 42.83% in the first year of the project. Scheme B utilizes forest by-product such as prune kakauati (nurse tree) branches and leaves converted into sawdust as a medium for mushroom production - rattan can grow vigorously in the

¹Madre de cacao or kakauati provides the natural fertilizer and natural pesticides that the climax trees needed for its food and pest control without toxic effect on the watershed.

forest with 50% of the light penetrating through the forest floor for their photosynthesis activities.

The revenue derived from mushroom on the first year of the project with added revenue from bamboo (on the 6th year and in perpetuity) and rattan (on the 8th year and in perpetuity) is the key to the watershed recovery through perpetual care, maintenance and protection on the precepts of zero pollution, zero environmental contamination due to pesticides, fungicides and chemical fertilizer.

The precondition clause of the MWSS Board (as per letter to the Board dated April 19, 1989) - "no pesticides/fungicides and non-planting of the 100 hectares with ipil-ipil" - fully considered in this project. In both Scheme A and Scheme B, the species proposed is madre de cacao or kakauati as nurse tree and as firebreaks; as climax trees are species of narra, rain-tree, blade acacia and on steep slopes and riverbanks - bamboo. Madre de cacao or kakauati provides for natural fertilizer and natural pesticides needed by the climax trees for food and pest control without toxic effects in the watershed. The project (Scheme A and Scheme B) also recommends the transplanting of rattan wildings in the reforested area, in open areas and in greening of MWSS right-of-way (aqueduct lines). In Scheme B, which is an improvement of Scheme A, mushroom cultivation is introduced to utilize forest waste - prune branches and leaves when rattan wildings is transplanted to the existing climax trees.

The Schemes (Scheme A and Scheme B) are applicable in four (4) phases of development in a 50 hectare pilot area with a project life of 20 years.

1st Phase: Perimeter fencing of watershed (See Part III)

	<u>Scheme A</u>	<u>Scheme B</u>
Amount of investment	P 2.5 M	P 2.5 M
Internal Rate of Return (IRR)	Unquantifiable in both direct and indirect benefits	

2nd Phase: Planting of rattan wildings in reforested area (See Sensitivity Analysis, pages VII-17; VII-39)

	<u>Scheme A</u>	<u>Scheme B</u>
Amount of investment	P 3.8 M	P 5.5 M
Internal Rate of Return (IRR)	14.55 %	
Average Rate of Return		42.83 %
Recovery of Capital	10th year	1st year

PEOPLE

3rd Phase: Planting of fast growing species in an open area (See Part IV; Sensitivity Analysis pages VII-18, VII-41)

	<u>Scheme A</u>	<u>Scheme B</u>
Amount of Investment	P 4.0 M	P 5.5 M
Internal Rate of Return (IRR)	11.37 %	
Average Rate of Return	43.42 %	
Recovery of Capital	15th year	3rd year

4th Phase: Regreening of MWSS right-of-way (aqueduct lines) (See Part V; Sensitivity Analysis pages VII-18, VII-42)

	<u>Scheme A</u>	<u>Scheme B</u>
Amount of Investment	P 3.2 M	P 5.5 M
Internal Rate of Return (IRR)	2.25 %	
Average Rate of Return		0.71 %
Recovery of Capital	15th year	7th year

If the Schemes (Scheme A and Scheme B) will be adopted in contractual reforestation (by private entities or individuals) this should be allowed on open areas, perimeter fencing of the reservoir, and regreening of MWSS right-of-way (aqueduct lines). The lease payment should start on the 4th year of the project. The rental cost should be 25% of the gross income of the project renewable every 5 years.

In case contractual reforestation is not possible, an alternative is for the MWSS to undertake the reforestation, perpetual care, maintenance, and protection of the watersheds. MWSS can organize a work force to handle the project with interagency cooperation of the Department of Plant Pathology of the University of the Philippines, UP-Los Banos; Department of Agriculture; University of the Philippines Institute for Small Scale Industries (UP-ISSI); and the Department of Trade and Industry (DTI). The concept of mushroom culture and technical assistance in agro-forestry scheme shall be handled by the Department of Plant Pathology, UP-Los Banos; Department of Agriculture; and Department of Environment and Natural Resources. The land, manpower, processing plants and nurseries vital to the existence of the project may be provided by retired MWSS employees interested in this kind of work. Rattan, bamboo and mushroom marketing link - domestic and international - products research and development program would be handled by the University of the Philippines Institute for Small Scale Industries (UP-ISSI) and the Department of Trade and Industry.

Scheme B suits the individual entrepreneur on a 5-hectare module with total capitalization of P926 thousand (P154 thousand on the first year; P496 thousand on the 2nd year and P276 thousand on the third year or a total investment of

P 926 thousand). Full recovery of capital formation is on the 3rd year with an average rate of return of 188 %.

Application of Scheme B to individual entrepreneur:

Area covered	-	5 hectares
Amount of Investment	-	P 926 thousand
Average Rate of Return	-	188 %
Payback Period	-	3rd year
Project Life	-	20 years renewable every five years

STAFF DEVELOPMENT

Research Proposal Writing

April 24-26, 1990

Gil Dennis A. Raposa
 Angelita C. Milla
 Blesilda Clerigo
 Janet Bungay
 Arlene Liberal
 Celia Pascual
 Crispina Almonte
 Myrna Co
 Loida Nario
 Lerma Canlas

Computerized Documentation System/Integrated Set of Information System (CDS/ISIS) Training

April 2-6, 1990

Zeneida O. Ticsay

Operations Management

March 22-April 4, 1990

Redentor E. Dakanay

Symposium on Resource Recovery and Recycling

March 29

Virgilio H. Acain

National Conference on "Unemployment in the Urban and Rural Areas"

April 17

Teresita Santos
 Lerma Canlas
 Loida Nario

Philippine-Australian Community Assistance Program (PACAP)

Annual Consultation Workshop for PACAP Partner NGOs

April 23-25

Punta Baluarte, Batangas

Gil Dennis A. Raposa

PEOPLE

SMALL BUSINESS RESEARCH JOURNAL

A bi-annual publication which is a collaborative effort among the academe, industry and government to develop small business management and entrepreneurship development as a discipline among faculty members and students of business in the higher education level. Each issue brings together technical researches and empirical studies not only in the local setting but also inputs from international personalities and organizations to provide the reader a wider perspective in the field of entrepreneurship and small enterprise.

PRICE: Philippines P100. for one year
Other countries: US\$ 30.00 for one year

SMALL AND MEDIUM INDUSTRIES IN THE PHILIPPINES: AN OVERVIEW (1989 REVISED EDITION)

Provides a general view of small and medium industries in the Philippines. It presents current facts, figures and findings from the Institute's primary surveys, field experiences and researches, facts from secondary sources, various studies made by international agencies involved in SMI development. It likewise gives the management, marketing, production and financial aspects of SMP's.

PRICE: P 42.00
US \$ 6.90

SMALL AND MEDIUM BUSINESS IMPROVEMENT IN THE PHILIPPINES. 1986 (SMBI)

The study on the financial, marketing and production factors affecting the improvement of small and medium-sized businesses (SMBs) in the Philippines. This publication identifies the characteristics and significance of SMBs on the Philippine economy; gives an appraisal of government policies, past and present as they affect SMB development.

PRICE: P 43.50

INTRODUCTION TO ENTREPRENEURSHIP. 1986

THE UPISSI Newsletter is a bi-monthly publication of the Institute for Small Scale Industries and the Small Enterprises Research and Development Foundation with Editorial Offices at the 4th Floor E. Virata Hall, E. Jacinto St., UP Campus, Diliman, Quezon City. Tel. Nos. 99-70-76 to 79

EDITORIAL STAFF

Maria Luz B. Bolo
May Ann M. Gatchalian
PHOTO CREDITS
Adriano E. Javate

Gives an account of the whole gamut of Entrepreneurial tasks — from the identification of business opportunities through the selection, planning and organizational stages of the enterprise and on the management of the marketing, production and financial aspects of the business.

The book includes four actual contemporary cases of successful entrepreneurs which bring to life the various theories and concepts discussed in the book.

PRICE: P 85.00 PER COPY

STUDY ON THE MANAGEMENT OF SUCCESSFUL SMALL BUSINESSES IN THE PHILIPPINES (FAMB CASEBOOK). 1986

The volume contains case studies that identify document and analyze some of the practices in the different business functions of the firms as well as the beliefs of successful Filipino entrepreneurs.

PRICE: P 94.00 PER COPY

TECHNOLOGY FOR LOCAL ENTERPRISES. RESEARCH PRIORITIES AND SELECTED COUNTRY EXPERIENCES IN THE ASEAN (TLEP). 1986

A report of proceedings of the Regional Workshop on Technology for Local Enterprise Program. It includes the various projects proposed for development in government and private organizations in the ASEAN. Aims to correct the unbalanced regional technological growth.

PRICE: P 56.00 PER COPY

SMALL BUSINESS ENTREPRENEWS (BACK ISSUES FROM 1985-88)

The magazine features vital small and medium enterprise (SMEs) institutions, programs and personalities in the SME field, appropriate technologies, management tips and digests, etc.

PRICE: P 15.00 PER COPY

(Please send payment by Postal Money Order (PMO) or bank draft payable to SERDEF. Provincial checks are not acceptable).