

Business

LINE

A Special Publication for Plantersbank Clients and Friends

**Queen Food
Manufacturing**
serves up the

Joys of Summer

Inside

- Money: How to tell if it's the real deal
- Wonders of the world wide web
- Women & children in the workplace
- Affordable perks for employees



A Journey with the Filipino Entrepreneur

A Journey's Beginning and A Paradigm Shift

I do not know how it is with other managers, but in my case, I have always looked at my life and work as a journey.

At Plantersbank, we speak of that journey as a journey with the Filipino entrepreneur. When it began in 1972, I had no particular plans about travelling this way. I was a senior executive of one of our country's largest banks when I decided to strike out on my own and buy a small Bulacan-based development bank. My business plan then was to begin small, grow the bank, transfer it to Makati and then transform it into a commercial bank catering to large corporate accounts.

But, it seems, God had other plans for me and our people. Because of the bank's small size and the provincial location of its first offices, we had no choice but to cater to the small businessmen and entrepreneurs in the region. But what started as work born out of necessity soon turned into meaningful and gratifying work. Dealing with the small entrepreneurs opened my eyes to the wonderful realization that we were making an impact where it counted most — with the marginalized sectors and the small entrepreneurs in the countryside. And we felt good about it.

At this point, we had reached a critical crossroad in our journey, and we chose the road less taken. Our plan changed from growing the bank and becoming like other commercial banks to focusing on SMEs and proving that it was a viable business proposition. We wove corporate social responsibility into the way we did business. And we vowed that no matter how big our bank became, we would always stay committed to SMEs.

But there were no models to follow. We had to learn by trial and error and improvise along the way. We have never regretted our decision. What sustained us all throughout was our deep faith in the SMEs, our dogged determination to make an impact, and the success stories of many SMEs that we assisted. Our road map was clear at this point. We had firmly set our course.

Business Strategy and Model

From a few tentative steps, we started to take firmer strides and shift into high gear in providing the best possible financial services to the SMEs.

Then as now, it has been our deliberate strategy to grow Plantersbank not only internally, but through a series of mergers and acquisitions. We bought four other smaller banks in the early years. Through these acquisitions, we were able to expand our reach to SMEs through a nationwide network of branches.

More recently, we acquired two more banks, Active Bank and Region Bank, which allowed us to reach even more SMEs.

A second major development was the acquisition of foreign institutional partners, which to this day I still regard as God-sent graces in our history. In 1983, in the midst of the national crisis, the Netherlands Development Finance Company (FMO) believing in our vision, became Plantersbank's first foreign shareholder. This was historic.

In 1987, we scored another banking milestone when the Asian Development Bank (ADB) became a shareholder of Plantersbank. This marked the first private equity investment in the Philippines by the ADB.

Again, in year 2000, when confidence in the local economy was at its lowest, the International Finance Corporation of the World Bank Group invested US\$25.5 million or over a billion pesos in equity and financial assistance, a clear vote of confidence in the country, and in Plantersbank and our mission.

Collectively, FMO, ADB and IFC own 40% of Plantersbank today.

Thirdly, as all these things were happening, the Plantersbank model for SME finance took shape and continued to evolve. It was shaped by our passion and commitment to the SMEs, and informed by the need to be viable if we were to serve

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** Keynote speech delivered by Ambassador Jesus P. Tambunting, Chairman of Planters Development Bank, upon his acceptance of the Management Association of the Philippines' Management Man of the Year Award for 2003*

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Jesus P. Tambunting

MAP Management Man of the Year



The stature of Philippine small and medium enterprises (SMEs) received a major boost with the conferment of the prestigious Management Man of the Year 2003 award to Ambassador Jesus P. Tambunting, chairman and chief executive officer of Planters Development Bank and the country's leading SME advocate.

The Management Man of the Year is a prestigious award that the Management Association of the Philippines (MAP) bestows on individuals in the business community or the government for attaining unquestioned distinction in the practice of management and for contributing to the country's progress.

The conferment of the award to Ambassador Tambunting followed a thorough, stringent selection process. The distinction of Management Man of the Year has been conferred only 25 times in the 36-year history of the award.

Ambassador Tambunting was chosen for steering Planters Development Bank to phenomenal growth—from a single office in 1972 to 70 branches nationwide today. With consolidated resources of over P30 billion and capital of P2.8 billion, Plantersbank is currently the 22nd largest bank in the Philippines.

MAP took note of Ambassador Tambunting's significant role in the growth of small and medium enterprises. Moreover, he was cited

for successfully attracting respected foreign financial investors – the World Bank's International Finance Corporation, Asian Development Bank and the Netherlands Development Finance Company – to invest in the Philippines even in the most uncertain economic conditions.

Equally important, Ambassador Tambunting was recognized for his role in heightening bilateral relations between the Philippines and the United Kingdom during his term as the country's ambassador to the Court of St. James from 1993 to 1998.

During his watch, the UK became the largest European investor in the Philippines in 1998 and the biggest source of European tourists of the same year.

The criteria for the award include integrity, leadership, and management qualities, contribution to nation building and values formation, and effective stewardship within the confines of the highest standard of business and management practice, among others.

The awarding ceremony was held during the MAP Inaugural Meeting on January 26 at the Peninsula Manila.

Plantersbank unveils bills payment solution

Say good-bye to queues to pay for your utility and other bills with state-of-the-art Touch Payment Stations that Plantersbank is introducing in strategic branches throughout the country.

The first Touch Payment Station was brought online at Plantersbank Main Branch in Makati by Plantersbank chairman and chief executive officer Ambassador Jesus P. Tambunting and Bank president and chief operating officer Maria Flordelis F. Aguenza.

Tonette delos Reyes, senior vice president for branch banking, told Business Line that the "high touch" solution is the latest word in customer convenience. The Touch Payment Stations employ the customer-friendly touch screen interface and bar code scanning technology. Plantersbank takes pride in being the first bank in the Philippines to deploy this third-generation online payment technology.

Fifteen Touch Payment Stations, all sporting the now familiar bright green, red and white logo will be deployed in strategic branches all over the country in the coming months.



Plantersbank nominated to ComputerWorld Honors Program

Planters Development Bank was nominated to the prestigious Computer World Honors Program, an international effort dedicated to identifying the men and women, organizations and institutions that are leading the global revolution in information technology revolution and to recording the impact of their achievements on society.

Plantersbank was nominated for pioneering the application in the Philippines of fast ethernet XRN technology to production, specifically in small and medium enterprise focused finance operations. Plantersbank is one of two Asian companies that made it to the roster of finalists this year.

"Just to be nominated in this program already carries prestige," according to Benjamin Señires who heads the Plantersbank Computer Operations Unit responsible for overseeing installation of the new technology. Señires will visit the United States in April to accept the Commemorative Medallion and to formally acknowledge inclusion of the Plantersbank case study in the archives of the Computer World Honors program.

GODIVA Wins IT Award

Natural skin care company Godiva, Inc. recently bagged the Information Technology Excellence Award in recognition of its ability to use information technology and optimize best practices in e-business.

Godiva bested five other prestigious finalists for posting profits and savings, maintaining operational efficiency as well as establishing positive customer and supplier relationships. The award was given by the Philippine Internet Commerce Society during the 2nd National E-Commerce Congress on December 2, 2003.

"Since we launched our online store in 2002, Godiva has grown into an e-commerce powerhouse with thousands of clients in over a dozen countries," said Fred Reyes, Godiva Inc. president. The company maintains two online stores: www.godivaskincare.com and www.i-godiva.com.

Known for innovative, safe and effective skin care products, Godiva firmly established itself as the pioneer in the use of licorice extract in its skin whitening line. Most online buyers of its products are North Americans who are concerned with skin discoloration due to sun exposure among other factors. "Orders have been considerably increasing from customers in America, Europe, Australia and Asia," Reyes added.

Godiva's online marketing strategy was made possible via sme.com.ph, the virtual community established and maintained by Planters Development Bank to provide Philippine-based small and medium enterprises with an e-commerce platform. Besides hosting the online store, Plantersbank is responsible for concept, design and maintenance of Godiva's internet presence.

Both Godiva web sites are partners of United States-based international online payment gateways to facilitate credit card transactions, assuring customers of secure transactions and safe transmission of personal information. Applying the benefits of online commerce to the hilt, Godiva offers personalized online customer service to address the concerns and queries of customers 24 hours a day.

In 1996-97, The Bentley Group identified Plantersbank among the few financial institutions in the country with an integrated information technology and communications infrastructure. In 2002, *ComputerWorld* magazine listed Plantersbank in the Top 50 list of computer users in the Philippines.



Fred Reyes, founder and president of Godiva Inc.

BEWARE OF COUNTERFEIT MONEY.

HOW TO TELL IF IT'S THE REAL DEAL



Consider this: most if not all SMEs will be the recipient of fake bills at some point in their business lives. Nowadays, with sophisticated color copier machines, ink-jet printers, scanners and imaging software in widespread use, the probability of fake currency entering circulation has gone up.

In view of more refined production methods, being able to recognize what authentic money looks and feels like is a skill of utmost importance. You should be able to advise your clerks and cashiers on the basic security features of genuine money to help protect your business against fraud.

Forewarned is forearmed.

Currency expert Ms. Zenaída Gloria J. Ching shares some basic tips to help SMEs avoid falling prey to counterfeiters.

Ms. Zenaida Gloria J. Ching, an expert in spotting fake currency with more than 18 years experience at the *Bangko Sentral ng Pilipinas* (BSP) shares the following distinguishing marks of genuine money:

1 Real bills are rough and course in texture.

The term “paper money” is a misnomer as the bills are actually made of cloth. The material used in making Philippine bills is a combination of cotton and abaca fibers, thereby making them slightly grainy to the touch.

2 The portrait on the face of the bill is solid and life-like.

The biggest feature occupying the largest space in front is the portrait. It is bolder in color, and composed of well-defined lines that give it a 3D effect and make it stand out from the background. The eyes are made of concentric lines that provide the portrait with an animated appearance.

3 Vignettes at the back are depicted in rich detail.

Take for example the sketches featuring highlights in the life of Ninoy Aquino that appear at the back of the P500 peso bill. These designs consist mainly of finely defined lines separated by white spaces. Lacework and other background designs are likewise done in geometric patterns made up of intricate and well-defined lines.

4 Security colored fibers and metallic threads are embedded in the bill.

Red and blue fibers can be found embedded at random on the face and back of the note. A pointed instrument can actually pick these tiny fibers off. A metallic thread located vertically off center to the right is also embedded while printing.

5 A shiny band is placed vertically across portrait.

A 10-millimeter gold-colored stripe on which the figures 100, 500 or 1000 measuring 5 millimeter in height are printed can be found shimmering vertically off center to the left.

6 Paper feels substantial and solid to the touch.

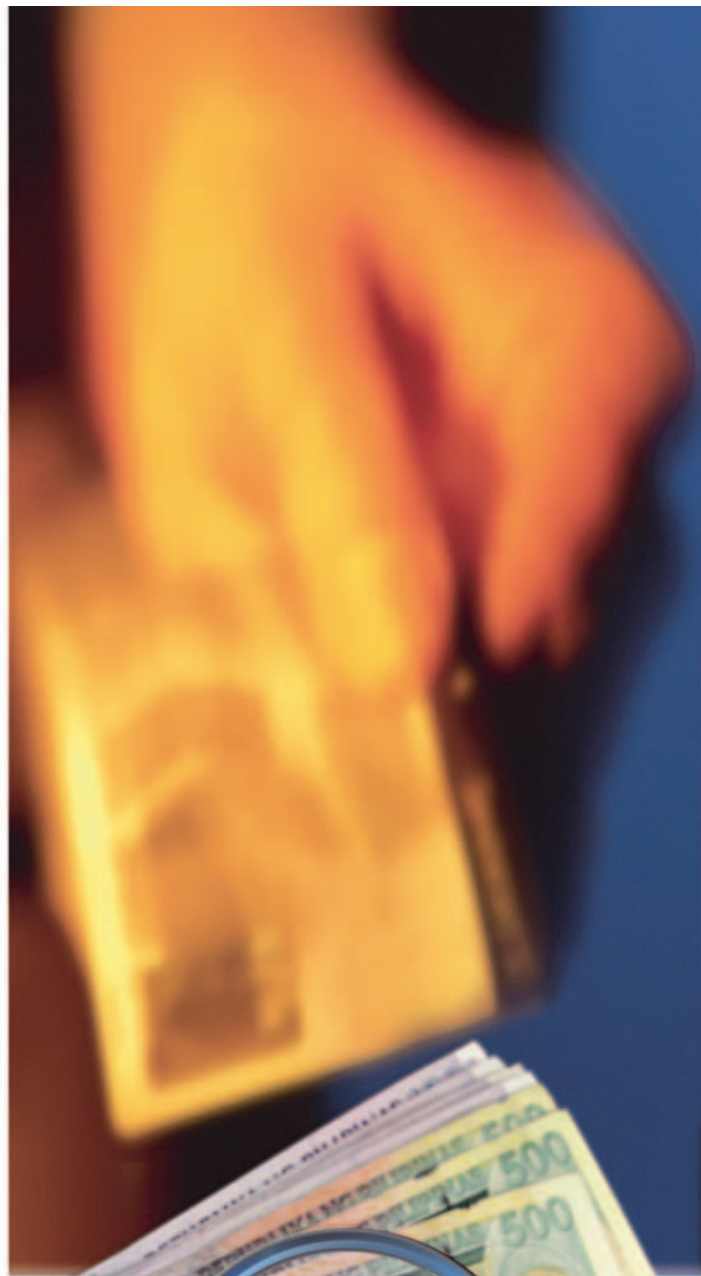
The uncut material with 32 pieces of money is ordered from abroad, and is subjected to tremendous pressure from a sharp machine to separate the bills in a printing process called intaglio. Consequently, paper money is packed solidly with no fraying edges and threads.

7 Watermark figure is distinct and well defined.

Perhaps the method most familiar to the layman when checking the authenticity of money, the shadow of the composite portrait appears in sharp detail against a clear field area when money is held against the light.

As live money exchanges hands everyday, being familiar with genuine bills will go a long way towards helping you preserve the rewards of your hard work. Forewarned is forearmed, so they say, and being knowledgeable about the basic visual and physical characteristics of money will help you avoid being victimized by counterfeiters.

If you should encounter fake bills, you may contact the Currency Analysis and Redemption Division or Investigative Staff of the BSP Cash Department at telephone numbers 524-2777, 523-9806 and 524-7011 locals 2296 and 2388. You may also get in touch with the nearest BSP regional or sub-regional office or cash unit.



WHO'S AFRAID OF THE WORLD WIDE WEB?

Not local fashion shoe label Figlia®.

Last year, the company joined a trade exhibit at the Philippine Consulate in New York City to showcase their wares to the American public. As interested parties flocked to their booth, company representatives realized there weren't enough printed sales brochures to go around.

Fortunately the Figlia® website was already up and running. A computer workstation was immediately set up, and with just a few clicks, the company's electronic brochure flashed on the computer screen, ready for viewing.

Plantersbank Vice President for Product Management and Marketing Adonis C. Yap clearly relishes telling this story. As head of the group tasked to improve key areas of business operations among SMEs, Ado has seen his fair share of clients who sharpened their competitive edge with a practical combination of traditional methods and technology tools.

Plantersbank pioneered the use of Development Information and Communications Technology (ICT) for SMEs in the country. ICT is a term that covers a wide array of technology-driven products, services and systems designed to boost organizational efficiency and productivity. Towards this end, Plantersbank developed *SME Proposition*, or user-friendly integrated packages aimed at radically transforming operations in the different areas of business operation at the least possible cost. Each *SME Proposition* comes with a free Pentium 4 computer and printer package plus a choice of licensed SME software bundle and no-cost training module courtesy of Plantersbank. The top-of-the-line package includes Accounting Solutions Made Easy (*AccountingSME*) software. *AccountingSME* is designed so that management information like accounts receivable and disbursement needed for decision-making is only mouse clicks away.



Plantersbank's Adonis C. Yap can help your company bridge the digital divide.

One of the perks of *SME Proposition* is automatic membership in the directory of ***sme.com.ph***, the country's pioneer virtual community of local SMEs. Set up in 2000 with the help of Plantersbank's foreign shareholder World Bank's International Finance Corporation, ***sme.com.ph*** is now a 200-strong online program that serves as a robust platform for business networking among member companies, trade associations and businesses overseas.

The ***sme.com.ph*** website in which SME sites are linked offers updates on laws and programs concerning SMEs, comprehensive links to government sites, electronic versions of feature articles from this magazine and a library of frequently-used government forms or

Development Information and Communication Technology will help manage businesses, cut costs and improve profitability



business e-books that can be downloaded at no cost. The *SME Toolkit* found in the site provides useful tips and tools on business planning and operations, sales and marketing, human resources, legal and finance matters.

Plantersbank offers clients website design and maintenance services at minimal cost. "I realized how much I can save by marketing on the internet," said Abel Luna of Fiesta Filipiniana Healthfood Corp., a producer of mushroom- and fruit-based products. "A one year investment for the website www.fiestaipilipiniana.com costs us less than one-twelfth of the annual contract for a small advertisement in a telephone directory."

To be able to provide the best results, Ado's group starts by conducting in-depth interviews with key officers of the company. "We make it a point to thoroughly understand the business and market before we even begin to tackle the concept," says Ado. Being an SME-focused bank, we are able to draw on the business sense of a banker and the artist's creative vision to roll-out of the web-based product." The company website may include customized web solutions like online brochures to e-commerce depending on the client's requirements.

Harnessing the power of the world wide web has proven extremely useful for companies engaged in the import/export business as well as those in services. World Link Couriers-www.worldlinkcouriers.com - for instance notes that linking up with sme.com.ph has helped level the playing field. "The internet is the great equalizer," according to company president and CEO Jacques Ruby. "Because of our internet presence, we are now able to effectively compete with large, international firms."

Given the conservative nature of the Filipino, how was Ado and his group able to persuade entrepreneurs to adopt modern ways and means of doing business, especially in the light of the much-publicized meltdown of tech share prices worldwide? "It's true we encounter resistance, particularly among the elders in the company, but the next generation is usually more receptive to us," says Ado. He adds, "We are able to convince them that technology will help them manage their business, cut costs and improve profitability." The basic principles of ICT, after all, are now introduced even to early-graders in school. And as recent developments have borne out, rumors concerning the demise of the internet are grossly exaggerated.

Aside from the smorgasbord of financial products and services normally offered by other banks, Plantersbank also offers the *Super Business Advantage* with the needs of SMEs in mind. With tailor-made services like easy bills payment, check writing, electronic payroll, customized checking, pick-up of checks for deposit via motorized bank messenger and post-dated check warehousing, this set up is extremely advantageous to SMEs.

In the end, Ado maintains the bank's passion and commitment to SMEs and their pioneering work and expertise in technology will help entrepreneurs grow their business and raise it to higher levels. As local maker of handcrafted ladies shoes Figlia® can attest, now is the best time to equip Filipino entrepreneurs with a truly global perspective.



Marketing on a shoestring budget

By HERBERT M. SANCIANCO

Through my years of conducting marketing seminars for entrepreneurs, a question raised by many participants concerns how to do marketing on a tight budget. The following are tried and tested marketing tools that have achieved significant results. In this case the term "shoestring" is the measure between the peso spent and the considerable value of return.

RETAIL

CREATE YOUR OWN CUSTOMER DATABASE by keeping track of regular customers through their business cards (if you do home delivery, note the address). Knowing what they buy, when they visit your store and the amount they spend will allow you to prepare a simple announcement ad of what is appropriate to sell to them on certain periods. Send the ad by e-mail, fax or mail.

DO MOBILE PHONE TELEMARKETING among your regular customers. With the MMS type of mobile phones these days, send a photo of the printed ad, or the items being offered to make them visit at the time you want (particularly on dead days).

LEAFLETTING is a must if the store is inside a commercial center. The leaflet can be a promo offer like a discount coupon, or a basic announcement ad. Let a member of the store hand them out, particularly on peak traffic periods. Create a leaflet from the computer, and mass-print using *Risograph*, or through a reasonably priced printing press for colored materials.

CUSTOMER LOYALTY PROGRAM is a simple but effective idea to make regular customers come back to the store. Customer gets something free when he makes the necessary minimum purchase.

SPONSOR A TV PROGRAM by being the occasional caterer, wardrobe supplier, set decorator or make-up artist to the program hosts or lead artists. Logo credits in the closing billboards help a lot in creating association with the program.

CREATE A WEBSITE and link it with as many search engines as possible. Search engine posting is normally free. Just make sure to update the website and place advertisements to draw in customers.

AGRIBUSINESS

ATTEND FOOD TRADE FAIRS and present your company's credentials as a supplier of vegetables, fish or meat or other food preparation ingredients.

CREATE A WEBSITE because sites devoted to this kind of business is limited in many search engines. Link it with as many food-related websites as possible.

ADVERTISE IN FREE ADS NEWSPAPERS by getting the usual free ad space portion, or pay just a small amount and post an ad at least 3 times. Repeat if there is good reader response.

SEND LETTERS TO TRADE ASSOCIATIONS AND ORGANIZATIONS and introduce your company and the materials you can supply. Get their attention by offering discounts or giveaways.

CONSUMER GOODS

CO-SPONSOR A SALES EVENT by supplying prizes in the raffle draw, or offering your slow moving product on discount and bundling it with a fast moving variant. In exchange, the store can include you in their advertisements.

UNDERWRITE STORE SERVICE ITEMS like customer claim stubs, cashier lighted pole, aisle identification boards or signs and bagboy uniforms. This is on-premise merchandising at its best and cost effective over the long term for customer contact point visibility.

USE DELIVERY TRUCKS AS BILLBOARDS by having the product photo either hand-painted or photo silk-screened to a sticker panel that can be installed on the sideboards of the delivery truck.

CO-SPONSOR COMMUNITY FAIRS OR FESTIVALS and use these special events to undertake a product sampling program, or be a selling venue for bulk sales.

DO PRODUCT BUNDLING, a simple promotion campaign that gives your brand a high value-for-money perception in the mind of target consumers. The bundled item can be a small premium item for kids (remember the pester power of this market), a useful household tool or the same product but of a smaller pack size at no extra cost.

ATTEND EXPORT TRADE FAIRS if the local market for your product category is highly competitive and your profit is often compromised to make a sale. It may be more rewarding and profitable to export your product overseas.

You may have a limited budget, but the number of creative yet inexpensive ways you can market your product is limitless.

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Portrait of the Filipino as a Global Entrepreneur

In the middle of our interview, Zorayda Amelia C. Alonzo, chairperson and chief executive officer of Small Business Corporation (SB Corp) rises from her seat to illustrate a point. "This bag was made by a former schoolmate, who is a Golden Shell* awardee," she relates. The handbag is fashioned out of common indigenous materials, but she directs our attention to the exquisite detailing of leather tassels interspersed with mother of pearl accents that are draped on the side.



Zorayda Amelia C. Alonzo, Chairperson and CEO of Small Business Corporation

The look is distinctly world class. "Nowadays, it's important to innovate on existing products and designs to make a mark in the export industry," she says.

SB Corp is the lead government agency that offers alternative modes of financing and credit delivery systems to entrepreneurs, and Ms. Alonzo has been a prime advocate of injecting high-value added activity so that local products and services can hold their own in the global marketplace. This principle holds true in the niches where the Philippines is highly competitive like giftware and holiday decor; high-end jewelry, clothing and accessories; home furnishings; fresh and processed food; electronics; and information technology (IT).

While there is no fixed blueprint for success, Ms. Alonzo cites the three buzzwords for creating world class SMEs:

1 TECHNOLOGY

Faced with globalization and lower trade barriers resulting from membership in the World Trade Organization, local enterprises need to acquire the discipline and develop the skills to be very efficient so their products can be priced competitively in the global arena. "Certain production and craft methods used by SMEs are no longer viable," says Ms. Alonzo. SMEs have to be well equipped to manufacture goods cheaply and efficiently.

She cites the rapid growth of local IT companies engaged in business process outsourcing (BPO) or those that pick up customer calls and process forms of international credit card and insurance companies. The competitive advantage of our country is the large pool of English-speaking and educated workers. So on any given day, browsing through the classified section of newspapers will yield recruitment ads for call centers and other companies pursuing software development, medical transcription, accounting and other backroom functions for big foreign companies.

2 FLAIR

Cheap imports are certain to flood the market now that the gates are open to intense competition, but what will make a product or service stand out is excellence of design. Filipino artists – animators

(continued on page 10)

Small Business Corporation Nurturing SMEs to Succeed

Created in 1991 by virtue of the Magna Carta for Small Enterprises (Republic Act 6977), SB Corp deals with wholesale and direct lending, equity financing and credit guarantees to cover SME loans endorsed by banks that have insufficient and/or no collateral.

It has contributed to the success of many SMEs and helped realize the dreams and aspirations of micro entrepreneurs and small to medium enterprises. Most of its beneficiaries have been husband and wife teams or sole proprietorships.

Its eligible beneficiaries are duly-registered enterprises majority Filipino-owned and/or -capitalized in trading and agribusiness, whether single proprietorship, cooperative, partnership or corporation, with total assets (including land on which office, plant and equipment are located) valued as follows:

Micro:	below P3M
Small:	P3M to P15M
Medium:	above P15 M but not more than P100M

As of August 31, 2000, the SB Corp has facilitated a total of P7.60 billion loans to 6,300 SMEs. Plantersbank is its most active institutional partner and the biggest conduit of its financing programs.

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*Highest recognition given to Filipino companies for excellence in exports by a board of judges headed by the DTI undersecretary for International Trade Group, and composed of leaders in government, industry, media and the academe. Awards program is held under the auspices of the Center for International Trade Expositions and Missions (CITEM).

and furniture designers for instance – are among the most creative and imaginative in the world. *Movement 8*, a group of Filipino furniture designers earned international acclaim by besting 600 other participants and winning New York City's prestigious International Contemporary Furniture Fair in 1999. In terms of sheer artistry and craftsmanship, Filipino talent has proven to be above par to competition.

3 ORGANIZATION

In numbers, there is strength. This is why Ms. Alonzo recommends entrepreneurs to form trade groups and industry associations. Instead of competing, SMEs can collaborate to fill large volume orders and guarantee the same quality output to their customers.

Faced with the economic power of China, the United States and Europe, organized SMEs in the Philippines need to be in a stronger bargaining position vis-a-vis other trading bodies.

Given the challenges and opportunities facing the Filipino entrepreneur, flair, technology and organization could very well be the touchstones upon which global pre-eminence can one day be achieved. ♦

A Journey with... *Continued from FROM THE PUBLISHER*

the SMEs long into the future. And it is the result of years of first-hand experience in working with SMEs, and of partnering with funding agencies, international organizations and government. With our focused implementation of our business strategy and model, we have become the bank we are today.

Plantersbank Today

From an asset base of P500,000 when we acquired Bulacan Development Bank, Plantersbank has grown to become the 22nd largest banking institution among 42 universal and commercial banks, 94 thrift banks and close to 800 rural banks. In terms of revenues, it is among the top 250 corporations with a nationwide network of 70 branches. And, for the past 12 years, Plantersbank is the recipient of numerous awards and citations from government, multi-lateral and guarantee institutions for excellence in SME finance.

How Did We Do It?

How did we transform our focus on the small entrepreneur into a dynamic force for the growth and transformation of our bank?

First, we were single-mindedly focused and committed to SMEs. From the shareholders down to the last staff member, lending to SMEs has become a passion and way of life at Plantersbank. We kept operations simple and strove for excellence.

Second, we learned to improvise and devise innovative approaches to lending to SMEs. Because SMEs do not have reliable financial statements, our lending officers learned to use surrogate indicators. Also we took advantage of government subsidies and incentives where these were available.

Third, we managed our credit risks. We consciously built a diversified loan portfolio. Because of the inherently higher risks in SME lending, we required our loans to be secured by hard collateral and/or guarantees from government guarantee institutions which also served as effective mechanisms to ensure financial discipline among our borrowers.

Fourth, we were always profit-driven. While we found purpose and fulfillment in dealing with SMEs, we never lost sight of the fact that we had to make profits to stay in business.

Fifth, we maintained a long-term orientation and a developmental perspective. We did not hesitate to walk the extra mile to ensure our clients' success. We did much handholding in helping clients improve and strengthen their operations.

Stake in National Development

But perhaps even more important than all these factors is the fact that in focusing on SME lending, we were aligning ourselves with an indispensable force for our country's economic development – the small and medium enterprises in our countryside. Throughout our partnership with the Filipino entrepreneur there was always this transcendent factor that we were not only doing business and making a profit, but we were also contributing in a vital way to national progress.

The great importance of SMEs in our national life cannot be overstated. After the apparent failure of past industrialization policies emphasizing the development of large enterprises, SMEs are acknowledged more and more as a promising strategy for stimulating economic growth.

Today, Philippine SMEs account for 90% of registered business enterprises, contribute 25% of GNP, and provide jobs to half of our labor force. They are considered a lead sector in stimulating economic growth, alleviating poverty and promoting a strong middle-class.

Recently, Her Excellency President Gloria Macapagal Arroyo, requested us to prepare a proposal for improving SMEs access to credit. Much of our recommendations have been adopted under the country's National SME Development Plan.

In recognition of the success of our Plantersbank model, we have been asked to share our SME learnings with other developing countries. We set up SME lending desks for the Punjab Small Industries Corporation in Pakistan and the Industrial Bank of Yemen. We have trained bankers from other developing countries such as Pakistan, Sri Lanka, China, Bhutan, Mongolia, Western Samoa. With IFC, we helped establish a banker's Training Center for SME lending in Vietnam, Laos and Cambodia. At the moment, one of our senior executives is posted with the Development Bank of Micronesia as senior adviser.

Success Stories, Doing More

We continue to innovate and refine our approaches. Convinced that microfinance is an effective strategy for poverty alleviation, we set up in 2001 the Micro-Enterprise Bank in partnership with IFC and FMO. The bank caters to the entrepreneurial poor.

We also set up **sme.com.ph** again with IFC to provide SMEs with web-based business solutions designed to help them manage their businesses better, expand markets and become globally competitive. Our web site is a venue for SMEs to reach foreign markets and grow their businesses on a global scale. One good example is Godiva, a natural skin care company, which developed their export market

(continued on page 20)



QUEEN FOOD
MANUFACTURING CORPORATION
SERVES UP

THE JOYS OF SUMMER



Summer is not complete without the ubiquitous *halo-halo*, a refreshing concoction of shaved ice laced with milk and mixed with bananas, sago, red and white beans, *nata de coco*, *kaong*, fresh fruits like sweet *camote*, jackfruit and *buco* strips, *leche flan*, *ube halaya* and ice cream.

Described tongue-in-cheek by visitors from abroad as ‘mix-mix’, this delightful Filipino snack is ambrosia during the hot and dry season. For the dish to hit that fabled sweet spot however would depend on the flavor and quality of the ingredients.

This is the recipe for success of Queen Food Manufacturing Corporation, a leading manufacturer and supplier of Grade A fruit preserves such as *nata de coco* (coco gel), *kaong* (sweet palm fruit), *garbanzos* (chickpeas) and *macapuno* to local supermarkets. The

company is also a major exporter to international specialty stores around the world.

The company traces its humble beginnings to a small kitchen in Daang Bakal, Concepcion, Marikina. “*Pangarap kong maging reyna ang aking matamis* (It was my dream to create the queen of sweets), is how Mr. Juan Roy Operaña, company founder and general manager describes those early days in 1964 when he started the firm with his wife. As a company driver in one of the biggest manufacturers

of sweets at that time, he noticed the huge business potential of fruit preserves and was able to persuade his wife to help him strike it out on his own. With an initial working capital of P 3,000, Mrs. Operaña would go to the Divisoria public market in the early morning and tend to 2 to 3 pots during the day while her husband took care of marketing. What was left unsold at the end of the day would be brought home to the family. This way, there would always be food on the table for their expanding household. At the very least, they were assured the family would be able to eat 3 times a day.

*With no formal schooling,
the couple nevertheless
has been able to develop
the fledgling enterprise
into what it is today—
the recognized leader
in processed fruit preserves
in the local food industry.*



Through hard work, perseverance and constant innovation to perfect the taste of their product, the Operañas were able to scale up operations, moving into bigger space and paying for rent six months in advance. They took a loan from Plantersbank and quickly established a reputation for being good payers.

With no formal schooling, the couple nonetheless has been able to develop the fledgling enterprise into what it is today—the recognized leader in processed fruit preserves in the local food industry.

At present, Queen Food's modern facilities and sales office are situated in a sprawling property located at 862 Int. Gonzales St., Concepcion, Marikina City. It is equipped with the latest technology in fruit processing and packaging and uses only natural ingredients. Queen Food also imposes strict quality control, making it one of only a select few local food businesses that have met stringent standards and guidelines set by the United States Food and Drug Administration (USFDA). This is perhaps why its quality products are very popular in international markets like Australia, Taiwan, Middle East, Europe and the United States.

The company has also met the approval of the Philippine Bureau of Food and Drugs (BFAD), Department of Health (DOH), Department of Labor (DOLE) and other government agencies.

The company policy to produce only purely organic and natural products is a tried and tested approach that served them well during the height of the *nata de coco* craze. Unlike other backyard operators, Queen Food desisted from using formalin and taking the quick route to easy money. The result: a stronger brand built on product reliability and quality.



Recipe for Success

The Operaña couple attributes the success of Queen Food to good old-fashioned hard work, perseverance and constant innovation to perfect the taste of their product.



Fruit of their labor

Queen Food earned the nod of the US Food and Drug Administration by using only natural ingredients and imposing strict quality control.

“Peak season for our products is during summer and the ‘-ber’ months,” says the youthful-looking Mrs. Operaña who at 72 years of age is still active in managing the business, “*pero mabenta rin kami sa tuwing may piyesta* (but sales are also high during town fiestas). With fiestas honoring different patron saints celebrated across the country throughout the year, the company is assured of a continuous market for their fruit preserves.

At present, a cross-functional management team composed mostly of the next generation of Operañas heads Queen Food’s dynamic organization. With decades of creativity, perseverance and hard work, Queen Food Manufacturing Corporation has indeed achieved the status of royalty by becoming a major player in the domestic and international market.

We are all the better for it for we can be certain our local culinary traditions—including *halo-halo* in summer—shall continue to thrive.

Queen Food Manufacturing Corporation
862 Int. Gonzales St., Concepcion, Marikina City
Telephone: (632) 942-1437 • 942-1452
Fax: (63-2) 941-0476
Website: www.queenfoods.com.ph
E-mail: queenfmc@i-next.ph

Queen Food stakes the company’s reputation on its products. Check out the following delicacies at leading groceries and supermarkets and find out why the company motto is “A product of good taste”.



- **NATA DE COCO** (*Coco Gel*) – Natural snack with high fiber content in delicious thick syrup that comes in natural white or festive green and red. Made of concentrated gel from fermented coconut water. Perfect for dessert or as ingredient in fruit mixes, tropical salads and bakery topping.

- **KAONG** (*Sweet Palm Fruit*) – Bite-sized palm nuts coated in thick syrup in natural white or decorative green and red. A tasty dessert or snack. Superb for fruit salads and mixes, or as topping for bakery products.

- **ABITSUWELAS** (*Sweet White Beans*) – Healthy high fiber treat in heavy syrup. Perfect for dessert or as ingredient in fruit mixes and tropical salads.



- **MACAPUNO** (*Coconut Sport*) – Sweet treat consisting of gelatinous coconut strings that can be eaten as is or as topping for ice cream and bakery products.



- **SWEET RED MONGO BEANS** – Healthy high fiber treat made of oriental mung beans in heavy syrup. Perfect for fruit mixes and tropical vegetable salads.

- **LANGKA** (*Sweet Jackfruit*) - Healthy treat with intoxicating aroma and oriental flavor of jackfruit. Perfect for dessert or as ingredient in fruit mixes.

- **GARBANZOS** (*Sweet Chickpeas*) - Select chickpeas imported from Mexico, Brazil and Argentina in delicious heavy syrup.



- **NATA DE PIÑA** (*Coco Gel in Pineapple Syrup*) – Concentrated gel from coconut water in natural pineapple syrup. Great and tangy ingredient for fruit salads and mixes, as well as refreshing tropical drinks.

Retaining Employees: Perks you can afford to give.

A lot of companies nowadays report that retaining good employees is becoming increasingly difficult. While most established companies throw money at the problem by offering more generous compensation packages to keep employees, entrepreneurial companies cannot afford to do the same.

Smart entrepreneurs are looking for low-cost ways to add zing to their benefits packages. To stay competitive, they must offer unique benefits packages tailored to the needs of its employees.

Most employers often fail to realize that some of the most effective things they can do to develop and sustain motivated, committed employees cost very little or nothing at all.

How do you make your company a more attractive place to work? Consider some of these perks you can afford:

1. Have a quarterly “Special Day-Off”

Close down the office for a day and treat your staff to a movie. Or you can go to a nearby bookstore and browse through books related to your business.

2. Flexibility

If possible, give flexible hours to certain employees who don't need to be in the office 5 days a week or who can do the work at home. Let's say, instead of logging 8 hours a day, 40 hours a week, the employee can report for work 10 hours a day with a day off on the 5th day. This is great for new mothers wanting to spend more time with their babies.

3. Let off steam

Do enjoyable stuff together. Go to a theme park and treat your employees to all the rides. Not only is it fun and inexpensive, but the scary rides will surely promote camaraderie among them.

4. Feed their bodies

A monthly lunch in a favorite restaurant is always a welcome break. If you're feeling more generous, how about providing your employees with free sandwiches and drinks all day every day.

5. Feed their souls

Give your employees two days of paid leave a year to do charity work. They can use the time to do volunteer work, join Habitat for Humanity during building season or attend an out-of-town retreat.

6. Wellness Reimbursement Program

Offer your employees not only a health plan but also a “wellness reimbursement program” where they can reimburse any expenses related to their “mental, physical, or spiritual well-being.” It can range from P5,000 to P10,000 a year per employee. Expenses can be reimbursed after presenting official receipts and these can include medicines, spa services, gym memberships and scuba diving lessons.

7. Feed their ego.

Recognize great work immediately. A pat on the back will be highly appreciated and won't cost anything at all.

In the end, study after study has shown that praise and recognition tend to build employee loyalty. People want to feel that what they do makes a difference. Money alone does not do this; personal recognition does.



Get the Most Out of Your Outdoor Ads

It need not be a huge billboard. It can be an extra large poster, a tarpaulin streamer or a painted section of galvanized iron sheet. It could be the metal shutter or the wall of your shop. But outdoor is by far the simplest and cost-effective advertising medium to manage.

Here are ELEVEN THINGS the Business Line staff put together to help entrepreneurs think about advertising outdoors.

Put the BIG IDEA up front. One of the most memorable signs for an outdoor advertiser is along the South Expressway – “A Business with No Sign is a Sign of No Business.”

Less is more. Practice the art of brevity. Use one picture and seven words or less of copy.

Use bold lettering. Avoid fancy lettering. To be readable at 30 meters, letters must be at least three inches high. At 130 meters, they must be at least a foot high.

Use art for impact. Images enlarged to “heroic proportions” are great for appeal.

Use color for readability. The most readable is black on yellow. Stick to primary colors. Stay away from reverse.

It all boils down to location, location, location. Use outdoor ads to tell drivers your gas station is down the road, or pedestrians that your store is across the street.

Outdoor is for quick reach.

With people switching to cable or the net, the prospective customer is likely to notice the outdoor streamer announcing your new product or sale across the street from the local grocery.

Visualize your art in context.

Have your outdoor sign reduced to about three inches high, so you can get the same size impression from across your office as driving by 30 meters away.

Check out the site before you set up. Your sign might end up in shadow, blocked by trees, power lines or construction.

Match your material to the conditions. A silk-screened polyester streamer will be brighter than a hand-painted one made of coco-cloth. But a tarpaulin streamer, though it costs a bit more, can withstand the elements many times better than polyester.

It need not cost you to turn out art. Desktop publishing systems, digital scanners and cameras allow entrepreneurs to create their own budget art. All you need is to store the material on a disk and have a reputable sign maker print it in the dimension and on the material of choice. Or you can print it out and have a local painter replicate it on the appropriate surface.

The Medium is the Message

What media should you choose to get your message across? Each one has a particular strength and your choice of one or more will depend on the objectives you want to achieve.

Newspapers are good medium for reaching people who want news, which can be delivered through advertisements, specialty ads or articles. Magazines are for more involved or focused readers. Radio is the most intimate, allowing you to spend time one on one with the audience. TV is most comprehensive. In the Philippines, television is fast displacing radio as the source of commercial and broadcast information among households. Outdoor advertising – from a silk-screened banner to floodlit photographic billboard – is the simplest and gets your message across 24 hours a day. Direct mail helps you take aim. Brochures provide great detail. Seminars are suggested when you want to sell yourself and your ideas.

Internet – useless for prospects unless it is advertised. Companies maximize exposure by including their website in calling cards, billboards, flyers, mailers, corporate giveaways, company vehicles and product labels. Trade shows are events to make contacts with purchase-minded people. Sponsorships build stronger relationships with clients or the community. Telephone marketing is most effective when used with another medium, e.g. mailer, Internet, etc.





Women and Children in Labor

By Atty. Portia Florendo

Our 1987 Constitution provides that the state shall promote equal employment opportunities for all. To implement this constitutional mandate, the authors of Presidential Decree No. 422 (as amended), otherwise known as the Philippine Labor Code, thought it wise to specifically prohibit discrimination against two special groups of workers: women and children, seeming to give official recognition of the Philippines' bias for male workers. Male workers are seen as more efficient because of the perception that men are the stronger sex. Or perhaps, business wise, male workers seem more efficient because they do not get pregnant and absent themselves for long periods of time.

As an employer, one should therefore be aware of the explicit acts that are considered discriminatory under the law:

- Payment of lesser compensation and/or benefits to a female employee as against a male employee, for work of equal value
- Favoring a male employee over a female employee with respect to promotion, training opportunities, study and scholarship grants solely on account of gender
- Discriminating against a child worker in terms and conditions of employment on account of age

The operative phrases on discriminatory acts listed above are "for work of equal value", "solely on account of gender," and "on account of age." The law is merely saying that employers must practice equal pay for equal work and provide equal opportunities for all.

Being a female or a child must never be the deciding factor in the grant of higher pay, benefits or other advantages. Moreover, employers must bear in mind that the willful commission of (1) and (2) is considered criminal under Republic Act No. 6725. Under the Implementing Rules of R.A. 6725, payment of lower compensation or benefits may be allowed if the basis between the rates of pay is founded on factors such as length of service/ seniority, location/geographical area of employment. What is important is that the factor is not gender.

Despite the mandate of equal opportunity and equal pay, there are special laws enacted which grant special privileges for women and children.

The succeeding provisions applies to all employers, whether operating for profit or not, and also includes educational, religious and charitable institutions. The government, government-owned and controlled corporations, employers of house help, or persons under the personal employ of another are not covered.

Women workers

A Nighttime work

Generally, employers are not allowed to let women work on certain hours of the night. Specifically, women workers are not allowed to work between 10:00 p.m. and 6:00 a.m. in an industrial setting and between 12:00 a.m. (midnight) and 6:00 a.m. in a commercial or non-industrial set-up. In an agricultural undertaking, women are not allowed to work during nighttime unless she is given a period of not less than nine (9) consecutive hours.

However, women may still be allowed to work during nighttime if the following circumstances are present: (1) The woman holds a responsible position, managerial or technical in nature, or if she is engaged to provide health and welfare service; (2) The nature of the work requires the manual skill and dexterity of women and the same cannot be performed with equal efficiency by men; (3) In cases of actual or impending emergencies caused by serious accident, fire, flood, typhoon, earthquake, epidemic or other disasters/ calamity, to prevent loss of life or property, or in cases of force majeure or imminent danger to public data, (4) In case of urgent work to be performed on machineries, equipment or installations, to avoid serious loss which the employer would otherwise suffer, (5) Where the work is necessary to prevent loss of perishable goods, (6) Where the women are immediate members of the family operating the establishment, (7) Under analogous circumstances as exempted by the Secretary of Labor.

B Women & Pregnancy

Employers are required by law to grant maternity leave with pay to women employees, but only to the extent covered by the Social Security System (SSS). Under the law, the SSS shall reimburse the employer 100% for the maternity leave benefit advanced, for the first four (4) pregnancies only, and after satisfactory proof of the advance payment and its legitimacy.

In order to be qualified for the maternity leave benefit, the female employee must have paid at least three months worth of SSS contributions within the twelve month period before the semester of her childbirth or miscarriage. The maternity leave benefit is computed based on the average salary credit of the female employee multiplied by sixty (60) days for normal birth or miscarriage or by seventy-eight (78) days for caesarian births.

Finally, to be entitled to the maternity leave benefit, the female employee must file a notice with her employer indicating her pregnancy and probable date of birth. The employer shall then forward the notice to the SSS. The employer is also required to advance the maternity benefit within 30 days from the filing of the maternity notification.

Employers should be aware that Article 137 of the Labor Code explicitly prohibits the following:

- Denying the maternity leave benefit to any woman employee
- Discharging any woman employed by him for the purpose of preventing her from enjoying the maternity leave benefits
- Discharging a woman employee on account of her pregnancy, or while on leave or in confinement due to her pregnancy
- Discharging or refusing admission to a woman employee upon return to work for fear that she may be pregnant again

Women & Marriage

Marriage is a very special contract under Philippine law. It is a contract promoted and protected by the State to the fullest extent of its capability because it is the foundation of our society. It goes without saying, therefore, that employers are prohibited from obliquely destroying this foundation by requiring, even if tacitly, as a condition for employment or for continuation of employment, that a woman must remain single. More so is it prohibited to deem as resigned or separated or to actually dismiss, discharge, or discriminate against a woman employee by reason solely of her marriage.

Child Workers

The age of majority in the Philippines is eighteen (18) years old. Child workers are therefore defined as those workers who are below 18* or those over but are unable to fully take care of themselves or protect themselves from abuse, neglect, cruelty, exploitation or discrimination because of a physical or mental disability or condition.** They are called minors.

As a general rule, we do not allow minors to work. This is perhaps because a majority of Filipinos value education and minors are supposed to be at school during this time. Also, in the ideal world, the parents are supposed to provide for their children and not the other way around.

However, the law also recognizes that ideals, more frequently than not, bow to the realities of life—especially the economically difficult environment we consider everyday. Therefore, minor workers are

divided into two categories: those between 15 – below 18 years old, and those under 15 years old.

Children between 15 years old to below 18 years old may be employed in non-hazardous/ non-deleterious undertakings as defined by the Department of Labor and Employment (DOLE) Department Order No. 4, Series of 1999:

- Work which exposes children to physical, psychological or sexual abuse
- Work underground, underwater, at dangerous heights or unguarded heights of two meters and above, or in confined places
- Work with dangerous machinery, equipment, tools, or which involves manual handling of transport of heavy loads
- Work in an unhealthy environment which expose children to hazardous processes, to temperatures, noise levels or vibrations damaging to health, to toxic, corrosive, poisonous, noxious, explosive, flammable and combustible substances of composites, to harmful biological agents, or to other dangerous chemicals including pharmaceuticals
- Work under particularly difficult conditions such as work for long hours or during the night or where the child is unreasonably confined to the premises of the employer.***

On the other hand, children under 15 years of age may be allowed to work only when the above conditions are not present plus the following additional conditions as stated in Republic Act No. 7610 as amended by Republic Act No. 7658:

- The child works directly under the sole responsibility of his parents or legal guardian who employs members of his family and provided the employment does not endanger his life, health, safety and morals, the employment does not impair the child's normal development, and the employer-parent/ legal guardian provides the child with the primary and/or secondary education prescribed by the Department of Education
- Where the child's employment or participation in public entertainment or information is through cinema, theater, radio or television is essential, aside from having his parent or legal guardian as direct/sole employer, the employment must not involve advertisements or commercial promoting of alcoholic beverages, intoxicating drinks, tobacco and its by products or exhibit violence. Finally, there should also be a written contract approved by the Department of Labor and Employment.

Once a child worker is legitimately employed, it shall be unlawful for employers to give them less pay and/or benefits merely on account of their minority.

Caveat : This is merely a general overview of our existing Labor- related rules. There are exceptions and limitations that may apply to each specific employer-environment.

*Under Republic Act No. 8044, the working youth was defined as those who are between 15 and 30 years of age.

**As defined under Republic Act No. 7610.

*** There are specific examples enumerated in the Department Order.



The Ultimate Test of Partners in Love: Becoming Partners in Business

by Chie L. Acosta

Our business began long before we first came up with the name, even before the thought of starting our own business entered our minds. From the time my husband and I met as classmates in college, to working together in the same company, to helping out in my father's business, we followed a very deliberate path. But not one we had planned ourselves. Looking back, there is no mistaking that it was all by some great design.

I wanted to be a doctor. My husband, or at least his family, wanted him to become a lawyer. I ended up choosing Broadcasting Communications because of financial constraints. My husband however had found his calling – which definitely wasn't law. He was in his element. Everyone saw him becoming a TV talkshow host, or at least very easily, a newscaster. It was very different for me, however, because I was – still am – painfully shy. But I discovered that I could turn out a decent read.

After graduation, we were both very excited to work in advertising and took the first offer. We learned very quickly that characteristic of work in this field is to be in a perennial state of stress, sacrificing sleep, social life, sometimes even bathing, which really would test the limits of any relationship, and any nose. Our bosses at the beginning doubted us working together and made every effort to assign us separately. It was indeed a challenge to keep our personal issues out of the small and stressful workplace, but what proved instrumental later on was the uniquely in-depth and comprehensive training we had in that company. While specializing in one area, we were forced to have a hand in everything – writing, conceptualization, design, media, etc. We answered directly to the Vice President who became one of my husband's biggest fans and,

as a fellow writer, recognized and helped me to hone my writing abilities. My husband was placed in charge of creatives and took command of presentations with "Buzz Lightyear-esque" articulateness (think BIG VOICE and BIG WORDS). We learned the ropes, all the ins and outs, anything to do with any department (except the financials). There were many times, though, when the combination of extremes (the amount of work being on one end and pay on the other) made us question our still being there. It was after almost two years when we saw the next turn in the path.

My dad had been in the publishing business for 10 years at that time, coming out with special publications such as Philippine Banking Almanac and Philippine Financial Almanac, coffeetable books including St. Luke's Medical Center at 90, etc. He needed my help, since I had been working with him since I was in grade school, so I was finally able to get an indefinite leave from the office and soon after submitted my resignation. With the increasing requirements from my dad's clients, my husband soon followed. We were surprised when a client from the agency followed him. With my dad's resources and experience, we were able to do the same things we did in the agency, even more – brochures, flyers, packaging, posters, then finally, the Central Bank coffeetable book which became a whole family affair (written by my mom). It was supposed to be temporary, but the projects kept getting bigger, until such time that we were awarded the Philippine Stock Exchange annual report project which started our annual report streak.

All these experiences of working together before setting up our own business seasoned our working relationship and allowed us to reach a natural intimacy and respect for each other's roles and capacities in the workplace. Our strengths and weaknesses are a perfect fit, as if our partnership had been a well-thought out design. Each day still reveals something new about each other, which can easily become a source of irritation during more hectic times, but it is also where the level of respect and understanding acquired through the years comes in handy. We realized that one of the biggest mistakes is to trivialize each other's "issues," no matter how "little." For example, my husband likes loud music while working while I need complete silence. So he got himself a pair of earphones. Our prayers too evolved from being needy and insecure to confidence and trust in God's plan. Everything was like pieces of a puzzle falling divinely into place.

It is now our joy to have this kind of personal stake in the work we do. Our clients are not just clients, they are friends. Even if it is infinitely easier to simply come up with hi-tech fancy-shmancy design, we pour out most of the sweat and spend the sleepless nights to find and create the best concept that is relevant and worth remembering beyond the striking visuals to make a lasting impact.

There is no secret recipe to how couples can successfully work together. At least, it's not meant to be secret. I consider as one of the greatest blessings to know that God is always there, ready to help and give wisdom abundantly when we ask, and that we can trust in complete security and confidence in His plans for us. I still can't wait to see what else He has in store. ■

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Applying for a Business Name



Choosing the right name for your new business is extremely important because it distinguishes your products and services from those of your competitors, and helps to establish your identity in the marketplace.

Who Can Apply?

Any individual who is at least eighteen (18) years old, or any juridical person who is doing business or proposing to do business in the Philippines under a business name are required to register under the business name law.

The Business Name Law or Act No. 3883, as Amended by Act No. 41476 and R.A. No. 863, requires that all businesses whether sole proprietorship/individual or partnership/corporation should register their business names with the Department of Trade and Industry (DTI) before the business starts operating.

How to apply for a Business Name

1. Choose a Business Name

Remember that your business name should describe the nature of your business. It should be comprised solely of any or all of the letters, numerals, and punctuation that are part of the English and Filipino language. The root word or words of the name shall also be considered. (e.g. "Island" instead of "Islander"). Submit at least three names in case your first preference is not available. If the name you have chosen is already registered or is similar to a name that is already registered, you may have to consider your next preference.

Business names that are not acceptable include those that are identical to business names already registered with the Department of Trade and Industry, the Securities and Exchange Commission (SEC), Cooperative Development Agency (CDA), Department of Labor and Employment (DOLE) or other government office authorized by law to register names.

Business names which are or whose nature of business is illegal, offensive, scandalous, or contrary to propriety; names composed purely of generic words; names which by law or regulation cannot be appropriated; names or styles used by the government in its governmental functions;

2. Search for a Business Name

You may use the online search facility at www.dti.gov.ph to find out if your proposed business name is still available and can still

be registered. However, it is only a preliminary search, meaning the name cannot be guaranteed as available until the final processing is completed at the time of registration.

3. Register your Business Name

Register your Business Name by completing the business applicant profile registration form that can be downloaded from the DTI website. When registering online, you should submit the following information:

- Tax Identification Number (TIN)
- Email address
- Zip code

If the business you are registering is a branch, a franchise or was acquired from a previous business, additional information such as the exact business name of the franchise, main office and/or certificate number and date of registration of the acquired business are also required.

You should also be able to answer the questions below:

- What is/are your business activity(ies)?
- What is/are your product(s) and/or services?
- What is your Philippine Industrial Classification System (PSIC) code?

4. Submit Documentary Requirements

Registration is not complete until a signed copy of the Transaction Reference Number acknowledgment form is given.

5. Pay your Application

The completed application and correct fee can be paid at the DTI office indicated in your Transaction Reference Number (TRN) acknowledgment form. The Officer attending will assess your application and determine the suitability of the business name. If everything complies, you will be issued with a certificate.

6. Validity

The certificate of business name registration is valid up to five years from date of registration.

7. Renewal of Business Name

Business name should be renewed within six months after date of expiration. Only a current proprietor of the business name can sign the renewal statement. If the proprietors have changed, it will be necessary for a 'Change of Particulars of Registered

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Business Name' to be lodged prior to, or at the time of renewal. If your business name expires, and you wish to continue using the name, you will be required to re-register the name. On receipt of the renewal statement, relevant documents and the renewal fee, a new certificate will be given to you, valid for five years.

8. Cancellation of Business Name

When your business closes down, cancelling your business name protects you by making sure that no one can operate a business under your business name without making a new application.

What are the requirements for business name registration?

For Single Proprietorship

1. must be a Filipino citizen, at least 18 years old
2. Two 2X2 color ID pictures of applicant which were taken within one (1) one year immediately preceding the filing of such application. The pictures must be identical, clear and signed at the back by the applicant.
3. Filipinos whose names are suggestive of alien nationality must submit proof of citizenship such as birth certificate, PRC ID, voter's ID, passport
 - (a) if the applicant has a foreign sounding name, acquired Filipino citizenship by naturalization, election or by other means provided by law, he must submit proof of his Filipino citizenship such as:
 - Naturalization certificate and Oath of allegiance,
 - Affidavit of election or ID card issued by the Bureau of Immigration and Deportation, or
 - Valid ID card issued by the Integrated Bar of the Philippines (IBP) or Professional Regulatory Commission (PRC)
4. Processing fee of P300.00 + P15.00 Documentary Stamp

For Corporation, Partnership and Cooperative

1. Accomplished application form
2. Certified photocopy of SEC and CDA registration and Articles of Incorporation, Partnership or Cooperative (by the board of secretary)
3. Board Resolution for the authorized signatory, if signatory is not one of the incorporators
4. Board Resolution for the registration of an adopted name/branch with specific address (if applicable)
5. Processing fee of P500.00

Renewal Requirements:

For Single Proprietorship :

- Original copy of Business Name Certificate
- If original copy is lost, affidavit of loss by the owner
- Two copies of latest 2x2 ID pictures bearing applicant's signature at the back
- Payment of Php300.00
- Payment for documentary stamp of Php15.00

For a Corporate Name Registered as a Business Name:

- Original copy of Business Name Certificate
- If original copy is lost, affidavit of loss by the owner
- Certified true/machine copy of the Securities and Exchange Commission (SEC) Registration Certificate and Articles of Incorporation by SEC or Corporate Secretary in each of the pages
- If registering an adopted name, board resolution for the use and registration of an adopted name
- Board Resolution to re appoint the authorized signatory, if signatory is not one of the incorporators
- Payment of Php500.00
- Payment for documentary stamp of Php15.00

through our web site. It was awarded the IT Excellence Award, the first and only major award given by the Philippine Internet Commerce Society.

Some of you may have also heard about Splash Manufacturing, the personal care products company established 15 years ago with a capitalization of only P15,000, mixing and bottling hair spray by hand in a small "accessoria".

The company is now listed in the Philippine Top 250 corporations with annual gross turnover of close to P3 billion.

We are also proud of Avatar Accessories, which exports fashion jewelry. The firm has won various awards including the prestigious Swarovski Jewelry Design Competition.

Tentay Patis, a Golden Shell Awardee, is also another great SME success story.

There are many more of these success stories among the more than 15,000 small and medium enterprises we have financed over the last three decades. As a banker, nothing for me is more gratifying than seeing clients succeed.

The Road Ahead

As we move on in our journey, we at Plantersbank will remain steadfast in our commitment to SMEs and to our vision of becoming globally-competitive and among the best managed banks. Our branches will be points of presence in SME-prime areas, offering a whole range of value-adding products and services for the Filipino entrepreneur. We have indeed been blessed, and as we savor our blessings, we commit to do more for the SME sector. It is in this spirit that I would like to seize the opportunity to invite MAP to join us in our journey with the Filipino entrepreneur.

MAP has been at the forefront in promoting good corporate governance, moral leadership and effective management in our country. Under your leadership, we can rally the business sector to support the SMEs.

All of us here deal with the SMEs in our everyday course of business. They are our suppliers, distributors, retailers, service providers, buyers and clients. As MAP members, we can treat them as business partners and allow them a fair return on their investments through timely payments, reasonable pricing and share with them technology, management skills and best practices. MAP can use its vast resources and influence to encourage others to do the same. Together, we can help create an enabling environment for SMEs to realize their full potential in the blueprint for national development.

This is a lofty dream, but as managers and leaders we all know that the greatest and noblest journeys begin with a single step. And it is the countless individual steps, taken together, that bring us to our most cherished destinations.

Like all of you, I do not know where the coming elections will take us or where our politics is leading us. But in the corner where I work, in the mission to which we at Plantersbank have dedicated ourselves, we know and we believe that we are helping a sector that is of great importance to our nation's future. And so long as we keep doing this, and SMEs continue to do their thing, we know there is hope in our country. ■