

“Productivity and  
Decent Work:  
Building Blocks to  
Competitiveness”



For more information please contact :

**National Wages and Productivity Commission**  
2nd and 3rd Floors Dy International Building  
No. 1011 General Malvar corner San Marcelino Streets  
Malate, Manila City

Tel : (02) 527-5141 / 5519  
Fax : (02) 527-5139 / 8014  
Web: [www.nwpc.dole.gov.ph](http://www.nwpc.dole.gov.ph)  
Email: [web.nwpc@yahoo.com](mailto:web.nwpc@yahoo.com)



**B E S T**  
Productivity  
Improvement  
Practices  
of the

**2011 Productivity Olympics Winners**



**National Wages and Productivity Commission**  
Regional Tripartite Wages and Productivity Boards  
Department of Labor and Employment



**All Rights Reserved  
CY 2012**



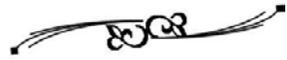
This document, or any part thereof, may not be reproduced for commercial purposes without the written permission of the National Wages and Productivity Commission of the Department of Labor and Employment.



This document is published by the Information and Publication Division (IPD) of the National Wages and Productivity Commission.

— **NOT FOR SALE** —

## Project Team



### Pool of Writers

Romeo E. Opis  
 Andrew P. De Guia  
 Julie Callope-Llorente  
 Meropil Apple A. Mandia  
 Rosemarie Pascual-Villaplaza  
 Atty. Glenn P. Tabon (RTWPB VII)  
 Arlene L. Tuboro (RTWPB XI)  
 BS Jessie M. Dela Cruz (RTWPB XII)

### Production Staff

Rosette G. Tigno  
 Gladys G. Gatpandan  
 Yolanda S. Argete  
 Zulaizah Genesis M. Lahan



## Editorial Board



### Executive Director IV

Ciriaco A. Lagunzad III

### Deputy Executive Directors

Esther F Guirao  
 Patricia P. Hornilla

### Directors

Jeanette T. Damo  
 Elvira P. Jota  
 Ahmma Charisma Lobrin-Satumba

### Chief Legal Officer

Atty. Welma T. Sicangco

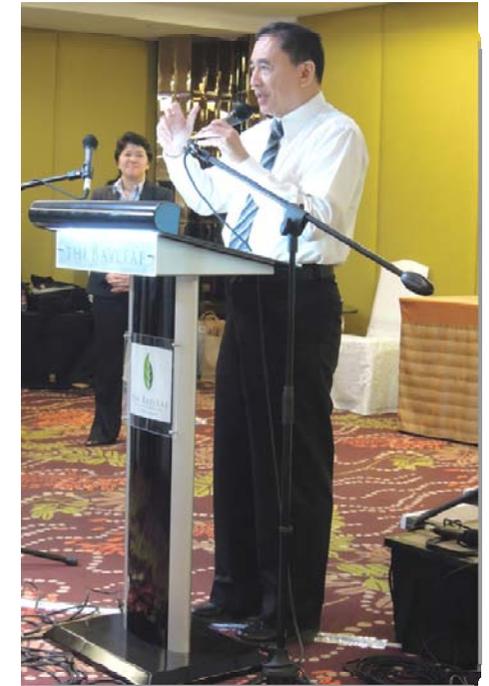


## A Message from the Executive Director

Yes, there is room for transformation, sustainability, productivity, and gainsharing in small-scale business ventures. This is the good news that we would like to share with you in this literature.

When we started the search for the best productivity improvement practices among micro, small and medium enterprises (MSMEs) in 2008, we never doubted for once that we would be able to encounter entrepreneurs who exemplify innovation and resourcefulness in their respective fields.

Last year's roster of nine National Winners for the Productivity Olympics are worth emulating not only for their sterling business performance using productivity-based initiatives but more importantly, for adapting sustainable technologies in their everyday operations.





These winning entries also benchmark best practices in harnessing human assets by providing welfare programs that benefit not only the workers themselves but also their families and nearby communities.

We hope to inspire fledging companies out there to rise up to the challenges of today’s demanding market and respond to our call for competitiveness through the stories shared by the featured business owners who have proven themselves not only to be champions of decent work and productivity but also of resilience – a renowned attribute of the Filipino spirit.

To the National Winners of the 2011 Productivity Olympics, we dedicate this compendium: proof that our local entrepreneurs can start with ‘nothing’ and prosper to gain ‘everything’ by sheer hardwork, diligence, genuine care for the welfare, and braving the road to productivity.

October 2012



**CIRIACO A. LAGUNZAD III**

Head, NWPC

**NOTE :** The pictures were taken at The Bayleaf Hotel, Intramuros during the Awarding Ceremonies for the National Winners of the 2011 Productivity Olympics dated 27 October 2011.

5. For purposes of the Productivity Olympics, how are establishments classified as MSMEs?

MSMEs are classified according to the employment size as follows:

- ★ Micro = with less than 10 persons employed;
- ★ Small = with 10 to 99 persons employed; and,
- ★ Medium = with 100 to 199 persons employed

6. What are the award categories?

| AGRIBUSINESS | SERVICE | INDUSTRY |
|--------------|---------|----------|
| Micro        | Micro   | Micro    |
| Small        | Small   | Small    |
| Medium       | Medium  | Medium   |

7. What prizes did the National Winners receive?

- ★ Productivity Olympics Trophy;
- ★ Cash award;
- ★ Use of the Productivity Olympics Award Logo for publicity purposes for 3 consecutive years (2011 – 2013); and,
- ★ Priority endorsement to other training programs and services by NWPC, RTWPBs, and other DOLE agencies.

**NOTE :** Excerpts taken from the Productivity Olympics 2011 Handbook on Detailed Mechanics.

| Criteria                                | Description  | Metrics  | Points   |    |
|---|--|--|--|----|
| <b>2. Best in Resource Management</b>   |  |  | <b>SUB-TOTAL 50</b>  |    |
| 2.1. People                             | ➤ Training/s as part of Productivity Improvement Program/s (PIP) | • Total workers trained as part of PIPs from 2008 to 2010  | 10   |    |
|   |  | • Total number of trainings provided to workers from 2008 to 2010  | 5  |    |
|   | ➤ People participation to PIP                                    | • Total number of programs in place from 2008 to 2010  | 5  |    |
|   |  | • Awards for business excellence given by a recognized productivity/quality body (not earlier than 2007) | 10   |    |
|   | 2.2. Systems, technology and Green                               | ➤ Improvement of procedure or process  | • With QMS or any similar standards certified by proper authorities                        | 10 |
|   |  | ➤ Acquisition of new technologies  | • Total number of new technologies acquired/improved technology in place from 2008 to 2010 | 5  |
| ➤ Adoption of green workplace practices |  | • Total number of programs introduced/improved in safety and health/                                     | 5  |    |
| <b>TOTAL</b>                            |  |  | <b>100</b>   |    |

## Table of Contents

**i** A Message from the Executive Director

### Agribusiness Category

**2** Pamora Farm Incorporated

**9** J. Peyra Poultry Farm

### Service Category

**15** Stanfilco Makilala Labor Union

**20** St. Joseph Academy

**24** Escalante Public and Private School Teachers and Employees Multi-Purpose Cooperative

### Industry Category

**30** Our Tribe Food Products

**35** Farmtec Food Incorporated

**41** Markenburg International Foods Corporation

**46** Tesoro's Printing Press

### Annex

**53** A Primer on the 2011 Productivity Olympics

## National Winners for Agribusiness



Page 2

### Pamora Farm Incorporated

Micro Firm from Cordillera Administrative Region

Page 9

### J. Peyra Poultry Farm

Micro Firm from Bicol Region

4. What criteria did the judges use to determine the winners of the 2009 Productivity Olympics?

| Criteria                       | Description  | Metrics  | Points              |
|--------------------------------|--|--|---------------------|
| 1. Best in Business Excellence |  |  | <b>SUB-TOTAL 50</b> |
| 1.1. Total Productivity        | ➤ Increase in total productivity over the years 2008 to 2010   | • Percent increase in total productivity from 2008 to 2010   | 25                  |
| 1.2. Expansion and Growth      | ➤ Employment generated; product and service diversification; increase in number of branches/franchise; and market expansion (local and int'l.) | • Increase in the number of total employees (e.g. casual, probationary, contractual, seasonal workers) from 2008 to 2010 | 4                   |
|                                |  | • Increase in the number of regular employees from 2008 to 2010  | 6                   |
|                                |  | • Increase in no. of new products/services   | 5                   |
|                                |  | • Increase in no. of new branches/franchises in local and int'l. markets   | 5                   |
| 1.3. Awards/Recognition        | ➤ Achievement of better business performance   | • Award/s for business given by a recognized Productivity and Quality or proper authority from                           | 5                   |

# A Primer

## on the 2011 Productivity Olympics



### 1. What is the Productivity Olympics?

It is a national competition of best productivity practices among micro, small and medium enterprises (MSMEs) nationwide.

### 2. What are its objectives?

- ★ Intensify national awareness and commitment to quality and productivity;
- ★ Enhance establishment's excellence and performance in quality and productivity; and,
- ★ Showcase best productivity improvement practices.

### 3. Who are eligible to join the Productivity Olympics?

All MSMEs in the private sector that are: (1) never been a National Winner of the Productivity Olympics; (2) duly registered with the appropriate government agency (e.g.: DTI, SEC, CDA, LGU); and, (2) with an existing productivity program existing for at least 2 years preferably under ISTIV beneficiary; and, (3) must be a micro, small and medium enterprise.

## Pamora Farm Incorporated

(Cordillera Administrative Region)

### *Home on the Range*

*"Oh give me a home where the buffalo roam, where the deer and the antelope play, where seldom is heard a discouraging word. And the clouds are not cloudy at all",* so goes an American classic country song

Somewhere in the boondocks of the Abra Province in the Cordillera Administrative Region (CAR), home to running hills of vast greens and endless canopies of silver skies are not buffalo, deer and antelope, but French-breed chickens roaming freely. Pamora Farms Inc., a successful establishment in CAR and one of the National Winners of last year's Productivity Olympics, owed its success to its free-range technique in raising livestock.

Free-range is a methodology in animal husbandry where the fauna bred for production are allowed to roam freely in the open fields. Such a technique originated long before herders learned to use artificial constructs or cages and eventually, farm-based machineries that process animals in bulk.

While said man-made innovations became popular in the agribusiness sector due to large volume of production and fast turn-around time, it also introduced the use of artificial feeds that manipulate the bodies of the animals bred for production.

Unfortunately, some of the chemicals used in these feeds proved to be harmful not only on the fauna but also to the humans who consume them. Moreover, the processes involved in said practices affected the quality of the animal by-products as well. Hence, free-range farming is again trending similar to organic farming for edible plants.

In the mountainous province of Abra, one micro-sized farm is making a name-sake of its own in an industry dominated by mass-produced poultry by-products. It has also become a popular vacation spot under the branding "eco-agri" tourism destination.

### Proud to be Pamora

Enter Pamora Farm Incorporated, one of the nine National Winners of the 2011 Productivity Olympics, a biennial competition of the best productivity practices among micro, small and medium enterprises (MSMEs). The company won under the micro-sized agribusiness category during the Awarding Ceremonies held on October 27, 2011.



FREE-RANGE : Pamora's chickens roam freely at the farm grounds.

Proud business owner Ms. Arestina "Tina" Morados received the trophy and cash prize from Labor Secretary Rosalinda Dimapilis-Baldoz. Her company's name was taken partially from her husband's surname, PA-pillon, and her maiden surname MORA-dos.

### A shaky start

Morales said the idea sprung from an article on free-range chickens she read from Manila Bulletin a few years ago that led her to invest PhP 25,000.00 and purchase 500 native chickens.

Maintaining free-range chickens is not only cheaper and more sustainable but it also produces healthier livestock with higher monetary and nutritional value.

Her business had a shaky start considering the stiff competition in a market that is predominantly commercial-based. Her rivals produce better and faster with the help of modernized manufacturing systems.

Likewise, Abra is frequented by strong monsoon rains and occasional thunderstorms resulting in unwanted costs and operational delays.



# ANNEX

Details on the 2011 Productivity Olympics

other participants as one of the National Winners in the 2011 Productivity Olympics national competition.

Today, Tesoro's Printing Press has become an institution in Davao Region and has remained in the capable hands of the founder's children and grandchildren. The Tesoro's team has grown to 106 (75 regular employees, 19 non-regular and 12 supervisors/executives) in 2011 from 8 employees in 1965.

**Future plans**

Tesoro's Printing Press is looking forward to a more productive future. "When most printing companies have gone out of business, R.O. Tesoro & Sons, Inc. is taking a bold move by expanding and investing more in new technology and in human resource development. That is a testament to our faith in the future of the Filipino," Linda Tesoro said. ☺



[Right to Left] Tesoro's General Manager Ms. Linda Tesoro receiving the trophy and cash prize from DOLE Sec. Rosalinda Dimapilis-Baldoz at the Awarding Ceremonies dated 27 October 2011.

**Tesoro's Printing Press**

35-37 C. Bangoy Street, Davao City

(082) 226-4997

tesorodavao@yahoo.com

Pamora was also affected by the 2008 Global Financial Crisis though not as hard as those felt by larger firms in the region. The demand for their products somewhat waned while production costs reached all-time high.

**The French connection**

During these difficult times, Morados' French husband Gerard was constantly at her side giving her moral support. His positive outlook on life inspired her to push through with her business despite the early setbacks.

Then Gerard suggested that they import a breed of French chickens known for their meat's natural plumpness and juiciness of their meat. After importing a small flock, Morados' husband helped in the farm by propagating the foreign breed hence, the predominance of French chickens in Pamora's farm. Her husband's valuable contribution proved to be the start of a bright future for her micro-sized firm.

**Regional Board intervention**

In 2009, the Regional Tripartite Wages and Productivity Board for Cordillera Administrative Region (RTWPB CAR) stepped in to conduct ISTIV Bayanihan for the workers and owners of Pamora. ISTIV Bayanihan is a training program geared towards enhancing the productivity of Barangay Micro Business Enterprises (BMBEs). This requires instilling positive work values and inspiring work systems.



INAUGURATION : Mr. And Mrs. Papillon posing in front of the newly constructed poultry dressing plant in June 2010.

Also part of the Regional Board's intervention is the conduct of a business diagnosis at the production floor. Given the technical assessment of RTWPB CAR, Morados and her husband decided to build a new poultry dressing plant.

This provided a more spacious and well ventilated venue where the chickens were processed for various purposes. The building was also enough to accom-

modate Pamora's growing 'family' as more folks from the community were employed to address the rising demand for the company's high-value products like chicken broilers, homemade pâtés, organic eggs and many more.

Pamora's staffs were also given continuous training on Good Manufacturing Practices (GMP) and Sanitation Standards Operating Program (SSOP) to ensure that skills learned are instilled and used at their core work habits. These activities were done internally with zero cost to the company.

### Going green

Parallel to their humane treatment of chicken breeding and processing, the couple also explored the concept of 'greening' their business. The first step was to adopt vermiculture which meant using earthworms to enhance the growth of plants that provide food for free roaming chickens.

Waste materials from the earthworms were then used as natural fertilizers to grow new plants at the grazing areas. This earth-friendly technique proved to be financially rewarding as they saved a lot of money compared to the conventional use of chemical sprays to boost plant growth which is detrimental to the humans and environment.

Responsible waste management was also implemented by Pamora's staff in keeping up with the rigid sanitation rules that govern a poultry farm.

### Gaining recognition

Due to the couple's hardwork and enduring partnership, Morados was awarded by the French Ambassador with the "Order of Merit for Agriculture, Grade of Knight" for promoting the natural and humane way of raising and manufacturing chicken by-products - a system the French own and call "*Gite à la ferme*".

The US Food and Drugs Administration also gave Pamora a prestigious recognition for its participation during the Asia-Pacific Economic Cooperation (APEC) Food Defense Project that started back in 2008.

In 2009, Pamora was given a Special Award as a Class 'AA' Poultry Dressing Plant for the Best Meat Establishment at the regional level by the National Meat In-

and medical allowance of PhP 1,500.00 subject to reimbursement upon submission of receipts. During Christmas season, all their employees are given one half sack of rice together with grocery items and appliances.

### Welfare programs for the community

Tesoro's is actively involved in the Davao City's Environment Protection and Conservation Program. "We have adopted a one-hectare site in Talomo-Lipadas Watershed to support the tree-planting activities in coordination with the Davao City Water District," Linda Tesoro disclosed.

The company supports the Philippine National Red Cross by way of cash donations and regular participation in its blood-letting activities. The company also supports the Davao Volunteer Fire Brigade with Linda Tesoro, herself, being an active member of the said organization.

### Caring for the environment

As part of its corporate social responsibility, the company practices waste paper segregation wherein waste papers are put in the sack, stored in the storage room, segregated and sold. Their over-run printed materials and calendars are recycled and used as office supplies. For lighting needs, the company uses energy-saving compact fluorescent lamps. To save on water consumption, a water cistern was installed to catch rain water which is pumped up by power to be stored in tanks at the rooftop of the company's building for toilet flushing and cleaning.

### Rewards

While pursuing productivity initiatives and striving for business excellence, Tesoro's Printing Press' has gathered recognition as one of the Regional Finalist of the 2008 Productivity Olympics given by the DOLE-RTWPB Region XI, and bestowed as one of the top 20,000 taxpayers in Region XI by the Bureau of Internal Revenue in 2008.

In the recent 2011 Productivity Olympics, the company was given recognition as one of the nine Regional Winners by the DOLE-RTWPB Region XI and bested

To encourage better work attitudes among employees and to award deserving employees with good performance, the company came up with another ISTIV PIP, the Performance Improvement and Search for Model Employee. This PIP significantly eliminated tardiness from 50% of all the employees to 99.99%. Improvement in the employees work attitudes and performance had reduced overtime cost from five hours to two hours. It improved the workers' morale with the recognition of their work performance.

In 2010, the company constructed a pre-press building as part of their productivity improvement project. The new building housed their several state-of-the-art printing and image setting equipment, a welcoming reception area and modern conference room.

The productivity improvement programs initiated by the company had resulted to an increase in revenue by 3.31% from 2008 to 2009 and by 4.62% in 2009 to 2010. They also extended value added services which are not being offered by their competitors such as providing a lounging area with refreshments to clients, free seminars on publishing and accommodation for out-of town patrons.

**Employee participation and welfare programs**

Ms. Linda Tesoro admits that their employees play a big role in improving the company's productivity. "The employees were involved in the company's decision-making process. They were the ones who recommended the new equipment and were willing to undergo training and skills upgrading on the new technology."



**ESTEEMED GUEST** : Then Davao City Mayor Rodrigo Duterte [2nd from left] congratulating the company when it was awarded as one of the region's top tax-

To reward good performance, the company gives cash bonuses equivalent to 15 days per year to all employees and Appreciation Incentive Bonuses to workers who serve above and beyond what is expected of them.

Aside from these, they take care of their employees by providing regular physical examination, accident insurance coverage

spection Service (NMIS). The following year, the enterprise was awarded the *Gawad Saka* Regional Winner under the Agriculture Entrepreneur Category by the Department of Agriculture (DA).

**Impact of productivity improvement**

When Pamora started operations, its monthly production of dressed chicken was pegged at 200 pieces only. To-date, it can produce 3,000 chicken broilers per month. They attribute these gains to the productivity improvement programs they adopted.

Proper documentation of production steps down to the very last detailed allowed Pamora to fully integrate its systems starting from chicken growing to dressing and finally packaging chicken by-products that are 'ready to cook' and 'ready to eat'.

Today, six large ranges from 1,500 to 2,500 sq. meters area are in operation with each one having 1,000 to 2,000 free-range chickens grown. This opened up two sq. meters of foraging area where the matured chickens are free to graze for food.



**VERMICULTURE** : Pamora harnessing the waste material from earthworms to be used as organic fertilizers.

**Market reach and expansion**

Pamora's products are readily available at various establishments, some of which cater to high-end clients while others are readily available to the general public at major supermarkets and grocery stores.

Some of the exclusive and specialty stores that Pamora supply their high-end products are Balducci Inc. and Je Suis Gourmand Restaurant in Fort Bonifacio, a Euro-Swiss gourmet shop named Santis Delicatessen with 10 stores in NCR, and Terry Selection in Makati and Ortigas, to name a few. They also supply chicken stock to some of the Manila's prestigious hotels like Pan Pacific and Sofitel.

To cater to the demands of the general public, Pamora's products are available at the Powerplant Mall in Rockwell, The Green Shop in Market! Market! (Taguig City), and at the weekend organic market in Mercato Centrale.

#### Also an "eco-agri" tourism destination

Amidst the vast expanse of Pamora's agricultural property lies a picturesque destination that is altogether inviting and earth-friendly. The farm boasts of an ambient and relaxing vacation experience with a combined Filipino and French hospitality proven to be very welcoming to local and foreign visitors alike.

Aside from guesthouses built from river stones, Morados decided to incorporate cottages made of indigenous materials creating a blend of local pride in the "bahay-kubo" aspect with the farm's natural and serene beauty.

Not surprisingly, guests are offered a unique dining experience with Pamora's farm outputs such as free-range chicken products, organically-grown vegetables, and exotic fruits – some of which are uniquely found only in the northern highlands of the country.

In her own way, Morados promotes tourism in her native province by showcasing the various activities that an adventurer may avail of while staying close to the Abra River. These include swimming, bamboo rafting, kayaking, trekking and camping by the riverside. She also motivates her guests to visit Abra's stone churches built way back during the Spanish era, museums that display the province's art and cultural heritage, and Abra's hidden wonders such as Dolores' Libtec Cave and Underground River Network.

#### Thankful for the partnership

Morados considers her partnership with RTWPB CAR an eye opener given the fact that the markets' needs change constantly making continuous improvements for productivity enhancement a critical factor to consider. To sum it all, she is grateful for the assistance extended by NWPC and RTWPB CAR to her company. Through these interventions, Pamora reached its full potential in two ways, namely: as home of free-range chicken and an eco-agri tourism destination. ☺

ing job process really took us a longer time" she adds. "Also, our desktop computers were slow in processing graphics and lay-outing jobs, and there was no additional space for sophisticated machines to upgrade our services."

More than just reducing printing processing time, Tesoro says that they hope to keep up with the latest trends in quality printing, to be able to meet the rapidly changing needs of discerning clients, beginning with the development of a PIP plan.

In rolling out the plan, the company upgraded first its technology with the acquisition of new computers (e.g. G4 and G5) including various software, like Adobe Pagemaker to Indesign, Adobe Photoshop, Corel Draw, Freehand and Illustrator. Also, it switched to Apple Macintosh for better graphics design and less virus vulnerability. They also purchased several state-of the-art and top-of-the-line printing equipment.

As such, it was able to develop new product lines such as continuous form printing, digital photography, large format printing, tarpaulin printing, computer to plate service, UV varnishing, matt/glossy lamination, image setting/color separation, blade sharpening, foil stamping, and perfect binding.

More importantly, with the Image setter machine, the company's pre-press process was reduced to three steps. This was further reduced to two steps with the acquisition of a CTP machine. Their offset printing time for rush jobs or short job orders was reduced with the use of digital INEO 6500 printer. The new machines created superb quality output for its large format printing and has made binding jobs exceptional in quality and durability. The continuous forms are now made easy through the computerized offset machines which can print boxes of forms in an hour in four colors and automatically provides sorting and pre-numbering.

#### Performance evaluation

Also in 2008, the company established a working policy to evaluate the performance of its employees. They noted the frequency of tardiness of some of their employees and unwillingness to render overtime when necessary which sometimes led to misunderstanding or petty quarrels among them.



**GROWTH** : From eight (8) employees in 1965, R.O. Tesoro & Sons or Tesoro's Printing Press has grown to 106 in 2011.

Over the years, the company was able to steadily achieve its vision, as the Tesoro family worked as a team to pioneer the quality brand in printing services.

With growing demand for the company's services, Linda C. Tesoro recalls

that "the lure of establishing branches in other regions and in putting up extension plants became an obsession."

And so, in July 2006, the company decided to put up an extension plant in Francisco Bangoy Street, Davao City to meet rising demand for printing services and for printing warehouse. Likewise, a branch in Cebu was opened for its customer service operations and sales extension office for the Visayas Region.

On March 8, 2011, the company formally inaugurated its newest landmark, the Roman Paula Building. The building was named after the company's founders, Roman and Paula Tesoro, located at Cayetano Bangoy Street (formerly Ponciano Street), Davao City.

The new building, which costs PhP 13 Million, is part of the company's expansion and upgrading program that is soon to be completed for its forthcoming golden anniversary in 2012-2013.

### Journey to productivity and positive outcomes

The company's first encounter with productivity improvement program (PIP) began in 2004 when the Regional Tripartite Wages and Productivity Board for Region XI (RTWPB XI), conducted a training on ISTIV (Industrious, Systematic, Time-Conscious, Innovative and Strong Value for Work), a values-driven human resource strategy aimed at enhancing the competitiveness of small and medium enterprises (SMEs). This was replicated in 2006 as the RTWPB conducted another training, this time on 5S of Good Housekeeping.

"Before we had these PIPs, almost everything was done manually", Tesoro vividly remembers. "From collating, shuffling and to gluing 2-4 ply sheets, the print-



[Right to Left] Business owner Ms. Arestina Morados poses with DOLE Sec. Rosalinda Dimapilis-Baldoz and NWPC Exec. Dir. Ciriaco Lagunzad III during the Awarding Ceremonies dated 27 October 2011.

### Pamora Farm Incorporated

Unit M-IX Gallery Bldg. Amorsolo Street, Makati City

759-2678

tina@pamorafarm.com

## J. Peyra Poultry Farm

(Bicol Region)

### *The Cock-a-doodle-doo Success*

Behind J. Peyra Poultry Farm's victory as one of the nine National Winners for the 2011 Productivity Olympics is a sturdy woman whose resolve proved indomitable amidst all trials. With an OFW for a husband, Ms. Josie Peyra successfully balance two roles: a devoted mother to three children and a fledging entrepreneur.

#### **Hatching an idea**

Back in 1988, Josie thought of putting her husband's remittances to good use by converting the extra cash she got into a money-generating endeavour.

She got the idea of establishing a chicken egg farm when she realized that her town of Baao, Camarines Sur is considered the "egg basket" in the Bicol Region. Her decision was further reinforced after attending local business seminars and hearing words of inspiration from her veterinarian friends.

J. Peyra started its operation with 100 ready-to-lay-hens with only three (3) workers. Poultry houses made of local indigenous materials like bamboo and nipa were also purchased together with chicken feeds supplied by nearby milling houses. When her husband Jerly ended his tour abroad, the couple decided to use their savings to further develop the farm.

#### **The hard shell**

Undoubtedly, every successful business has its own share of problems to deal with during its early years such as high mortality rates of breeding hens, foul odour arising from the farm, prevalence of flies and mosquitoes, and wastage in feeds and water.

There were instances when Josie had to rush her children to the hospital because they were also getting affected by the worsening conditions in the farm. Because of this, the couple had to loan from banks to augment their expenses.

## Tesoro's Printing Press

(Davao Region)

### *Labor Relations at Work*

At Tesoro's Printing Press, one gets not only world-class printing of information and educational (IEC) materials, but is also assured of a trusted name in the industry.

Located in Davao City, Tesoro Printing Press is a premier printing press in Region XI. Its major products/services include printing of brochures, newsletters, souvenir programs, annual reports and magazines, to name some.

Through the years, the company has built a culture of trust, loyalty and work dedication among its team delivering the highest possible quality brand in printing services.

"We have always instilled in our employees the corporate values of professionalism, excellence and teamwork, including love of the Almighty, to inspire them to work harder and become entrepreneurs for the country's good," explains Ms. Linda Tesoro, General Manager and Vice-President of Tesoro Printing Press.

During the recent awarding ceremonies of the 2011 Productivity Olympics, the company was adjudged one of the national winners under the medium-sized / industry sector category.

#### **Building a cornerstone**

When the company was established on March 16, 1965 by the late Roman O. Tesoro, then under the corporate name R.O. Tesoro & Sons, its business vision was to become a trusted name in the printing industry.

Investing hard-earned savings for a small offset machine and a parcel of land, the late Roman Tesoro started with a small office at Ponciano Reyes Street, Davao City, with only eight employees. For starters, he tapped the skills and creativity of his children on the firm belief that he was not only selling printing services to the public, but he was also putting at stake his family's name.

Camaraderie is also deemed important hence, Markenburg employees enjoy company-sponsored informal events such as summer outings, holiday parties, and teambuilding activities. Incentive programs such as loyalty awards and performance bonuses are also given to deserving employees to cultivate passion for work.

**Money matters**

When asked about a dilemma she encountered while working as an officer in Markenburg for the past decade, she divulged that some employees experiencing financial problems at home became unnecessary burden at work as well. Their problems at home somehow translated to decreased effectiveness and efficiency at the production floor.

With this, an Employees’ Savings Program was introduced to alleviate the conditions experienced by these problematic workers. As a Business Development Manager, she wanted these employees to practice financial discipline like she does.

She wanted them to change their attitudes towards money, that instead of turning to debts and gambling, they should exercise prudent spending and propensity to save for better days. Eventually, these workers learned to turn their troubles into opportunities by saving more instead of relying on loans. ☞



[Left to Right] Labor Secretary Rosalinda Dimapilis-Baldoz handing over the trophy and cash prize to Markenburg’s Business Development Manager Ms. Helena De Guzman during the Awarding Ceremonies held at The Bayview Hotel.

**Markenburg International Foods Corp.**

- ✉ ELDAN Compound, Barrio Patubig, Marilao, Bulacan
- ☎ (044) 711-7788 / fax: (044) 711-7777
- 🌐 [www.markenburg.com](http://www.markenburg.com)

**The morning call**

In 2008, Josie got acquainted with the Regional Tripartite Wages and Productivity Board for the Bicol Region (RTWPB V) and eventually asked the latter to help her improve conditions in the farm. RTWPB V decided to immerse J. Peyra in its flagship program entitled ISTIV - a values driven human resource strategy for quality and productivity (Q&P) improvements rooted on the five ideal attributes of a productive individual namely “I” for industrious, “S” for systematic, “T” for time-conscious, “I” for innovative, and “V” for strong value for work.

On that same year, the couple invested on equipment that promised significant returns. They bought an egg grader cum classifier to ensure the evenness of egg sizes and improve output from 1,000 pieces processed by 6 men to 3,000 pieces of just 2 workers within an hour.

Josie also bought a 10-wheeler truck to do away with the hauling fee that she used to pay whenever she hire truckers to freight raw materials for feeds and to distribute their processed goods. J. Peyra then formulated its own vaccination and deworming program so as to decrease the mortality rate of chicken by 30 percent.

Josie also incorporated a drug called Larvadex in the feeds to kill off insect larvae breeding from chicken excrements. This significantly reduced the number of flies and mosquitoes in the farm which in turn increased the survival rate of the breeding hens.

**Improvements of their own**

In the next two years, the couple implemented major changes in the farm that greatly improved how J. Peyra conducted business with its existing patrons.

First stop was the modernization of the poultry houses where the egg-laying hens were stationed. Facilities for ventilation were installed and the bamboo flooring was replaced by wire cages made of



MAIN PRODUCT : J. Peyra mass produces chicken eggs for a living.

stainless zinc chrome. Flooring was elevated and a working drainage network was placed underneath allowing the chicken dung to dry faster. The pathways were later concretized to reduce feed spillage.

J. Peyra also ventured into formulating and milling its own feeds instead of buying supplies elsewhere. With the help of a few veterinarian associates, its stocks were fortified with the right amount of vitamins and minerals increasing the chances of producing more large-sized eggs that clients prefer.

To further eliminate bad odour from the farms, canned charcoal from burnt wood were strategically placed at each post. This simple innovation proved very beneficial to the couple as they were able to accumulate as much as PhP 50,000.00 in savings in just 6 months. Their decision to shift from using chemical spray to canned charcoal proved to be worthwhile and profitable.

#### **Money in waste**

If at first Josie considered the accumulation of chicken dung to be stressful, she now looks forward to them. After drying and sacking the chicken dung in air-tight packages, she now sells them to farmers and fishpond operators for PhP 70.00 a sack.

What used to be an unwanted waste material is now considered a hot item as chicken dung became the ideal fertilizer for organic farmers and feed material for fish breeders. Josie can now proudly include 'processed chicken excrement' as the latest addition in her farm's product line-up.

#### **Counting the good eggs**

Within a 3-year span, J. Peyra attained high points that very few small-sized poultry farms have achieved thanks partly through the intervention of RTWPB V. First, the company's total egg production from 2008 to 2010 increased by 56.73%. Josie credited this staggering achievement to the incorporation of new technologies and operational innovations, particularly on sanitation control and waste management at the production floor.

In tune with the company's quality policy, Markenburg also availed of RTWPB III's ISTIV training thinking that the best way to initiate positive change within an institution is by changing people's attitude for the better.

#### **Benefits of productivity enhancement**

When asked about the benefits of Markenburg's partnership with the Regional Board, Helena easily itemized the results based on the documentation that her team detailed during the implementation of the various productivity improvement programs since 2008.

For the Scrap Monitoring, Helena noted a steady decline in cornstarch scrap produced from 50 metric tons in 2008 to 35 metric tons the following year and finally 26 metric tons in 2010. This yielded savings of as much as PhP 372,000.00 to-date.

With regards to the second program, the company was able to increase its number of client companies to five points from 2009 to 2010. This resulted in an increase of 500 bulk supply transactions from 2009 to 2010.

When it comes to the Suppliers' Performance Monitoring System, Helena noted a significant increase in the passing rate of suppliers from 73% back in 2008 to 98% for 2010. This meant that more and more of Markenburg's suppliers are becoming more aware of the company's strict adherence to international manufacturing practices and standards.

#### **Welfare of the workers**

Amidst all the quantifiable results of Markenburg's productivity improvement programs, Helena stressed that the company's genuine concern for its workers is also a major factor for its current success.

She was proud to mention that in her company, training is deemed very valuable and as such, skills training for all its employees are given on a regular basis. Helena believes that a trained person is less likely to commit mistakes resulting in improved productivity. Just last year, the company conducted in-house seminars on proper telephone etiquette and re-orientation on corporate values.

### Aiming for greater productivity

Markenburg's unstoppable commitment to excellence eventually crossed over from quality control to productivity enhancement. With this, the company got in touch with the Regional Tripartite Wages and Productivity Board for Central Luzon (RTWPB III) to help them improve their productivity.

Through the Regional Board's meticulous diagnosis of Markenburg's business processes, the company identified specific targets that will help them achieve greater productivity. With these targets in mind, Helena and her team designed three (3) productivity improvement programs for implementation.

### Markenburg's productivity blueprint

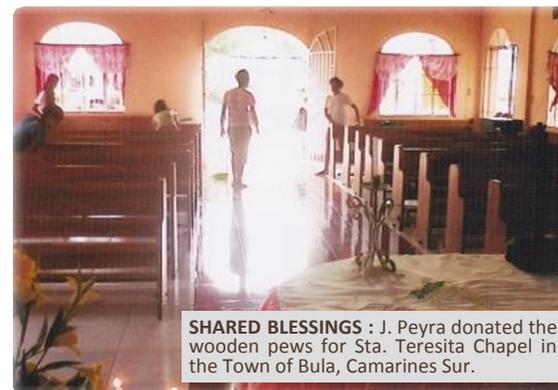
The first program called Scrap Monitoring was designed to maximize the company's resources while minimizing its impact in the environment. This meant reducing Markenburg's wastage in the form of cornstarch scrap measured by metric tons.

The second program is called Quality Deviation Monitoring and Customer Satisfaction Survey. An internal audit team was formed for purposes of checking if each department complies with the quality policies set in place. The survey on the other hand helped the company get feedback from its consumers on how their products fare in the market.

Another program put in place is the Suppliers' Performance Monitoring System. The objective of this program was to establish a scoreboard of the suppliers' performance based on three criteria namely quality, service, and price.



**LOYALTY PAYS :** Giving cash incentives to workers who have stayed in the company for every 5 years is a proven precursor to increase productivity at the workplace.



**SHARED BLESSINGS :** J. Peyra donated the wooden pews for Sta. Teresita Chapel in the Town of Bula, Camarines Sur.

Second, a boost in production per person-hour was also recorded. The rating back in 2008 was 228 eggs per person/hour. Two years later, the rating was pegged at approximately 248 eggs per person/hour.

All-in-all, J. Peyra achieved a 13% increase in revenues from PhP 101,327,500.00 as of CY 2008 to PhP 114,708,810.50 by the end of CY 2010.

### The wings of success

Throughout the hardships that she hurdled, Josie's entrepreneurial 'gamble' has now established itself in the poultry 'arena' and is now operating with over 250,000 chicken stocks with a total of 90 workers.

Its market reach has likewise expanded to cover the entire Bicol Peninsula, Mainland Luzon and parts of Visayas and Mindanao. J. Peyra is also considered a reliable table egg supplier to some popular retailers including Jollibee and Andoks.

### Spreading her wings

From the farm's revenue, Josie diversified her business by acquiring two commercial buildings for rent - namely The Regal Plaza Hotel and Convention Hall and Regal Plaza Convention Center. The latter venue was so popular that in November 2011, the Regal Plaza Convention Center served as a venue during the 22nd Philippine Advertising Congress.

Not to be outdone by the franchising bandwagon, Josie likewise purchased a gasoline refilling station in Camarines Sur. This only proves how much of a willing entrepreneur Josie is at heart - and is actually earning from it! As she related, the hotels and gasoline station business were actually related to her ongoing chicken farm business - as her eggs and chicken dealers are distributors from outside Bicol stay at the hotels and gas up at her station!

### Sharing the good eggs

Despite the immense milestones she has reached career-wise, Josie remained humble to the people and the community that has supported her time and again. The care and devotion she generously shares with her family also extended to her neighbours and kinsmen in Camarines Sur.

She contributed to the construction of a barangay road leading to the Baao Chapel and donated wooden seats for the Bula Chapel. Josie also provided 50 pieces of galvanized iron sheets for the roofing of a day care center in Barangay Fabrica also located in Bula, Camarines Sur. A concrete pavement with flagpole was also constructed at the San Isidro-Sta. Teresita Elementary School.

From 2008 to 2010, J. Peyra has been a constant donor of chicken eggs to the feeding program during the Universal Childrens’ Festival, an annual event simultaneously held in Nabua and Naga City, Camarines Sur.

### God-given victory

When her company won during the 2011 Productivity Olympics, Josie believed that is was a victory that God gave her family for all the good deeds she and her small company has done. “Maybe it’s a miracle because our obsession in life is to help, to give employment and to give shelter to the community. These are the things that I pray to God. I don’t forget God whatever my endeavors are. I offer everything to God – God is so good to us,” she said. ☺



Ms. Josie Peyra [right] receives the trophy and cash prize from Labor Secretary Rosalinda Dimapilis-Baldoz during the Awarding Ceremonies at The Bayview Hotel.

**J. Peyra Poultry Farm**

📍 Santa Teresita Baao, Camarines Sur

☎ (054) 266-3340

📠 0917-5225802

📧 thelegalplazahotel@ymail.com

### The root of success



**IN-HOUSE :** Markenburger sponsors and conducts skills training on a regular basis for its staff and officers.

Markenburger’s commitment to quality is deeply rooted in the company’s foundation. It began in 1996 when Chinese businessman Mr. Jimmy Hwa Cu Jr. decided to establish a world class confection manufacturer in the outskirts of Metro Manila.

He employed a pool of Chemists, Chemical Engineers, and Food Technologists to ensure that the marshmallows his company produced are of top notched quality. Aware of the strict manufacturing practices and standards of the global market, he also invested in production and packaging machinery imported from Europe and Japan.

This seamless merger of local expertise and global technology eventually helped Markenburger earn the international stamp of approval allowing the company to export its products in Asia, island nations in Oceania, the Middle East, European countries, and Latin American countries.

Being a Filipino by heart, Jimmy then decided to open Markenburger’s distributorship to the local scene. This allowed local retailers and major supermarkets nationwide to enjoy the same kind of quality products that the company has been made famous abroad.

### Notable achievements

Through Markenburger’s hardwork and perseverance, the company garnered ISO 22000:2005 Certification for Food Safety Management System in 2009. This achievement reflects the company’s continuing thrust to employ globally accepted manufacturing processes.

With Muslim patrons here and abroad, the company aimed for and subsequently garnered Halal Certification. Taking pride in its Philippine roots, Markenburger also introduced a pioneer product sold locally and abroad – mango-flavored marshmallows.

## Markenburger International Foods Corporation

(Central Luzon)

### Marked for Excellence

Marshmallows are confectionary items famous for their fluffy and subtle sweet flavor. They come in various colors and shapes that consumers of all ages love to munch on. In the Philippines, one manufacturer of marshmallow products is currently making a mark not only in the local scene but also in the highly competitive global market.

Markenburger International Foods Corporation based in Marilao, Bulacan is the country's leading marshmallow distributor to some of the country's biggest local food companies like Jollibee, Nestle, and Red Ribbon. Recently, the company gained a prestigious accolade as one of the National Winners for the medium-sized industry category during the 2011 Productivity Olympics.

Markenburger's Business Development Manager, Ms. Helena De Guzman, received the trophy and cash prize from Labor Secretary Rosalinda Dimapilis-Baldoz during the Awarding Ceremonies held at the Bayleaf Hotel in Intramuros last October 27.

### Quality is the key

The award proves that just like the vibrant colors of the marshmallow variants it has produced for the past 15 years, Markenburger's winning form has not faded away. She credits the company's recent success to its commitment to quality and heightened competitiveness.

Markenburger's devotion to quality is backed-up by its long standing philosophy that "All employees carry Markenburger. Everybody's work is important in furthering Markenburger ideals with regards to customer service". This led the company to receive Quality Certifications and citations from various prestigious organizations.

## National Winners for Service



Page 15

### Stanfilco Makilala Labor Union

Micro Firm from SOCCSKSARGEN

Page 20

### St. Joseph Academy

Small Firm from Central Visayas

Page 24

### Escalante Public and Private School Teachers and Employees Multi-Purpose Cooperative

Medium Firm from Western Visayas

## Stanfilco Makilala Labor Union

(SOCCSKSARGEN)

### *Partnership that Perseveres*

Every now and then, people choose to band together for a single cause – a common purpose that they share, a goal they all wish to attain.

Such is the case of a group of pineapple growers in Poblacion Makilala, Cotabato, who came together to address the basic needs of each other through the establishment of a consumer store. In local tongue, such an enterprise is more commonly known as a “sari-sari” store, suggesting the wide variety of wares and trades the store has to offer to its clientele.

### Humble beginnings

The said group of farmers formed a union under the name Stanfilco Makilala Labor Union (SMLU) registered under the Federation of Integrated Labor Unions (FILU). SMLU then has a membership base totalling 1,253. Through the urging of their members, the labor union decided to open a consumer store in 2006 using its own funds amounting to PhP 100,000.00 as capital. Back then, only two personnel manned the store and the small space where it was located was merely rented by SMLU.

The consumer store started operating on a consignment basis, meaning, they can only purchase goods on a per-need basis and at small quantities. Rice is the



**PUBLIC SALES :** The store, then branded SMLU Canteen, is frequented by consumers of all kinds.

To help the community, the company extended social program by giving seasonal job opportunities to residents, including financial assistance for municipal and barangay activities and projects.

### A fitting reward

In 2011, Farmtec was given the ECOSWITCH Award and the Entrepreneurship Award. The former was given by the Green Philippines Islands of Sustainability-Switch Asia while the latter was given by the Silang Uliran Women's Club, Inc.

In the same year, the company was given one of the highest accolades on productivity improvement in the country, a Productivity Olympics award, given no less by Labor Secretary Rosalinda Dimapilis-Baldoz.

He advises budding entrepreneurs to grab the opportunity of tapping government assistance, like the productivity improvement program of the NWPC and RTWPBs.

“FFI truly owes a debt of gratitude to the NWPC and RTWPBs for were it not for their productivity intervention program, my company would not have been as competitive in the industry as it is today due to high production cost and low sales turn over. They should continue this program to encourage MSMEs not only to harness the potentials of their human resource, but also to ensure proper use of machineries and effective management of capital resources for efficiency, quality and food safety standards.”

#### Farmtec Food Incorporated

112 J.P Rizal Street, Sabutan Silang, Cavite

529-8326

0927-78997749

info@farmtec.com.ph



[Right to Left] Farmtec's Founder Mr. Fabian Espiritu receiving the trophy and cash prize from DOLE Sec. Rosalinda Dimapilis-Baldoz at the Awarding Ceremonies dated 27 October 2011.

modern laboratory equipment under the Department of Science and Technology's Small Enterprise Technology Upgrading (SETUP) Program. This allowed not only faster results of microbiological analyses but also yielded big savings on cost of third party analysis. In particular, the program netted the company a total of PhP 958,305.00 savings from June 2008 to December 2010.

To ensure compliance of management system to audit standards as well as statutory, regulatory, and customer requirements, workers of FFI underwent trainings on GMP, HACCP, and ISO 22000:2005 Food Safety Management System Certification by SGS Philippines, Inc. A personnel was also sent to train on International HALAL Awareness Seminar to comply with the religious requirements observed by all Muslims worldwide.

The impact of these trainings resulted in improved customer confidence, compliance with high standards of local and export markets, more systematic documentation of the systems, procedures and processes, improved quality and productivity, and increased sales. From PhP 26.6 Million total revenue earned in 2009, the same grew to PhP 35.5 Million in 2010 or an increase by 33.43%.

Given its good blessings, FFI rewarded its employees with gain-sharing in the form of annual bonus equivalent to 50% of monthly salary per employee.

The company likewise imbibed the teachings of 5S Good Housekeeping and ISTIV to encourage clean, safe, and orderly workplace. The impact was a highly motivated workforce and more systematize and safer workplace.

### **Taking care of the environment and community**

As part of its program on environment protection, the company sent its personnel to trainings on environmental cost and controlling, including a training on Green Philippine Islands Sustainability Project (GPIoS). These trainings not only accorded the company a Green Philippines Eco Switch Award (Eco Focus Programme), but more importantly, it reduced waste generation, improved equipment utilization through less energy consumption, improved facility for solid waste and generated savings from its energy-saving program to increase efficiency.

most in demand product among the members of SMLU. Canned goods, noodles and other regular grocery items are also part of its start-up inventory.

Expectedly, the members of the union were allowed to acquire products on a 'buy now, pay later' scheme or "*lista muna*" – as what it is popularly known. This system, though popular among small-scale consumer stores, would later pose a threat to the existence of SMLU's micro-sized enterprise.

### **Early figures**

During its first year of operations, the consumer store garnered sales of up to PhP 11.3 Million or PhP 127,424.10 in net income. This figure rose to 2.5% the following year with PhP 17.1 Million in sales. These numbers look promising for a new business. Unfortunately, the early success of this entrepreneurial venture was not sustained.

In 2008, sales dipped slightly to PhP 15.4 Million but this was just the tip of the 'iceberg'. The store lost as much as PhP 521,717.34 mainly due to its 'buy now, pay later scheme'.

Union President Mr. Vicente C. Bag-o admitted that SMLU's consumer store faced a severe problem in collection of payment. With many members failing to pay for their earlier purchases or debts on time, the store suffered a major setback in its third year of operations.

### **Other problems**

Bag-o also attributed their problem to inadequate manpower resources. Its initial size of two personnel was not enough to properly maintain the optimal conditions of the store.

Another problem was the absence of a manual or written policies on how to facilitate smooth operations at the store. And since the designated staff do not possess basic knowledge on accounting, inventory, and transactional procedures, the store was in chaos.

To make things worse, only 14% of SMLU's membership base patronized the store. With fewer clients, the store received even lesser profits.

### Timely intervention

With the dire need for improvement, the officers of SMLU decided to seek the assistance of the Regional Tripartite Wages and Productivity Board for Region XII (RTWPB XII). The first thing that they asked from RTWPB XII was to assist them in putting things in order at the store, and there was no better way to do this than with a seminar on the 5S of good housekeeping. Adapting the principles of good housekeeping, the micro-sized establishment underwent a major ‘make over’, re-arranging the product shelves and labelling them properly for the convenience of both clients and employees of the store.

Bag-o also decided to avail of RTWPB’s productivity improvement program (PIP) utilizing the corporate values of unity, integrity and quality service. After a comprehensive workshop, SMLU came up with a PIP entitled Worker’s Income Augmentation Program (WINAP).

### Gainsharing and more

Under WINAP, 50% of the net income goes back to the store as capital augmentation giving the enterprise wider access to low-priced commodities in bulk. Meanwhile, 35% goes to patronage refund for the benefit of the store’s regular patrons. This is a system where SMLU members who purchase more goods at the store gain higher redemption points – a technique similarly employed by many credit card companies. Patronage refund was meant to motivate more SMLU members to avail of the store’s goods for sale.

Lastly, 15% of the store’s net income is equally distributed to members of the labor union as a form of profit sharing.



**ASSESSMENT** : RTWPB XII’s Board Secretary [left] evaluating the store’s financial records and retail operations for possible improvement.

### Sizing up through productivity improvement

Although FFI had its better share of the market, Espiritu knew that there is still a big room of improvement for the company in terms of productivity and competitiveness. In 2008, the company, through the assistance of the Regional tripartite Wages and Productivity Board for CALABARZON (RTWPB IV-A), was enrolled as a beneficiary of its productivity improvement program.

After conducting business diagnostic, the Board saw particular areas of improvement on the workplace, machines, manpower, methods and materials. Some of these include: (on manpower) insufficient knowledge and skills on productivity programs; absence of systematic selection of competent and qualified manpower; (on methods) lack of in-house laboratory tests for finished products aside from moisture constant and sensory evaluation; most of the processes used were manual and not machine operated; inadequate labelling of in-process products; and lack of documentation of all processes.

RTWPB IV-A likewise made the following observations: (on materials) wooden pallets used for incoming raw materials were placed in improper containers; materials were received in an uncovered area and placed directly on the floor; (on machines) no regular preventive maintenance; some machines were not stainless; no digital weighing scales; and use of fabricated/second hand machines; (on workplace) no partition between process areas; storage room for packaging materials are not properly enclosed; receiving area is not enclosed to prevent entry of birds and other pests.

### Taking on the competitiveness challenge

Determined to boost its productivity and competitiveness, FFI upgraded its laboratory capabilities with the acquisition of a



**VARIETY** : Farmtec recently diversified its product line-up to a wide array of herbal powders extracted from medicinal plants indigenous to the country.

“When we started, most of our raw materials were delivered on a 30-day credit. I was fortunate that my last job was in food dehydration with Wise Choice Foods. Besides my technical knowledge in production, my graduate degree in Master of Agribusiness Management helped a lot in managing the business,” recalls Espiritu. “Owing to my previous work, I knew where to source the raw materials and where to market my products which I had already established in the past.”



**SANITIZATION** : The company adheres to the strict standards of good manufacturing processes including the wearing of hair nets, face masks, aprons or full body coats, and non-slip boots.

### Hitches along the entrepreneurial journey

Like any other new business enterprise, FFI encountered hitches along its entrepreneurial journey. Capital is the foremost, but with good collateral, the company was able to obtain a loan from a local bank which they used to buy raw materials needed to increase stock for seasonal agricultural products.

Still, even with available capital, getting abundant supply of raw materials all year-round was a big problem. A farm-to-company marketing/purchase agreement was reached through the Land Bank and the local government unit with some cooperatives in Bicol province for large-scale production of chili, but the deal did not push through as no delivery was made.

“We always encounter a problem on the supply of raw materials like dried or fresh chili and semi-dried alamang. We had to tap chili producers from Nueva Ecija and Pangasinan, and went even as far as Iloilo, Basilan and Bukidnon in order to meet the increasing demand of our products. Our alamang was supplied by the wholesale stores in Divisoria, and so we went down to another level, the assemblers who procure directly from small fishermen,” explains Espiritu.

When cost of interest rate peaked up to 45% in 1997, the company experienced difficulty in paying its loans, resulting in higher cost of production thereby affecting sales and revenues due to a drop in market demand for its products.

### Modernization

Inspired by big retailers, the consumer store took stride in upscaling the way it does business. One such method is to implement barcoding or point-of-sale system making over-the-counter purchases faster. The store also schedule the pick-up and delivery of produce from farm-based suppliers to ensure that only the freshest stock is made available at the product shelves.

### Green and safe workplace

To ensure cleanliness at the store, solid waste management was also implemented. Particularly for recyclable materials, four waste bins were situated just outside the store to segregate materials such as paper, plastic, bottles, and cans. In preparation for a fire disaster, SMLU also purchased fire extinguishers located strategically around the store in case of an emergency.

### Results of productivity improvement

Bag-o admitted that they owed the store’s early successes to RTWPB XII’s intervention. In 2010, it posted a net income of PhP 839,949.50 or 5.5% increase since 2006. By the end of 2011, its realized net income was pegged at PhP 1.23 Million.

Other positive effects of PIP include increase of rice sales per month by 200% as patronage among SMLU members increased by as much as 74%. The program also enhanced the skills, knowledge and attitude of the members, effectively smoothening day-to-day activities through the documentation of retail operations and putting up monitoring and evaluation systems.

Further in 2011, the micro-sized establishment grew to seven aptly meeting the growing demands of patron SMLU members. Also, the labor union now owns the 150 sq. meter lot where the store is currently located.

**SEGREGATION** : SMLU practices solid waste management as a form of minimizing waste in the store vicinity.



**More challenges ahead**

When asked how it feels to become a member of NWPC’s growing family of Productivity Olympics National Winners, Bag-o replied “Simply great and at the same time challenging since we have to sustain the enterprise and continue seeking options to further improve our services and increase the number of customers”. SMLU intends to put up a *Botika sa Barangay* and mini-gasoline station in the near future.

“We would still be struggling now had we not tapped the productivity intervention program of RTWPB XII,” said Bag-o. “Working with RTWPB XII is one of the most rewarding experiences we had,” he added.

Extending gratitude to all officers and staff of NWPC and RTWPB XII, Bag-o implored the continuity of the biennial Productivity Olympics in helping and recognizing MSMEs as developmental partners in improving the lives of Filipino people.



[Right to Left] Union President Mr. Vicente Bag-o receives the trophy and cash prize from DOLE Sec. Rosalinda Dimapilis-Baldoz and NWPC Exec. Dir. Ciriaco Lagunzad III during the Awarding Ceremonies dated 27 October 2011.

**Stanfilco Makilala Labor Union**

📍 Poblacion Makilala, North Cotabato

☎ 0926-9634230

workers and was initially registered under *Kalakalan 20* as FGE Farmtec (Food and Agro-Milling Technologies).

A garage and an old warehouse in his home were used as makeshift production operations station. An old bakery oven was converted into a dryer. Galvanized iron sheets were fabricated into drying trays which were later enlarged using liquid petroleum gas as heat generator. Other production equipment were either leased or borrowed during the initial months of operation.

From a meager savings of PhP 47,000.00, the enterprise steadily grew into a family corporation over the course of five years, with other relatives taking part in the business venture. FGE Farmtec became Farmtec as registered with the Securities and Exchange Commission.

In 1995, it acquired the sterilization facilities of Griffith Laboratories, Phil. in Sta. Rosa, Laguna. The laboratory served the technical needs for R & D and quality assurance, not only of the company but also other food and pharmaceutical companies.

Its plant in Silang, Cavite has the capacity to dry more than 3,000 kilos of fresh raw materials, pulverize 2,000 kilos of dried products and mix 2,500 kilos of powdered products.

With growing demand for indigenous and locally manufactured products, FFI saw an opportunity for expansion. The three original products of powdered chili, tamarind and shrimp increased to 15 regular products consisting of herbs and spices, fruits and berries, root crops and tubers, vegetables, and other seafood derivatives.

Among these are (spices) powdered chili, onion, turmeric, ginger, bay leaves, kasubha; (fruit) guava and tamarind; (root crops and tubers) gabi and ube; (vegetable) squash; (seafood derivatives) shrimp and anchovy; (teas and herbs) alagaw, ampalaya, balbas pusa, banaba, camote leaves, chili leaves, guava leaves, kulitis, lagundi, pandan, saluyot, sambong and other products. It also produces chicken fat (oil) which is used as chicken flavoring.

## Farmtec Food Incorporated

(CALABARZON)

### *Some Productive Farm*

Herbs and spices have come a long way from days of yore when they can only be found, with luck, somewhere in the littlest nook of the town market.

Thanks to pioneering entrepreneurs, many food ingredients are available nowadays in powdered form, which you can buy in supermarkets and even in some “sari-sari” stores. More than anything else, these products save us the trouble of going through the process of mixing, chopping and grinding.

Farmtech Foods Inc. (FFI) is one of these pioneering enterprises. Aside from its top seller chili powder, FFI’s other original products include powdered tamarind and shrimp.

Located in Silang Cavite, FFI is a modern version of the folklore song *Bahay Kubo* where you can find various products such as powdered turmeric, ginger, onion, bay leaves, kasubha, guava, gabi and ube. They have also powdered squash, ampalaya, banaba, camote and chili leaves, lagundi, malunggay, oregano, pandan, saluyot, sambong and many others.

“Farmtech was established not only for profit, but also to help our people by providing them jobs and to preserve the environment,” explains Fabian G. Espiritu, founder and owner of FFI.

### **One Busy Place**

When FFI was first established in 1989, Espiritu simply wanted to start a backyard enterprise to keep himself busy. He has just left his work at Wise Choice Foods where he has been employed since 1981.

The enterprise began with three



**MANAGEMENT TEAM** : Farmtec’s roster of owners and supervisors taking lead of the company’s day-to-day operations.

## St. Joseph Academy

(Central Visayas)

### *Rising from the Ashes*

St. Joseph Academy of Mandaue City, Cebu, was founded on 29 January 1964 by its former resident priest Msgr. Jose Alojipan, SJA, starting with a kindergarten class in a makeshift theater.

With the opening of School Year 1964-1965, the school began its secondary education program (high school), followed by the introduction of basic education program (elementary) two years later.

In July 1966, the management of St. Joseph Academy was transferred to the Congregation of Missionary Sisters of Immaculate Heart of Mary (ICM), which has been administering St. Theresa’s College in Cebu City as early as 1933.

Over the years, the school continued to grow as an educational institution so that a new building was built and completed in January 2001 to accommodate rising number of students. The new building was named after ICM’s foundress, Mother Louise De Meester.

### **Tragedy struck**

At the dawn of January 30, 2002, tragedy struck when a fire gutted the public market and the nearby St. Joseph’s Academy, causing an estimated P20 million damage in school property while displacing hundreds of students



**PAPERWORK**: St. Joseph Academy’s employees practicing sorting and recycling of paper waste materials.

Given the huge cost of rebuilding the school, ICM decided to transfer the school's administration to the Archdiocese of Cebu. His Eminence, Ricardo J. Cardinal Vidal, D.D., Archbishop of Cebu tapped Rev. Fr. Eduardo O. Ventic Ph.D., the Superintendent of Catholic Schools in the Archdiocese of Cebu, to take over as School Director of St. Joseph Academy effective SY 2003-2004. He was also designated as the Director of St. Joseph Academy - Carmen, Cebu, Our Lady of Sorrows Academy-Ronda, Cebu and St. Michael School - Argao, Cebu, respectively.

**A big task**

When Fr. Ventic assumed the school directorship in June 2003, his first order of business was to generate much-needed money to rebuild the school. There were garage sales, concerts, raffles and other activities held. Also, he was also to negotiate an agreement with a building contractor for the completion of the school in time for the school opening, vis-à-vis a pledge from the parents of students to pay in full tuition fees.

In addition, the school was able to save some PhP 10 Million when it bought in bulk construction materials before an anticipated increase in prices.

**Achievements**

In 2003, there were only 800 enrollees but enrolment rose to 1,500 for school year 2011-2012. Since then, St. Joseph Academy received various citations. It was

recognized as the Most Outstanding Academic Institution by the Mandau City Government. Recently, St. Joseph Academy was declared as the Champion among the 23 participating schools during the 2nd Monthly Division Mathematics Olympiad on February 24, 2012.

Fr. Ventic described his experience with the Regional Tripartite Wages



SS ORIENTATION : RTWPB VII's Mr. Exequiel Sarcauga [right] teaching the principles of good housekeeping to the school personnel.

(NWPC) and other offices/agencies of the Department of Labor and Employment (DOLE).

Nowadays, Our Tribe Food Products is considered the leading manufacturer of coffee and processed food in Northern Luzon. It continues to strengthen its partnership with Kalinga's coffee growers by helping them sell their produce at a wider reach and with a better price. ☺



[Left to Right] Labor Secretary Rosalinda Dimapilis-Baldoz handing over the trophy and cash prize to Our Tribe's Proprietress Ms. Grace Agtina during the Awarding Ceremonies held at The Bayview Hotel.

**Our Tribe Food Products**

✉ San Juan, Tabuk City, Kalinga

☎ 0915-844419

📧 kalingablend@yahoo.com

that to-date, Our Tribe is producing an average of 10,000 packs of 400 grams Kalinga Blend packs.

Another positive effect of the productivity improvement practice is the reduced lead time for processing large volume orders from one month to two weeks, which is the new benchmark.

### Sustaining the services

When asked for what good advice can she impart to other small firms out there, Grace said that sustenance of whatever business an entrepreneur started should be utmost importance. She noticed that a lot of coffee ventures have sprung up throughout the country but a lot of them did not last long.

### Victory at the Productivity Olympics

During the 2011 Productivity Olympics, Our Tribe Food Products won as a National Winner for the micro-sized industry category. Ms. Agtina received the trophy and cash prize from Labor Secretary Rosalinda Dimapilis-Baldoz during the awarding ceremonies held at The Bayleaf Hotel in Intramuros last October 27.

She considers her triumph as a welcomed feat for her 4-year old company motivating her to push Our Tribe further into a brighter horizon. Aside from the trophy and the PhP 100,00.00 incentive, her company received bragging rights to use the Productivity Olympics logo for three years and priority endorsement to other training programs and services of the National Wages and Productivity Commission



**SHOWCASE** : The company's best-selling products are regularly featured in major trade fairs to gain consumer patronage.

and Productivity Board for Central Visayas (RTWPB VII) as animating, inspiring and enhancing.

### Green discipline in the Academy

One year after the fire incidence, the Academy started instilling environmental discipline to its employees and students.

With the help of RTWPB VII, the 5S of good housekeeping was included in the curriculum, training and computerization systems. After nine years, the 5S Program has generated multiple projects such as Trash Free Campus and Strengthened 5S Values, Zero Accident, Improved Facilities for Quality Service, and Green Programs "Wall Garden". Seeing the good effects of 5S, the school then promoted it as a way of life to other educational institutions.



**INVOLVEMENT** : Teachers of St. Joseph Academy leading the feeding program for children of nearby poor communities.

According to Fr. Ventic, the keys to success are sacrifice, patience and optimism. He advised others not to get easily discouraged and work hard toward success. It does not matter if the improvement is minimal as long as there is improvement.

### Receiving the grace

Fr. Ventic was surprised to receive the trophy and other prizes as a National Winner during the Awarding Ceremonies of the 2011 Productivity Olympics.

With the tough competition and rigid screening, he was very thankful the Academy was chosen the National Winner under services sector-small enterprise category. The honor that the award brought not only to SJA but also to Archdiocese of Cebu and Region VII made him very proud.

He also shared that the administrators, teachers, students and parents welcomed the award with joy and pride, as it paid off their hard work and sacrifices.

The Academy enjoys an increasing enrolment which totalled to 1,570 in 2010.

Meanwhile, because of remarkable achievements and unceasing effort of Fr. Ventic, he was designated as Chairman of the Commission on Catholic Education by the Archdiocese of Cebu. Fr. Ventic also serves as Director of St. Joseph Academy – Carmen, Cebu, Our Lady of Sorrows Academy-Ronda, Cebu and St. Michael School – Argao, Cebu and Superintendent of Catholic Schools. ☞



[Left to Right] Labor Secretary Rosalinda Dimapilis-Baldoz together with the Head of St. Joseph Academy, Reverend Fr. Eduardo Ventic, during the Awarding Ceremonies held at The Bayview Hotel.

#### St. Joseph Academy

✉ S. B. Cabahug St., Centro, Mandaue City, Cebu

☎ (032) 345-1255 / fax: (032) 345-1255

🌐 sja\_mde\_edu@yahoo.com

Because the company was relatively new, the workers were slow to cope with quality standards she set resulting in measly production volume of 800 packs of 400 grams per month.

When the global financial crisis of 2008 hit the country, a lot of small firms in the province were also affected including Our Tribe. During its toughest times though, Agtina remained vigilant on the company's future and dealt with the crisis head on. She was even more determined to go on with her company, viewing challenges and problems optimistically as opportunities to strive better in her chosen field.

#### Venturing into productivity improvement

With the ongoing advocacy for productivity enhancement at the firm level by the CAR Regional Tripartite Wages and Productivity Board, Agtina decided to avail of the agency's productivity improvement programs.

During the problem identification stage, she identified four core strategies to improve Our Tribe's production output. The first strategy is to identify and appraise problems directly affecting the production. Second is to implement technology and knowledge transfer by benchmarking on existing production practices of successful companies with ventures similar to Our Tribe. The third strategy is to build the capacities of the workers and finally, improve the systems currently in place at the production floor.

Considering that productivity improvement is of utmost importance for the betterment of the company, Grace allowed government agencies, RTWPB CAR included, to conduct a business diagnosis of the company. Business counselling was also done to upstart improvements at the production floor.

#### Quantifiable results

Thanks to the suggestions and recommendations of government agencies including CAR RTWPB, Our Tribe's production volume increased from 800 packs of processed coffee beans back in 2008 to 2,000 packs in 2010. Grace is happy to report

### Spark of entrepreneurship

The success of Our Tribe may be attributed to its owner's drive for entrepreneurial venture. Agtina's inspiration is her father who, after retiring from civil service in the 1970s, focused on developing their farm to support the college education of his children.



**BUSINESS DIAGNOSIS** : Business owner Ms. Grace Agtina [center] listening to the advise and recommendations of partner government agencies for the enhancement of her micro enterprise.

In 1988, after graduating with a degree in Business Administration, she established her own agricultural supply store. Her regular clients then were coffee growers. She was aghast to find out the profiteering schemes of middlemen who bought and sold coffee products to large companies while farmers are pressured to maintain the low price of their produce.

Grace eventually came up with a business concept for coffee processing that will enhance and innovate coffee products using the three locally available coffee bean variants. She also wanted to create a company that will help coffee growers in the province process and market their produce without having to venture to neighboring provinces of Cagayan and Isabela.

### Hardships at first

In 2007, Our Tribe Food Products was born with a starting capital of PhP 300,000.00, six workers, and support from the City Government of Tabuk, Kalinga.

"We had difficulty initially in acquiring a processor which is expensive but thru the help of the LGU, we were able to acquire a coffee roaster worth PhP 1.5 Million. The Department of Science and Technology (DOST) assisted us in packaging our consumable products", explained Agtina.

## Escalante Public and Private School Teachers and Employees Multi-Purpose Cooperative

(Western Visayas)

### Cooperativism, the Ticket to Success

While cooperatives in Negros Occidental were going belly-up in 1992, 64 teachers dared to launch the Escalante Public and Private Teachers and Employees Multi-Purpose Cooperative (EPSTEMPCO). Each took out PhP 100.00 to start a small lending business.

But public disbelief impeded its growth. "From 1992 until 2002, EPSTEMPCO's growth was very slow. A lot of cooperatives during that time failed so people are hesitant to join us," Dr. Romulo Sisno, the Chairman of the Board of Directors recalled. "*Ang sabi nila, basta coop, wala 'yon, failure 'yon at di rin 'yan magtatagal.*"

Yet instead of losing heart, EPSTEMPCO began introducing innovations in the management system and operational procedures. It capitalized on the employee's knowledge and skills and the leader's work values and competency.

### Building trust among members

"The main ingredient of success is trust. *Pag may tiwala na ang mga members sa management, doon na magsisimula ang tagumpay,*" Sisno said.

He started by sending staff and members to trainings and conferences to update their skills and knowledge on how other cooperatives deal with different problems and to give them the opportunity to interact with cooperatives' leaders and members.

The management also began strictly observing EPSTEMPCO's principles and values in the formulation and implementation of programs and policies. Their expenditures are firmly based on cooperative's financial discipline.

"The coop standard clearly defines what and where should the money be expended and how the income is distributed," Sisno added. According to him, the

present system classifies the amount that can be expended on administrative, non-earning and earning investments.

The members questioned the changes made, specifically the new financial discipline but eventually gave their support when they saw the good results.

### Opening up for new members

In 2004, EPSTEMPCO's management realized that teachers' needs and problems are also similar to what workers in other sectors are facing. Soon, they started accepting membership of non-teachers such as farmers, fishermen, vendors, and tricycle drivers and operators.

Membership fee is PhP 100.00 while minimum share capital is PhP 4,000.00. A member enjoys services and privileges offered exclusively by EPSTEMPCO which includes credit and savings, products offered in consumer store, use of mini-hostel and function room, and share in the cooperative's earnings, among others. After six years, EPSTEMPCO's membership increased to 1,532.

In addition, coop employees enjoy privileges such as rest and recreation, retreat and recollection, staff development programs, educational tour, productivity bonus, Christmas "regalo", cash gifts, and dividend and patronage refund. A loyalty award is also given to reward employee's dedication and service.

### Building a permanent office

For sixteen years, EPSTEMPCO operates in the elected chairperson's office. Change of chairperson means change of office.

"Noong una, squatter ang aming office," Sisno shared. Their desire to own a permanent office led them to one solution. "We encouraged our members to donate



**NEW BUILDING :** EPSTEMPCO's symbol of pride and glory is their very own 4-storey multi-purpose building with an elegant facade.

## Our Tribe Food Products

(Cordillera Administrative Region)

### *The Kalinga Blend to Individuality and Excellence*

The province of Kalinga is known for its vast expanse of rice plantations in the highlands of the north. This agricultural paradise boasts of fertile grounds suitable for both wet and dry farming. Its natives, the Kalingas, are also known to be extensive terrace builders hence the proliferation of rice terraces along the slopes of its mountainous borders

While it is easy to start an entrepreneurial venture given the resource-endowment and the natural fertility of the land, a micro-sized firm in the region is currently making a niche of its own.

### Kalinga's very own blend

Our Tribe Food Products, a manufacturer of coffee products aptly named 'Kalinga Blend', decided to veer away from the rice bandwagon by specializing in the production of organically-grown coffee beans.



**HARVEST :** Farmers in the province of Kalinga gathering coffee beans from the plantation site.

Kalinga Blend coffee is a special concoction of carefully blended Arabica, Excelsa, and Robusta variants. Its distinct aroma of Arabica makes it one of the best coffee blends in the country today.

Proprietress Grace Agtina is proud that her premium coffee packs are being sold not only within CAR but also in major supermarkets such as Shoemart and Rustan's Shopwise. Her successful business venture has expanded even further south with a mall in Lucena City now selling Kalinga Blend to its patrons.

## National Winners for Industry



Page 30

### Our Tribe Food Products

Micro Firm from Cordillera Administrative Region

Page 35

### Farmtec Food Incorporated

Small Firm from CALABARZON

Page 41

### Markenburg International Foods Corporation

Medium Firm from Central Luzon

Page 46

### Tesoro's Printing Press

Medium Firm from Davao Region

their 3-year share for land and construction of building which started in 2006 and ended in 2008.”

EPSTEMPCO is now housed in a 4-storey building which stands in a 300 square meters lot. The basement is a function room intended for seminars, trainings and conferences; the ground floor is a consumer's store; the 2nd floor is for the credit and savings office; and the top floor is a mini-hostel.

#### RTWPB intervention

In 2008, EPSTEMPCO tapped the productivity improvement program of the Regional Tripartite Wages and Productivity Board for Western Visayas (RTWPB VI).

According to Sisno, the trainings on 5S+1, ISTIV-PAP, and Quality Management System (ISO 9001:2008) helped a lot in improving the service and work flow especially in credit and savings.

From manual recording of files, the cooperative shifted to a more efficient computerized recording. Housekeeping was strictly observed with a more defined division of work and function. There is a regular designated sorting and cleaning day, arranging and labelling day, and beautification day. Each team also conducted a regular self-audit to see and evaluate the results.

The systematic and error-free work flow translated to faster and more efficient service, good customer reviews and feedback, and clean and organized workplace. Further, tardiness and absenteeism were reduced and a better image of EPSTEMPCO was built.

Until now, EPSTEMPCO continues to get advice from the RTWPB on how to further improve its services.



ACCOLADES : Awards and recognition received by the cooperative, here and abroad, are put on display to remind its members of the organization's potential for excellence.



**TREE PLANTING** : EPSTEMPCO planted rows of mangrove saplings in Negros Occidental as part of its corporate social responsibilities.

### Successful results

The changes transformed EPSTEMPCO from a micro to medium-sized establishment. Within nine years, its assets expanded to PhP 177 Million.

The original services which includes loans, deposits, HAPPY (health) program, mortuary, and assistance program has also expanded to include consumers store, function hall, lodging house, life loan, e-child loan (education), j-loan (jewelry), and express loan.

Because of better finances, the cooperative has been able to acquire new technologies for speedier transaction such as wi-fi, computers, pos terminal machine, telephone and cellular phones and put up an official website.

In 2010, EPSTEMPCO recorded 16% increase in revenue, 48% increase in deposits, 56% increase in assets, 84% increase in share capital, 64% increase in membership, 46% reduction in delinquency rate, and 200% increase in employment.

“We can proudly say that we can operate without loan from the bank and other financial institutions from outside,” Sisno said happily.

### Awards and recognition

The successful results of EPSTEMPCO’s innovations did not go unnoticed as it reaped recognition inside and outside the country.

Among the awards received by EPSTEMPCO are: LandBank of the Philippines’ *Gawad sa Pinakatanging Kooperatiba* Award (Regional and National Level for 2008, 2009 and 2010), Best in Reciprocal Business with LandBank (National Level), and Assurance Society of the Philippines’ Coop Life Insurance Mutual Benefit System (CLIMBS) Bronze Sales Achiever Award.

It is also nominated in the Cooperative Development Authority for *Gawad Parangal* and in International Cooperative Alliance (ICA) Award. EPSTEMPCO is the only Filipino cooperative nominated in the latter competition. The results will be announced later in 2012.

EPSTEMPCO is the National Winner of 2011 Productivity Olympics Services Sector - Medium Enterprise Category during the Awarding Ceremonies on October 27, 2011 at The Bayleaf Hotel, Intramuros.



[Right to Left] Chairman of EPSTEMPCO’s Board of Directors, Dr. Romulo Sisno, standing side-by-side with DOLE Sec. Rosalinda Dimapilis-Baldoz at the Awarding Ceremonies dated 27 October 2011.

### EPSTEMPCO

- ✉ East Ave., Brgy. Balintawak, Escalante City, Negros Occidental
- ☎ (034) 724-8193 / fax: (034) 454-0190
- 📞 0927-8744434
- 📧 epstempc@yahoo.com