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ILLUSTRATION BY JEREMIAH IDANAN



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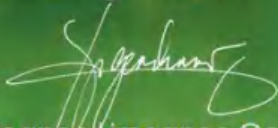
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**YVETTE TAN** WRITER

Yvette is a lifestyle writer and award-winning horror author. Her books, *Waking the Dead* and *Kaba*, are available in National Book Store and Powerbooks, as well as Fully Booked and Filbar's for the latter. She is working towards a world where it is permissible to wear flip-flops to a board meeting. For this issue, Yvette wrote our feature story about entrepreneurs who've made a 180-degree turn in their careers to go into business.



**JONATHAN BALDONADO** PHOTOGRAPHER

Jeeb is a Manila-based photographer, who regularly contributes to lifestyle magazines like *High Life* of BusinessWorld Publications, *Esquire Philippines*, and *FHM Philippines*, among others. This multimedia arts graduate from the De La Salle College of Saint Benilde is also the associate photographer at ShutterSpace Studios. Jeeb did the cover photo for this month's issue as well as the photos for our main feature.



**VINCENT COSCOLLUELA** PHOTOGRAPHER

Cos started as a freelance writer, then became managing editor of *GamesMaster*, a former Summit Media title, for almost two years. He took up photography after that, and has now been taking photos for a living for 10 years. He studied creative writing at the University of the Philippines, Diliman. He has two kids, Leelee and Simon. He loves playing board games and video games with his kids, and reading comic books during his spare time.

**PATRICIA MIRANDA** MAKEUP ARTIST AND HAIRSTYLIST

Tricia's love affair with cosmetics started in 1997 when she became an assistant product manager at VMV Hypoallergenic. She went on to become the brand manager of Max Factor Cosmetics in the Philippines before saying goodbye to the corporate world. It's been 10 years since she became a freelance makeup artist, and she believes she has found her calling. "I finally understand when people say they've found their passion, and to do anything else just doesn't compare," she says.



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# CHANGE IS EVERYWHERE



**T**his magazine isn't about making money. It's a magazine about change.

Of course, the thought of money, in all its expressions—profit, cash flow, savings, investment, etc.—pervades our pages, just as it must remain at the back of every entrepreneur's mind. We share our readers' concerns and preoccupations, as we should.

But, over and above the (relatively simple) matter of money, it's the far more intangible and complex reality of change that occupies all entrepreneurs. Constant, inevitable, unstoppable change is the one thing we all have in common, even as it remains one of the things that we worry about the most. More than money, change might well be why this magazine exists in the first place: We're here to help entrepreneurs make sense of trends, of competition, of the current needs of the market. Change might be largely out of our control, but with proper knowledge, preparation—and the right set of people around you—change is manageable. Change can be exciting, it can be powerful, and it can be fun.

We like to live what we preach, and so with this issue of the magazine, we are also announcing a big change: ENTREPRENEUR Philippines will now shift from print to a purely digital platform, beginning in February 2016.

This change comes along with the sweeping changes in the nature of entrepreneurs themselves, and even as our mother title, ENTREPRENEUR US, has just rebranded itself with a radically different banner. This is a response to the way our readership has changed, and how differently today's entrepreneurs approach business. We've come to recognize that our local audience may best be met and served online, and we're focusing our creative energies in that space.

This has not been a decision that's been made lightly. ENTREPRENEUR Philippines has been in print for 15 years, making it one of the stalwarts in the local publishing industry. I've had the privilege to work at this title over the last two years, and have been honored by being able to work with this singularly talented, dedicated team: Maricris Carlos, Frantz Salvador, Victoria Vizcarra, and Toni Antiporda, who have helped steer the title through some big changes over these past couple of years. We're going to miss the print version, especially since we've all gotten the chance to rub elbows with some truly unforgettable entrepreneurs, and work with some of the country's finest talents as contributors to boot. We've each grown, professionally and personally, in our roles, and we're extremely grateful to be part of this journey.

That said, we embrace this change, and we hope to translate the same quality of work in print into the online version of ENTREPRENEUR Philippines. The digital world is an exciting new space, and there is much exploration to be done; we hope that you can join us as ENTREPRENEUR Philippines steps into this next phase.

**Kristine Fonacier**  
EDITOR IN CHIEF

Producing a magazine is never easy, that is why I jest about having a "love-hate relationship" with my job. It's a hard grind. And it just sucks sometimes. Having said that, being part of ENTREPRENEUR Philippines will always be special for me. It was a really great experience. And I feel absolutely grateful to my editors for trusting me. Thank you guys. Group hug later.  
**FRANTZ SALVADOR**



I'm lucky to have had the luxury of a job I truly loved: Working at ENTREPRENEUR was engaging and challenging, gave me the chance to learn from some of the most talented people in the industry, and most importantly, let me meet new friends. Goodbye, ENTREPRENEUR. We'll always have Persiana.

**VICTORIA VIZCARRA**



It was hard work, but it was such fun getting this magazine to print every month. We can only hope that with every issue we inspired aspiring entrepreneurs to take the plunge. May your cash registers keep on ringing and your customers always happy.

**MARICRIS CARLOS**



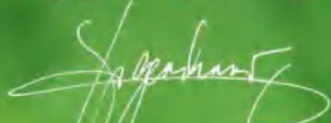
It's actually a dream come true for me to be working in ENTREPRENEUR Philippines—my mother and I have been avid readers and collectors of the magazine since 2000. But, as with all good things in life, it too has come to an end. But I also know that its spirit will live on, especially in the lives of its readers who've gathered the courage to become their own bosses.

**TONI ANTIPORDA**





"Kumpletuhin ang sarap mula babad, hanggang paghain."



Chef Joanne Limoanco-Gendrano  
Executive Chef, Unilever Food Solutions

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# FEEDBACK



## HAPPY READER

I have been reading your wonderful magazine since 2010. There is always a lot to learn in each and every issue even though I have been a follower of your mag for so long. I have honed my skills at being a *sari-sari* store owner from 2004 to 2011. I've tried making it online since then (I have an online anime/comics store), but now I'm ready to make it into a brick-and-mortar shop.

**Maria Patricia Ramona Guerrero**

Via Facebook

.....  
>> Thank you for your kind words, Maria Patricia. And great to hear about your online anime/comics store and your plans for a brick-and-mortar shop. It's why we love being part of ENTREPRENEUR—to help people stretch themselves in their business endeavors.  
.....

## HELP DESK

I have a problem with my food business. I'm thinking of giving up after two months of running it because I have so many competitors in the area, which is near a school. I'm upset about it and I want to quit. What shall I do?

**Fitz**

Via Facebook

I am one of your avid readers. I really love your posts because it gives an idea on how to become a millionaire (or a billionaire, who knows?). I am a trainer in one of the BPOs here in Makati. I do love my job and enjoy what I'm doing. The pay is good, but not enough to build a family. I just got married last year and my

wife recently got pregnant. I have a few debts which include my car loan. I am an average Filipino who did not come from a rich family. These past few days, I've been thinking about going into business. Like many others, I've always wanted to be financially free. I don't know if this is a normal thing but business is always in my mind. No matter where I go, whoever I speak to, business always comes up. Now my question is, what do you think it tells me?

**Darvin Tan**

Via Facebook

>> Fitz, one of the traits of an entrepreneur is high adversity quotient. However, if the numbers are not correct, no amount of high adversity quotient will help you run a business. In the retail food business, there are fundamental numbers that must be in place. If they are not, it will be a case of throwing good money after bad.

**A.** Food cost must be between 27 and 32 percent of sales.

**B.** There are two monthly fixed cost that must be paid: rent and payroll. Rent must be paid for by two days average daily sales. Payroll must be paid for by three days average sales. Average sales is a reflection of the competitive environment in your area.

**C.** The full investment must be recovered in the first six months. If P6 million was invested (it does not matter if it was capital or loan), the average monthly sales must be half a million a month in the first six months.

If these fundamental numbers are not met, the retail food business is not viable and will never make a return on investment.

>> Darwin, financial freedom is the objective of every person and entrepreneurship is one of the vehicles to achieve this. But keep in mind that working full-time is not mutually exclusive to entrepreneurship. There are 24 hours a day. You work eight hours a day. You commute three hours a day and sleep eight hours a day. That leaves you only six hours for entrepreneurial ventures.

Start with a home-based business to test your product or service. A food business is always safe. If the food does not sell, it can be consumed by the family. If it sells, it can be moved to a more visible commercial area.



**Dr. Alejandro "Andy" Ferreria is the CEO of ACE-ME and one of the Gurus of the Master in Entrepreneurship Program at the Ateneo Graduate School of Business.**

## WANT YOUR BUSINESS FEATURED IN ENTREPRENEUR.COM.PH?

Drop us a line at [letters.entrepreneur@summitmedia.com.ph](mailto:letters.entrepreneur@summitmedia.com.ph), tell us in two to three sentences why we should feature your business. You can send us your company profile, but no more than a page, please. We'll get in touch with you if we think your story would be interesting for our readers.

## CORRECTION

A story entitled "Moving Money" in our October 2015 issue was erroneously credited to another writer. It should have been attributed to Zar Castro.

ILLUSTRATION BY ARNOLD



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January 14-15: Topics on Cutting Cost Without Cutting Corners

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# Heartiest Congratulations!

To the winners of the Asia Pacific Entrepreneurship Awards 2015, we applaud your excellence in responsible entrepreneurship emulating strong commitment, advocacy, integrity and leadership in Philippines. Not only have you come to rise through your sheer entrepreneurial qualities, but also help raise others around you with your strong leadership backbones throughout your journey. Congratulations on being part of an elite group in Philippines to receive Asia's Most Prestigious Awards for Entrepreneurs.

## RECIPIENTS OF THE ASIA PACIFIC ENTREPRENEURSHIP AWARDS 2015, PHILIPPINES

### ENTREPRENEUR OF THE YEAR



**TONY TAN CAKTIONG**  
Jollibee Foods Corporation

### WOMAN ENTREPRENEUR OF THE YEAR



**VIVIAN QUE-AZCONA**  
Mercury Drug Corporation

### MOST PROMISING CATEGORY



**ABELARDO M. TOLENTINO, JR.**  
Aidea Inc.



**JOSE MARIA P. ZABALETA**  
Bronzeoak Philippines, Inc.

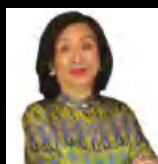


**MELECIO C. MALLILLIN**  
Charter Ping An Insurance Corporation

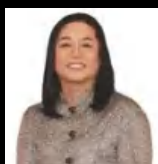


**RAJAN KOMARASU**  
Concepcion Industrial Corporation

### OUTSTANDING CATEGORY



**CAROLINA S. OSTERIA**  
ACM Landholdings



**JOEL S. CRUZ**  
Aficionado Germany Perfume



**ROSANNA "RIA" V. VERGARA**  
Cabanatuan Electric Corporation (CELCOR)



**BEVERLY M. DAYANAN**  
Contempo Property Holdings Inc.



**RAMON GARCIA, JR.**  
DFNN, Inc.



**HAILE PARGAD "JACK" BITENG**  
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**ENGR. LEONORA B. SALVANE**  
GTCosmetics Manufacturing, Inc.



**FERNANDO L. MARTINEZ**  
Eastern Petroleum Group of Companies



**DR. MILAGROS O. HOW**  
Universal Harvester, Inc.



**ESTHER A. VIBAL**  
Vibal Group, Inc.



**NORMITA A. LANSANG-VILLARUZ**  
Villaruz, Villaruz & Co., CPAs



**GLENN Z. ESTRELLA**  
Yondu, Inc.

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## IDEAS

# DOLLED UP

Bunso's art cloth dolls capture a piece of local culture



Sophie Secco was born and raised in the south of France, but after living in the Philippines over the last eight years and loving the experience, she decided to give back by making dolls that capture the Filipino culture. With Bunso art cloth dolls, she says, "I really wanted to participate in the cultural brilliance and create a little company [that] can give work and salary to people, and in particular, mothers."

"Each doll is unique; the faces are hand-painted. The expressions of the faces, the hair, the color of the eyes; small details [like that]," says Secco, who left France with her children in 2005 to live in Spain, before eventually settling down in Cebu. For added authenticity, the clothes

are intricately made using local materials like abaca, corn leaves, banana leaves, and bamboo. Each doll also has a name, and comes with a small booklet explaining an aspect of Philippine culture. While children are also drawn to the dolls, these are often bought as collectibles by doll aficionados, souvenirs by tourists, or as cultural pieces by locals.

It takes two to five days to finish a single doll, depending on the amount of detail that goes into it. Secco creates the patterns for the dolls herself, which are then made by needlewomen and artists in Cebu. Before Secco decides on a new design, she first discusses its feasibility, materials to be used, and how to produce the doll with her five-man team of Cebuano artisans.

Depending on the model, a handcrafted Bunso doll can go for P1,500 to P4,000 apiece; on average, around 30 are sold in a month. Bunso art cloth dolls come in a variety of characters, but the bestsellers are those in traditional garb, such as *Filipiniana* or *Ifugao* costumes. Also popular are the farmer and fisherman dolls; and one dressed up as Reyna Juana, a popular character celebrated during the Sinulog festival. When thinking up designs, Secco says, "My inspiration comes from the Philippine lifestyle [I] discovered during my trips all around the country."—Victoria Vizcarra

### LOVE LOCAL

"In creating Bunso art cloth dolls, my desire [was] to share the culture of Filipinos, while enabling mothers to work from home, so that they can earn money while taking care of their children," says Sophie Secco, who moved to the Philippines eight years ago.



**FEAR FACTOR**  
 "I've always been afraid of the kitchen until my sister Bim and I took a recreational cooking class, which opened the world of cooking for me," recalls Back of the House co-founder and managing director Booboo Atayde Alvendia.

# OPEN KITCHEN

Back of the House's flexible kitchen, a place for both casual cooks and food 'treps

**D**espite its name, Back of the House is much more than just a kitchen for rent. In fact, the venue's range of uses is limited only by the customer's own creativity, whether you're a professional chef, entrepreneur, or just a foodie looking for a setting to hold an intimate gathering.

Spanning 70 square meters, Back of the House is equipped with eight cooking stations and can accommodate up to 40 people. A kind of kitchen-away-from-home, its doors are open to entrepreneurs who are looking to use it as a short-term commissary to fulfill orders, a test kitchen to try out new recipes, or a place to host cooking classes. It's also an events space that can host private dining or cooking parties for families or corporate teambuilding, or even as a 'test-aurant'—a place to test your restaurant concept before pursuing a full-blown establishment. On weekends, Back of the House also serves as a cooking school.

Back of the House soft opened in August and was in full operations by September. It is the brainchild of entrepreneurs Jose Gaerlan, Booboo Atayde Alvendia, Cynthia Diaz,

Marivic Del Rosario, and Bim Zulueta.

Alvendia, managing director, says, "We all wanted the idea of a shared kitchen closer to home—a place where ordinary people can just come together and cook together and eat together, a community kitchen where people can learn recipes, get help with their food businesses or anything else you can think of."

Back of the House can be booked by reservation (per hour or per day) and only opens when there is an event booking or a class. For private dining, Back of the House offers Spanish, Mediterranean, Italian, Filipino, and Thai cuisine.

Back of the House has hosted private business dinners, family meal get-togethers, bloggers' events, and cooking parties. "You have to understand that when you reserve Back of the House for a dinner, you are our only guest. You have the place all to yourself," says Alvendia. "[Families] like having the place all to themselves and still taste restaurant-quality food, since we work with them in crafting the cuisine and menu that their family would want. It's customized to the last detail."—J.E. Ramos



PHOTOS BY JONATHAN BALDONADO

# BLOOD WILL TELL

A Pinoy-engineered home dengue test makes diagnosis easy

Every year, 400 to 800 people die in the Philippines because of dengue fever.

Thankfully, a team of scientists at the Research and Biotechnology Division of St. Luke's Medical Center, assisted by the Department of Science and Technology, developed a test, that makes diagnosis faster and easier, and that, in turn, may reduce death rates from the disease.

Dr. Mark Pierre Dimamay, a member of the research team who spent the past two decades studying the lethal virus, had actually been able to develop laboratory-based tests, which they had been using since 1998. But these were costly, requiring both the skills of a trained professional

and expensive lab equipment. The new test needs neither. "Our dengue kit can be used anywhere and anytime, even by the patients themselves," he says.

The kit, which is single-use, works similarly to a pregnancy test, except that it uses a pinprick of the suspected dengue patient's blood instead of urine. After applying the drop of blood on the kit, it only takes 15 seconds to get results. "With this kit, patients do not need to go to a hospital to have themselves tested for dengue," says Dr. Dimamay.

Once the kit is mass-produced, people should be able to obtain it with ease, either at a drugstore or a *barangay* center. "With dengue outbreaks occurring annually, this

will be very helpful as a diagnostic tool for the communities, and even schools." While there are similar tests available in the market, these either detect only the antibodies against dengue, which may take four to five days after the fever hits before manifesting; or must be used by trained healthcare professionals.

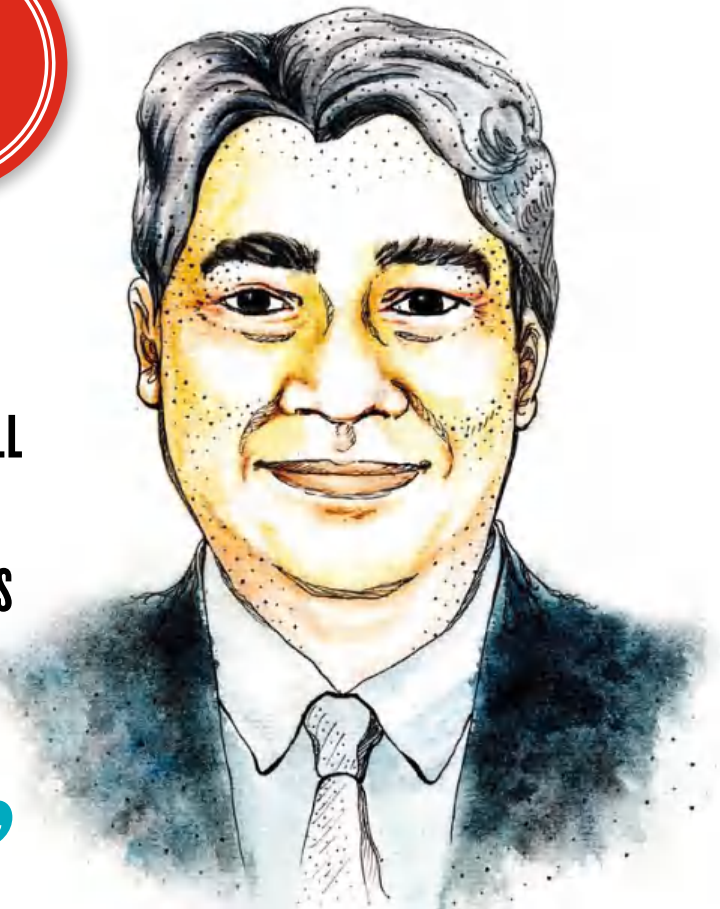
While the team still needs to do field trials to see how the test performs in the real world and get the necessary permits, the kit—which Dr. Dimamay has unofficially christened "Dengue Check"—should be ready for mass distribution by the end of 2016. "We need to find an industry partner whom we can license to manufacture and help bring the kit to the market."—Mikael Angelo Francisco



ILLUSTRATION BY JAMES JOHN ANDRES

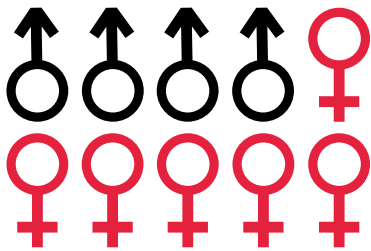
## FIGHT THE FEVER

Lab-based dengue tests already exist, but these are expensive and have to be performed by medical professionals. Dr. Mark Pierre Dimamay and his team realized that there was a need for a more convenient and cost-effective way to test for dengue that could be used by an ordinary person without the need for expensive laboratory equipment.



“BY DEVELOPING RETURNING OVERSEAS WORKERS INTO EXPORTERS AND ENTREPRENEURS, WE WILL BE CREATING A NEW STREAM OF EXPORT REVENUES. WITH THE PHILIPPINE EXPORTS ROAD MAP IN PLACE, WE ARE LOOKING AT MORE ENTREPRENEURS AND EXPORTERS BREAKING INTO THE GLOBAL MARKET.”

TRADE UNDERSECRETARY ADRIAN CRISTOBAL JR.



**6 IN 10**

RATIO OF WOMEN OFWs TO MEN, ACCORDING TO DATA FROM THE CENTER FOR FILIPINOS OVERSEAS

**\$26.93 BILLION**

TOTAL AMOUNT OF OFW REMITTANCES IN 2014, UP FROM \$25.35 BILLION IN 2013, ACCORDING TO DATA FROM THE BANGKO SENTRAL NG PILIPINAS

**600,000**

ESTIMATED NUMBER OF BALIKBAYAN BOXES PASSING THROUGH CUSTOMS EVERY MONTH, AMOUNTING TO 7.2 MILLION BOXES A YEAR, ACCORDING TO DATA FROM THE DEPARTMENT OF FINANCE AND THE BUREAU OF CUSTOMS

**138 IN 174**

RATIO OF REPATRIATION CASES HANDLED BY MIGRANTE'S RIGHTS AND WELFARE ASSISTANCE PROGRAM INVOLVING FEMALE OFWs, MOST OF WHICH INVOLVED OFWs WHO WERE OVERWORKED, UNDERPAID, OR PHYSICALLY, VERBALLY, AND EMOTIONALLY ABUSED BY THEIR EMPLOYERS

“To attribute ‘reverse migration’ to so-called ‘inclusive growth’ is outright deceitful and misleading. With the record-high unemployment rate and the lack of a comprehensive and sustainable reintegration program for returning OFWs, a so-called ‘reverse migration’ will not be tantamount to Aquino’s claim that OFWs have been opting to come home for good. Filipinos will not be stopped from being forced to leave the country in search of ‘greener pastures’ abroad, and so the cycle continues.”

SOL PILLAS, SECRETARY-GENERAL OF MIGRANTS' RIGHTS GROUP MIGRANTE INTERNATIONAL, REACTING TO PRESIDENT BENIGNO “NOYNOY” AQUINO III'S CLAIMS DURING HIS LAST STATE OF THE NATION ADDRESS THAT MORE OFWs ARE COMING HOME FOR GOOD THANKS TO IMPROVED ECONOMIC CONDITIONS IN THE COUNTRY.

“While driven by good intentions, these practices leave OFWs with zero savings, even incurring debt, when they’re supposedly earning more.”

REGISTERED FINANCIAL PLANNER ALVIN TABANAG, FOUNDER OF PINOY SMART SAVERS LEARNING CENTER, ON THE HABIT OF OFWs OF SENDING ALL THEIR SALARIES TO THEIR FAMILIES AND NOT SETTING A BUDGET.

# UP FOR GRABS?

The etiquette of sharing clients within your network

**Q:** The client of a close friend and member of my networking group approached me about a consulting project. If I take the project on, am I poaching? Should I give my friend a heads-up to give her a chance to revive what may be a fallen relationship?

**A:** It's not your job to perform CPR on a colleague's business relationship, friend or not. However, before moving ahead, make sure everything in this situation is what it appears to be. Information will help clarify your ethical responsibilities.

Ask the potential client where things stand. Did the previous project conclude naturally, with the scope of work completed, including a wrap-up meeting with your friend? If so, let your friend know her old client just tapped you for a project—but keep details to a minimum. It isn't uncommon or unethical for companies to sample talent by hiring different people.

But if the project your friend worked on had a messy ending—or is ongoing, and the client expects you to step in to finish (or redo) it—there are ethical

issues to consider. Would you be compromising your values around trust, integrity, or relationships by stepping in on an unresolved situation, especially when a friend is involved? How has the client handled the situation—would accepting the job make you look like you betrayed a friend and took advantage of a relationship stumble? How would you feel if you were dropped from the networking group? That may sound overly dramatic, but until you clarify what's really going on, you leave yourself open to criticism.

After learning all you can, if you still want the work, call your friend. Tell her you were approached by one of her former clients and you're considering taking the job. Listen to what she says and go from there in terms of your decision. It is far easier to avoid ethical problems when we look at the total picture of an issue, viewing it from multiple perspectives to see beyond our self-interest to the larger impact.

**Q:** We signed a contract to deliver a new application of our product. My partner was upfront and said we hadn't done this type

of work before, but after checking with our tech team assured the client we could handle it. I am concerned we can't deliver.

As a startup, we succeed about 80 percent of the time when taking on new kinds of work. We don't disclose the risk to clients because we don't want them to amend contracts to protect their interests. I'm not worried about being sued if we fall short, but I am uneasy about the ethics of our process. What do you suggest?

**A:** This sounds like an ideal time for your leadership team and investors to sit down and look at the pros and cons of your current system, which hands all the risk to your customers. This undermines whatever other efforts you may be making to promote ethical behavior in the organization. What if the focus of the meeting, to borrow from leadership guru Stephen Covey, is "Think win-win"?

Some items you should discuss when thinking about an ethical work environment and customer trust: What threats are likely to emerge from the current way of doing business as you grow? What collaborations, resources, approaches, or standards could be leveraged to increase the tech team's ability to successfully build experimental products? When leaders give assurances to customers, what should that mean? What values do you hold yourselves accountable for as you develop products and client relationships? How can more transparency benefit your company and your customers?

Taking a leap of faith is part of the entrepreneurial DNA, and "thinking win-win" makes it enduring, increasing the likelihood of a sustainable business and fostering customer loyalty.

—Gael O'Brien

**Gael O'Brien** is publisher of *The Week in Ethics* and founder of coaching and consulting firm Strategic Opportunities Group. Follow her on Twitter, @gaelobrien.



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# TREP TOOLS

**MONEY**

## A CAPITAL IDEA

Make sure your financial projections are spot on

WRITTEN BY **CHARLENE PE**

**D**uring the first few months of its operations, fashion and home decor retailer Flying Dutchman tried to keep its costs to an average of P50,000 per month, the budget which owner Jonathan Tolentino determined when he started the business four years ago. Tolentino figured the P50,000 would cover expenses for the business, which at the time had an online and occasional bazaar presence.

But as sales improved, the retailer decided to open a physical store in 2012. Tolentino had to adjust Flying Dutchman's financial forecast as he had to take on monthly rent and a bigger budget to buy stocks to meet stronger demand. The company, however, underestimated its capital requirements by 50 percent as it did not anticipate inventory flow and failed to account for the cost of reordering items. As a result, Flying Dutchman lost potential sales.

In hindsight, Tolentino says the problem could have been prevented if he had been more careful and conscientious in projecting the company's funding needs.

The importance of forecasting cannot be overemphasized. A startup won't be able to break even if there are big discrepancies between its expected and actual expenses, says Dr. Alejandrino Ferreria, president of the ACE Center for Entrepreneurship and Management Education Inc., a joint venture partner of the Ateneo Center for Continuing Education (ACE) in Rockwell. >>

12/2015-01/2016

**MONEY**

**START IT UP**

**DOING BUSINESS**

**TECH**



ILLUSTRATIONS BY WARREN ESPEJO

# MONEY

Henry Ong, a certified management consultant and president of the Young Entrepreneurs Society Philippines, says ideally, startups should project how much capital they need for their first five years. But they should prioritize forecasts for the first six months, first year, and the following year, as they are critical to the success of the business, he stresses.

Making sure your startup will have capital during the early months or years depends on how accurate you're able to project your funding needs and sticking to targets. Here are some pointers.

## > IDENTIFY COSTS

Make sure you account for both flexible and variable costs. Fixed expenses are cost that are independent of production or sales volume, while variable costs change proportionally to changes in production. Startups should consider one-time costs like incorporation fees, as well as utilities and other ongoing costs in the course of the business. "The higher the fixed expenses, the higher the break-even. Variable expenses [allow you to] fine-tune your gross profit or margin. The higher your margin, the greater the chance for your business to survive, assuming you have regular volume sales demand for your product or service," says Ong.

Startups should also be able to distinguish between essential and optional expenses. Outsourcing, for instance, is an optional expense, which startup owners should avoid when possible. When they were just starting out, for instance, instead of outsourcing jobs, Tolentino and his partner opted to do everything themselves, from delivering merchandise, sourcing materials to setting up the company website, and manning their store.

Flying Dutchman's essential expenses include rent and production costs. Manufacturing cost consists of labor—a fixed cost—and materials cost, which varies according to the production volume. Since maintaining a physical store, Flying Dutchman has been paying a fixed monthly rent, too. "[Rent expense] automatically reduced our sales margins. Having a fixed cost pushed us to sell more and develop more products. At first, we thought that our pricing should depend on our expenses, but we eventually realized that we don't really have to sell our



## A startup won't be able to break even if there are big discrepancies between its expected and actual expenses.

products with very high margins. [What] we have to focus on is to develop the right product that has a quality that would justify its retail value," says Tolentino.

Flying Dutchman's variable costs mostly consist of buying merchandise, a cost, which fluctuates from time to time. To cope, the company monitors its supplier's prices and ensures that inventory costs won't significantly affect margins. If the supplier's cost increases by more than 5 percent, Flying Dutchman buys from another supplier who can offer the same, or a better, value, says Tolentino. "It's important to be aware of the things that could affect your business like the behavior of costs in the market. You have to be more patient in finding the right supplier that could give you good quality at the right cost. Don't stop with just finding one, go around, ask around, compare, then finally decide."

## > SET UP A BUFFER

Ferreria says that businesses should be conservative in their business forecasts

and be ready for contingencies. Ong says businesses should use their own judgment to estimate a percentage of the total budget that will serve as a buffer for contingencies. As budgets are only meant as a guide, there will most likely be discrepancies between the projections and the actual expenses, and businesses should focus on controlling and maintaining the variance at a reasonable level, he adds. This could mean making cuts in other areas, adjusting the scope when expenses go beyond estimates, or saving when earnings are up, to be able to have a security buffer.

Apart from having money set aside for emergencies, Tolentino uses the spare cash to take advantage of business opportunities as they become available. "Our savings are intended for [future businesses and emergency expenses, which are] important for our growth and security...Aside from emergency expenses caused by forces of nature and unexpected costs, we treat an opportunity as an emergency expense. A very good timing for a new business doesn't just

## COST CHECKLIST

Make sure you've accounted for these costs in your projections.

### ONE-TIME FIXED COSTS

#### Equipment

This refers to the cost of buying machines to be used in the startup.

#### Legal and incorporation fees

This refers to SEC registration fees and other legal fees required to set up a business.

#### Furniture and fixture

This refers to the cost of purchasing office furniture such as chairs, tables, and cabinets.

### ONGOING OR RECURRING COSTS

#### Rent and lease expense

This consists of the cost of renting property such as office space or leasing equipment such as machines. Rent is usually paid on a monthly basis, while payment of leasing fees depends on the agreement with the lessor.

#### Utilities

This primarily refers to the cost of using electricity and water in day-to-day operations.

#### Salary expense

This refers to the salaries of non-manufacturing employees. This may also include employees' withholding tax expenses, 13th month pay, and other bonuses they are entitled to.

#### Interest expense

This is the cost of using loans, credit lines, and bonds. This is incurred periodically, depending on the terms and discount rate.

#### Cost of goods sold

Companies that sell products incur costs such as direct materials cost, direct labor, and overhead costs, which are all directly related to the products being manufactured.

##### a. Direct materials

This refers to the cost of raw materials used in manufacturing the products in question.

##### b. Direct labor

This refers to the wages of workers directly involved in the manufacturing process.

##### c. Overhead

This refers to other expenses directly incurred during the manufacturing process. This usually includes expenses like power, gas, and equipment maintenance.

In the case of retailers, cost of goods sold refers to the cost of purchasing inventory from suppliers. Cost of goods sold consists primarily of labor cost, freight cost, and the total purchase figure.

#### Tax expense

This refers to business taxes due the government.

#### Selling expense

Selling expense consists of agents' commissions, as well as the costs related to sales and marketing activities. This includes the cost of developing promotional materials and advertising campaigns.

#### Technological expense

Technological expense consists of the cost of maintaining a company website and IT infrastructure such as enterprise resource planning systems used in day-to-day operations.

#### Supplies

Supplies expense refers to the cost of using consumables incidental to the business. This can range from office supplies such as paper, notebooks, and ink cartridges to factory supplies used in production.

#### Repairs and maintenance

This refers to the cost of maintaining equipment owned by the business. Repairs and maintenance is a cost businesses should consider when deciding between leasing and purchasing equipment. In the case of manufacturing firms, the repair and maintenance of equipment directly related to the production process is usually accounted for in cost of goods sold.

#### Research and development expense

Some startups usually outsource the services of market research and consultancy firms to help them research about market trends and consumer behavior. Research and development usually refers to expenses directly related to business development activities.

[happen] every day and so when [there is an opportunity], we brainstorm, find a location, and venture," he says.

### > RESEARCH

One way to keep a lid on costs is to do research. Startup owners can research on similar businesses and use that information as a guide in cost estimates for the budget, says Ong. Tolentino and his partner actually went around studying existing brands to get acquainted with their branding, pricing, and marketing strategies before coming up with their own.

Startups should also focus on the costs for product development and marketing, which are areas most companies underestimate, adds Jonathan Chua, CEO of non-cash remittance service BeamAndGo. Startups should research, ask around, and read up, to get a deeper perspective on costs, he explains. When doing business forecasts, startups should first assess their business model—whether business-to-business, business-to-consumer—then determine product and marketing strategies. "Try to be as granular as possible. Saying 'we'll run some Facebook ads' is not enough. Be specific."

### > OBSERVE AND ADAPT

Ferreria says that startups should monitor variable costs on a daily basis during the incubation period. Real time or current costs should serve as the basis for future projections, he says. "The entrepreneurial way is to incubate the enterprise and make adjustments along the way [daily in many cases] until the situation [becomes] stable and therefore predictable. It is only at this level of stability [that] forecasts [can be used as] a tool to predict the future," he says.

BeamAndGo initially came up with a range for budget items like development costs, hosting, marketing, sales. It eventually made a point to define its budget based on performance metrics, with the flexibility to adjust quickly. "I believe that succeeding is not about keeping a tight rein on costs but maximizing the ROI [return on investment] on every dollar that is spent in the business. When factoring costs, [you] establish metrics for each cost. By analyzing these metrics, you can understand how to maximize the return on your spend and minimize the risks to your budget," says Chua. **E**



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# A FAIR DEAL

When buying out a partner, make sure your valuations are in sync

**Q:** My friend and I set up our small grocery business four years ago. But I do most of the work these days because she works overseas. I want to buy her out. How do I make sure I'm able to offer her a fair deal, while at the same time, taking into account that for the past year, I've single-handedly ran the business?

**A:** The first thing to do is to come up with fair valuation of the business. Valuation can be quite subjective depending on the assumptions of the people involved. Sometimes, this can become a source of disagreement among partners, so it's important that before you do this exercise, you and your partner have similar assumptions.

You can agree to price the business at net book value as a starting point. The net book value represents the resulting equity of the business after you deduct all your liabilities from your total assets. To get your net asset value, simply add up all your cash and inventory minus all your payables to suppliers. This amount is the accounting value of the business that also represents the actual capital that you invested in the company, plus all income that the business has earned to date.

If the business was losing and you are about to liquidate and distribute the assets, the net book value would be the basis for your division. You can simply divide the amount by two and pay your partner the cash that you will raise from the proceeds by selling your inventory and other assets.

But because you expect the business to continue operating profitably in the future, there will be some income that your partner will not be able to earn anymore after you buy out her share. In this case,

## Valuation can be quite subjective depending on the assumptions of the people involved.

your partner may demand a premium for her share, being one of the founders of the business. You will have to agree with your partner what premium is reasonable.

One way to value the business is by using multiplier of either the net book value, monthly gross sales, monthly gross sales plus inventory, or after-tax profits. If you opt for the net book value, you can agree to use multiplier of times three. This means that if the net book value of your grocery business is P500,000 and the share of your partner is P250,000, you will pay her times three the amount of her share, which is P750,000. The premium, in effect, is P500,000.

Now, let's say you posted a net income of P150,000 and you agreed with your partner to value the business based on income using multiplier of times eight, the business will be valued at P1.2 million. You can buy out your partner's share at 50 percent of the amount or P600,000. The premium, in this case, is P350,000.

The premium multiplier that you will use will depend on a lot of assumptions. Since you have been running the business single-handedly, you can negotiate for a lower multiple and argue that the growth of the business was due to your effort.

Once you have agreed on the valuation, the next thing you need to solve is the financing. Are you going to use your own money to buy out your partner? Are you going to borrow money to finance this?

What are the other alternatives to make the buy-out possible?

If you are going to use your own money to buy out your partner, this transaction will be fast and simple, but your return on investment will be lower. Because of the premium that you agreed to pay, your investment will be higher and the payback period will be longer. It may take some time before you can fully recover.

You may also borrow to finance the acquisition, but you have to make sure that the income that you will earn from the business will be able to pay your interest and principal over time. The downside is, a bank can turn down your loan application. If you don't have track record with the bank, your credit limit may be limited and you may not be able to get the funding you need. Also, your interest cost may also be high considering the risks.

Alternatively, you can negotiate with your partner to allow you to pay by installment over a period of time. To compensate her for the potential loss of income, you can offer to pay a higher multiple provided she agrees to your term period, say 12 to 24 months.

This way, your partner will act like a lender. You can use the company's monthly cash flow to finance your buy-out. Over time, as you pay down your liability to your partner, you increase your share in the business until you take full control. This option is best as you don't have to borrow from the bank nor shell out your own cash.

## DO THE MATH

### VALUATION BY BOOK VALUE

Total Assets	1,000,000
Less: Total Liabilities	500,000

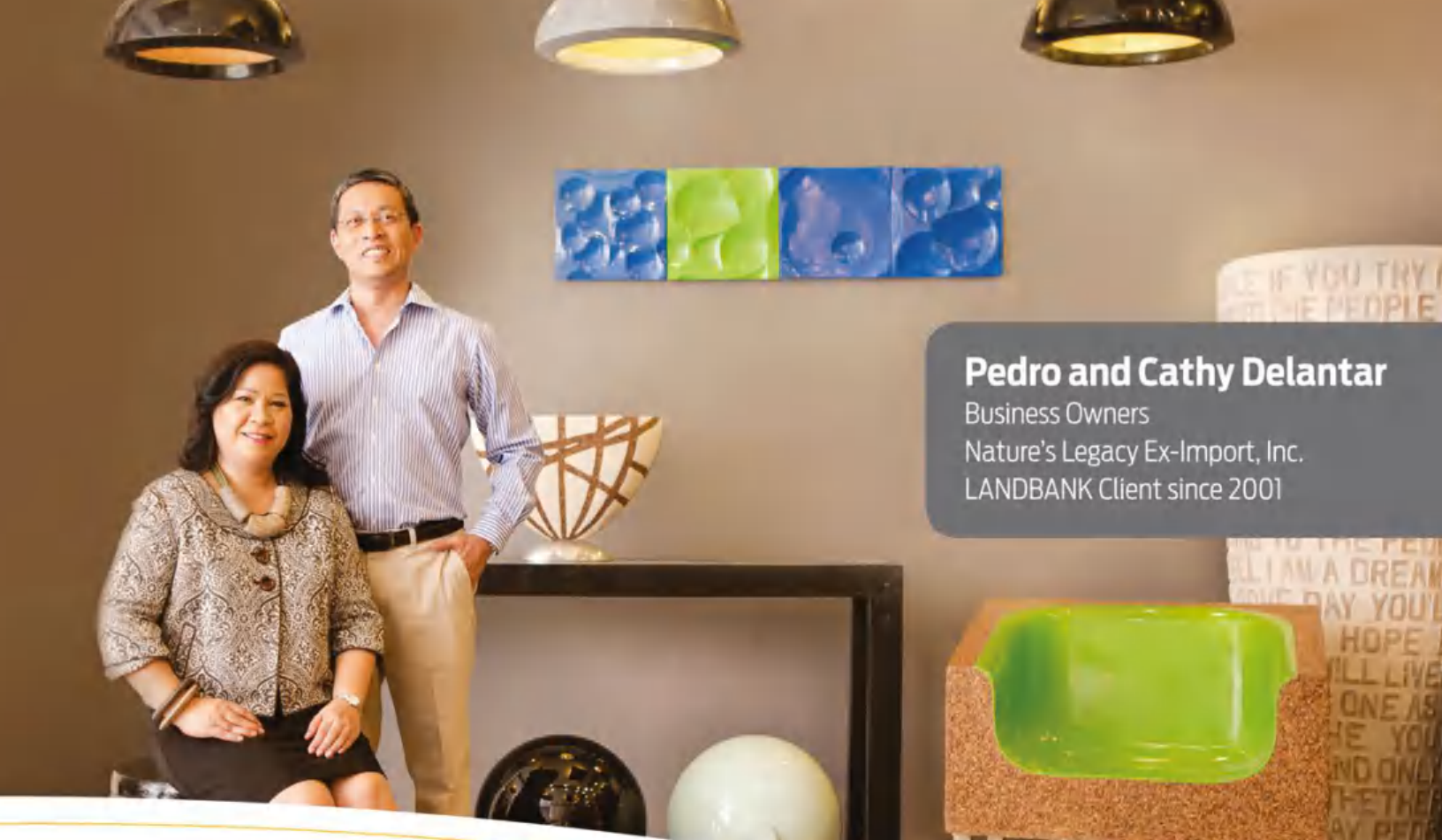
Net Book Value	500,000
50% share of Partner	250,000

Agreed Multiple	3
Valuation of the Share	750,000
Less: Book Value of Share	250,000
Premium	500,000

### VALUATION BY INCOME

Sales	1,000,000
Less: Cost and Expenses	850,000
Net Income	150,000

Agreed Multiple	8
Total Valuation	1,200,000
50% share of Partner	600,000
Less: Book Value of Share	250,000
Premium	350,000



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- guarantee borrower's performance of service or purchases from local suppliers

#### Domestic Bills Purchase Line

- purchase of check for immediate credit to deposit account without waiting for the clearing period

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- procurement of materials and labor to manufacture goods for export

#### Export Bills Purchase Line

- post-shipment working capital requirement financing
- liquidity support for exporters prior to clearing of bank drafts or notes

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## GOOD VIBES What to expect in 2016

The new year comes with new opportunities and challenges. If you're an entrepreneur, there's certainly money to be made if you invest your money right.

After the recession of 2008 and 2009, investors saw significant gains in the market. This is most notable in the equities market, with the Philippine Stock Exchange Index rising by more than 300 percent from its lowest point in October of 2008.

But remember, the stock market does not move in a straight line. The recovery from the recession, for instance, looked more like a roller-coaster ride, with market corrections, spikes and volatilities caused by headwinds like

between 3.3 and 4.1 percent, up from the 2.8 and 3.8 percent forecast in 2015. The forecasts are significantly above the average global growth of 1.8 percent during the past 50 years, making it a good backdrop for investments, says McKinsey.

The International Monetary Fund (IMF) forecast that the growth of advanced economies will pick up gradually from 2.1 percent in 2015 to 2.4 percent in 2016. It also projects developing countries economies growing from 4.2 percent in 2015 to 4.7 percent in 2016 due to improving economic conditions and lower oil prices. Citing experts, the *Wall Street Journal* forecast

### **All told, 2016 is expected to be another banner year for the stock market, which may gain at least 9 percent for the full year.**

the Eurozone crisis, the U.S. credit rating downgrading, quantitative easing concerns, the U.S. Federal Reserve interest rate hikes, and just recently, concerns over the Chinese economy.

Navigating the investment climate is never easy, nor the route, sure and predictable. Investing is like sailing the sea—you may know your destination and how to get there, but the winds and the seas may not go as predicted. That's why, like sailors, investors should know what the weather is like before setting sail.

For 2016, the overall global economic environment is expected to be better than it was in 2015. This is encouraging as the global market acts like the tide and the individual country markets like boats—when the tide is up, the boats go up as well. According to the World Bank and management consulting firm McKinsey & Co., global economic growth will range

that oil will remain below \$60, ranging from \$54.40 to \$58.70 per barrel, due to ample supply and weak global demand.

The U.S. economy is seen to have a deeper and stronger recovery in 2016. The IMF cites major economic factors such as wage growth, improving labor market conditions, easy financial conditions, and upbeat investor sentiment. McKinsey identifies increased trade activity, lower fuel prices, and a strengthening housing market bolstering this outlook. The World Bank, McKinsey, and the IMF expect the U.S. economy to grow between 2.8 and 3 percent in 2016, up from 2.5 percent in 2015. The Federal Reserve, however, is poised to raise interest rates, which may cause some volatilities in the global stock markets along the way. This move, however, can be construed as a welcome one, as this means that the U.S. is really catching up.

The Eurozone remains intact according to the IMF, with a robust recovery in domestic demand and inflation beginning to increase. McKinsey & Co. also observed improving consumer sentiment as well as gains in manufacturing and trade. From a 1.5 percent growth in 2015, the Eurozone is seen to grow between 1.7 and 1.8 percent in 2016, according to the World Bank and IMF.

Major economies in Asia like Japan will have modest growth due to weak consumption. China, which is undergoing a rebalancing of its economic growth model, is seen to slow down to 6.3 to 7 percent in 2016, according to the IMF and McKinsey.

Given these backdrop, how would the Philippines fare in 2016 given that it is also an election year? Experts agree that the economy will grow 6 percent in 2016, which is on par with China and well above the growth pace of most advanced economies and even the global economy. All told, 2016 is expected to be another banner year for the stock market which may gain at least 9 percent for the full year.

It doesn't mean, though, the market will go on a straight path. There would be bumps along the way, of course, but this should be seen as opportunities to buy and accumulate more shares. In a study, Junie Banaag, equities fund manager at Philam Asset Management Inc., says that the stock market moves in tandem with corporate earnings growth, which bodes well for stocks as experts see corporate earnings growing between 13 and 16 percent next year, further strengthening the outlook that the stock market will indeed gain.

Given that 2016 is an election year, election spending will kick in and provide more stimulus to the economy. In another study, Banaag says the stock market historically gains at least 15 percent after the first year of every presidential election (starting with the Ramos administration), and at least 63 percent after the second year in three out of four presidential elections. With all of these, the stock market will most likely go up next year. Consumer stocks would be a good bet for the year as they are expected to benefit from election spending.

As an entrepreneur, you can go for pooled funds like mutual funds or unit investment trust funds or hire a professional fund manager to help you manage your investments so you can focus more on building your business.



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## START IT UP

# BEST LAID PLANS

Consider a one-pager instead of a long business plan for your startup

WRITTEN BY **JUJU Z. BALUYOT**

**W**hen you're new to startup circles, how do you introduce yourself? Handshakes and calling cards will only get you so far. There should be a formal document about who you are, according to Minette Navarrete, president of Kickstart Ventures—and that's where a business plan comes in handy. This outlines a founder's desired path for the growth of their startup, and by laying down specific metrics on paper, it "identifies the milestones to achieve those metrics: what does success look like, and how to get there from their starting point," she says.

But if you're thinking a good business plan should run as long as a novel, you're wrong. On the contrary, says Navarrete, it's important to keep it simple and concise; it should have just enough information, written in a clear and compelling manner, to entice your reader. "If you have done a good job [with your business plan], the potential partner, investor, or customer will seek more information," she adds. "What we want to see [in a business plan] can fill up a very short piece of paper."



### THE SHORTER, THE BETTER

VC firms like Kickstart Ventures like to see startups plan over the next three to five years, says Navarrete, "because innovation initiatives, especially, go through a period of experimentation where we assume there will be various iterations or changes [along the way]." This helps the readers to better understand the underlying economics of the business they're in, and give them an idea how the startup may fare locally, regionally, and globally.

But the uncertainty in which startups operate has driven others away from the conventional business plan, says Founder Institute Manila co-director Jojoy Azurin. "Startups with limited resources have only a few months to live [so they] need to quickly find out the best business model to succeed," he explains. A traditional business plan takes a lot of time to make and "85 percent of plans change, anyway."

Instead, Founder Institute Manila asks its startups to draft a Lean Canvas—a business model developed by Ash Maurya, CEO of Spark59 and author of

*Running Lean*—that sums up everything about your startup in just a single page. In 2009, Maurya adapted Lean Canvas from Alex Osterwalder's own Business Model Canvas, looking to make it as "actionable as possible while staying entrepreneur-focused." Theoretically, Azurin says, one can draft a Lean Canvas in as short as 20 minutes. "A Lean Canvas provides the startup a window of a viable business model; hence, it becomes the business plan," he says.

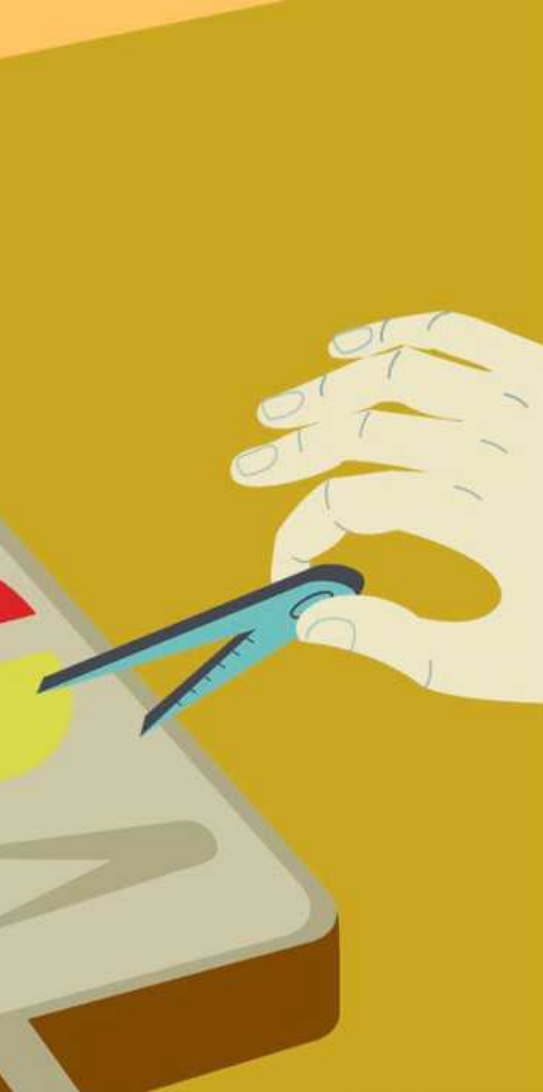
### PLANS CHANGE—DON'T SWEAT IT

Unlike other kinds of businesses that can roll out based on a time-tested playbook, a startup doesn't have the luxury of relying on a proven model. "Startups, and indeed any innovative enterprise, are building businesses in an environment of uncertainty," Navarrete says. "This difference means that startups need to be absolutely clear and honest in writing a business plan, and in identifying what are knowns versus the unknowns and the unknowables."

That's why a business plan is about direction, not finality. "A Lean Canvas

ILLUSTRATION BY ANDY BAKER/GETTY IMAGES





## “A Lean Canvas allows you to constantly change along the way. It doesn’t penalize you if you constantly revise.”

necessarily mean the startup can no longer be flexible; they are supposed to go into detail about the founder’s goals for the business, but the startup can still pivot when data shows a need for it. If anything, a business plan “provides clarity around what to hold fast to, and what to change out,” she says.

Change is inevitable, most especially for startups that have yet to make a name for themselves in their industry—and that’s fine. “Don’t be afraid to change it. Don’t be afraid to fail,” Azurin advises. “Failure is just a fine-tuning process on the way to success.”

### EXAGGERATION WILL GET YOU NOWHERE

In the end, business plans are there for you to put your best foot forward, but not to stretch the truth. Being honest is more likely to impress. “For all the ‘fake it ‘til you make it’ hustle involved in startup pitches, we believe it’s critical to be forthright with investors,” Navarrete says. “We are more likely to invest in a founder who failed in an ambitious plan, but shared the information throughout; rather than a founder who might have been successful previously, but whose integrity is suspect.”

Overpromising, passing off assumptions as facts, or opinions as data, or presenting growth projections based on untested assumptions won’t win you any good favor, warns Navarrete. Instead, do your homework and go out of your way to meet and get to know your target customers before working on your business plan.

### PEOPLE MATTER OVER PLANS ON PAPER

It’s essential to have a business plan from the onset, because it doesn’t just give potential investors or partners an idea about the startup, it also helps first-time founders themselves think about what—and who—exactly that they’re offering the market. “The business plan clarifies the capabilities and talent that a startup needs,” adds Navarrete.

No matter how impressive a business plan might read, ultimately, what holds the most weight to investors are the founders themselves. “Investors have seen thousands of plans. They are not investing in the plans; [they] invest on the founders and their abilities to execute,” Azurin says. “As they say: ideas are cheap.” Navarrete agrees, “The business plan is a starting point. What will bring you forward is your ability to execute and deliver results with impact.”

allows you to constantly change along the way. It doesn’t penalize you if you constantly revise,” says Azurin. Navarrete agrees that having a business plan doesn’t

## THE WRITE STUFF

Whatever format you prefer, here are some tips to keep your business plan an interesting read:

### Google isn’t going to write your business plan for you.

“Templates are useful things. But like everything found online, some templates are very good [while] some are trite or downright terrible,” says Kickstart Ventures president Minette Navarrete.

### If you’re a newbie, find a mentor and get involved in the local startup ecosystem.

This will help you gain valuable insight from those who have already amassed a lot of knowledge and experiences for themselves. Serial entrepreneur Jojoy Azurin says, “The people in this community are [among] the most helpful bunches in the country.”

### Don’t overuse startup buzzwords.

Padding your business plan with words like “innovative” and “disruptive” is a turn-off, says Navarrete.

### Do your research.

Many startups may not yet know exactly what their customers want, says Azurin, but that’s why it’s crucial to look for early adopters and get feedback early. “A shallow understanding of the market” and “assuming industries are static” are some of the cardinal sins of drafting a business plan, says Navarrete.

# THE LEAN CANVAS TEMPLATE

**SAMPLE PRODUCT: A cloud-based app that builds fully-functional websites**

**PROBLEM**  
This should be a well-defined problem or customer pain point that your product or service is looking to solve. "Whose problem is it, why is it a real problem, and what makes it worth solving for whoever in the business model pays for the solution?" asks Minette Navarrete of Kickstart Ventures. "Most technical problems worth solving can be captured in plain English, even if the solutions might be more complex to explain."

**KEY METRICS**  
"A startup needs to know which metrics define 'go' or 'no go' decisions; and which ones define 'accelerate,' 'fix,' 'pivot,' or 'close' decisions," Navarrete says, so flexibility needs to be built into its business plan. "There has to be specificity about what assumptions are being made, and which are the most critical that need to be tested first."

**COST STRUCTURE**  
"Financial projections are [not] cast in stone, because forecasts are almost always wrong," says Navarrete, but financials should show "the 'shape' of the business, and how it grows and matures over time."

**PROBLEM**

- >Complex websites are difficult to make without a desktop computer
- >Buying web design software or hiring a web designer can be expensive
- >Available web builder apps are lacking in enough features to make a decent website

**SOLUTION**

- >App with an easy to use interface where you just drag-and-drop web elements
- >Work is saved on the cloud and can be accessed on desktop computers, so you can build on your website later on

**KEY METRICS**

- >App downloads per day
- >Add-on purchases made per day

**COST STRUCTURE**

- Add-on features at P25 apiece
- App development costs: P50,000
- Hosting costs: P5,000/month
- Beta testing costs: P500/50 testers over six months
- Break even at 3,000 unlocked add-on features

## UNIQUE SELLING PROPOSITION

>Design complex, fully customized websites on a mobile device, without writing a line of code

>Already comes with a comprehensive set of features, add-ons optional

>No intrusive pop-up ads while you use the app

## UNFAIR ADVANTAGE

>All layouts are saved and hosted on the cloud so it won't take up space on your mobile device

## CHANNELS

>Apple App Store

>Google Play Store

## CUSTOMER SEGMENT

>Early-stage businesses with limited budgets

>Small-scale e-commerce merchants

>Men and women aged 27, the average age people become entrepreneurs

### UNIQUE VALUE PROPOSITION

In assessing their startup's problem-solution fit, Navarrete advises 'treps to think on these questions about their unique value proposition: "What is the problem your product is trying to solve? Is it a problem felt by many, or just confined to the entrepreneur and [his] friends? Is it a problem someone would pay to make it go away, or is it a solution looking for a problem?"

### CUSTOMER SEGMENT

It helps to cite data drawn from legitimate customer feedback for your business plan. "What helps to impress us [is] actual market information—not desk research, speculation, or opinion," says Navarrete. "[We want] real customers using and reacting to a real product."

## REVENUE STREAMS

>Donation button

>Crowdfunding campaign

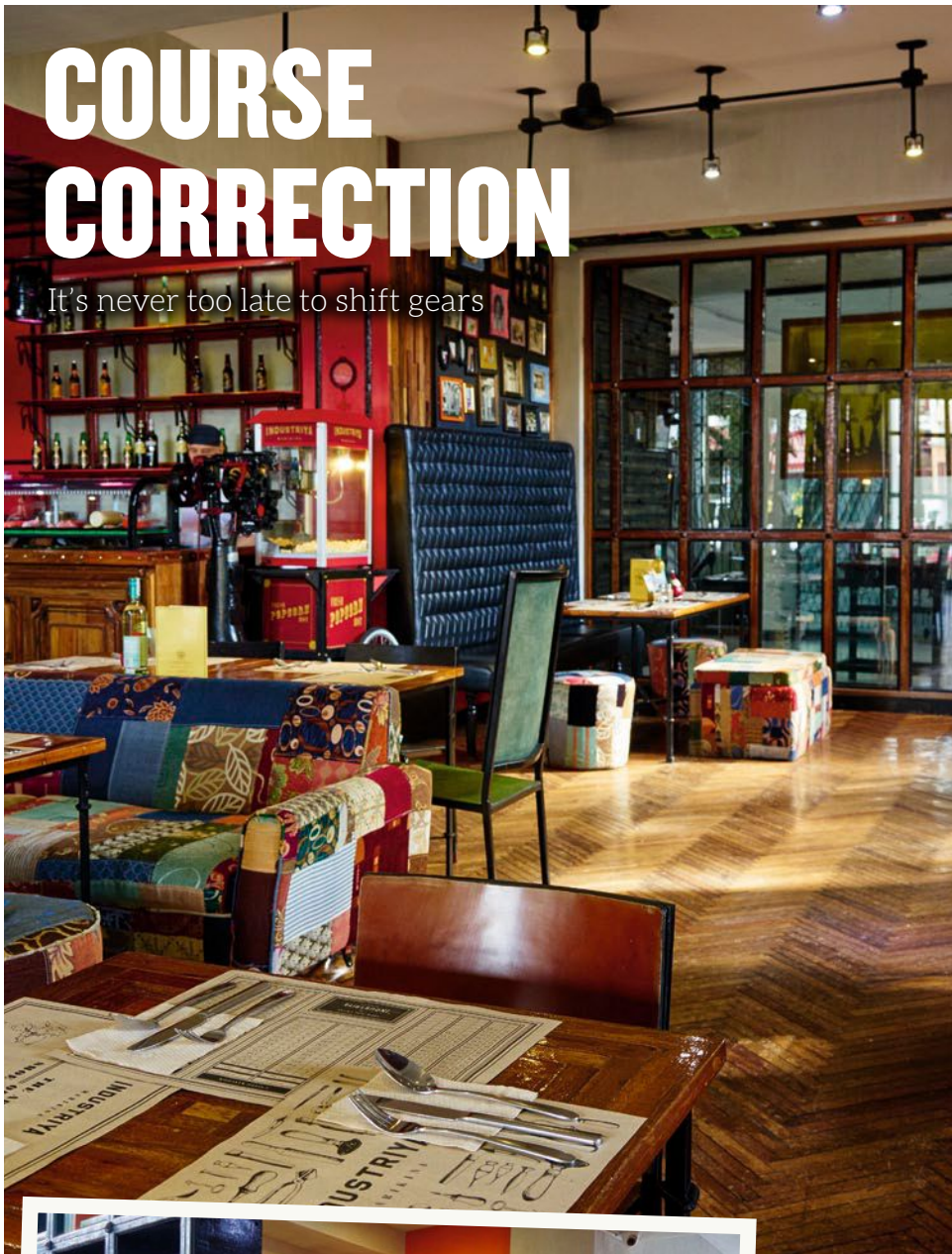
>Add-on purchases to unlock more advanced features

### UNFAIR ADVANTAGE

Founders should also be able to present their startup's competitive edge, especially if they're venturing into a dense industry that already has many players. Says Navarrete, they should be able to answer questions like: "What do you have that others don't have? Why would a customer buy your product or service and not your closest competitor?"

# COURSE CORRECTION

It's never too late to shift gears



When the export market for Marikina-made shoes dried up in the 80s, the Cheng family, which had been in the shoe business for decades, changed course. The maker of shoe brands like B Club, AGS, Dominique, Leaveland, Surfers Island, and Urge ditched the export business and instead focused on the local retail market. It was a big decision that meant closing down their tanning factory in Marikina. Not wanting the property to lay idle, the family decided on a completely new course: They turned it into a restaurant and events place called Industriya Marikina.

The restaurant venture was new territory for the Chengs. Alex Cheng, general manager, says, “We wanted to try the restaurant business, as this is one of the growing businesses in the Philippines and in Marikina, particularly.” Open since November 2014, the restaurant can seat 120 and 130, respectively, while its events area can fit 250.

There are still touches of the old factory in the new structure: The wood the Chengs saved from the old factory was repurposed in the new building.

It doesn't stop there. “The details you will see [are] truly a work of art,” she says, citing the dyed beer bottles arranged into chandeliers, wooden molds (called shoe lasts) on the feet of their couches, dining seats made from fitting chairs or reupholstered with old leather, and windows made from old glass shelves used in some of their shoe stores. Repurposing many items and equipment from their old factory and shoe stores helped the Cheng family save on costs in building the restaurant.

Since they are new to the restaurant business, the Chengs are busy learning the ropes. For instance, they're still getting used to running their kitchen on the second floor, knowing the Marikina area is prone to floods.

Cheng advises entrepreneurs who want to diversify their business portfolio to go with their instinct and never be afraid to learn. “I am very hands-on in the business,” she explains. “I treat every day as a learning opportunity.” —Cathie Carpio

The old shoe factory was torn down so it could be rebuilt using concrete. It took the Cheng family two and a half years to turn the property into a restaurant and events space.



# NO BUSINESSMAN IS AN ISLAND

Why joining a community of entrepreneurs makes sense

WRITTEN BY **KIM ARVEEN PATRIA**

ILLUSTRATION BY DAVOR PAVELIC/GETTY IMAGES

**A**n entrepreneur is someone who identifies a consumer problem and offers a sellable solution. That definition takes the entrepreneur out of a vacuum: You, as an entrepreneur, cannot exist without your consumer.

The businessmen we've interviewed, however, agree that clients are not the only ones you need for your enterprise to truly grow. You must also seek input from workers, investments from partners, and even insights from competitors.

Entrepreneur organizations or associations, they say, are good places to find all these potential actors in your business success story.

"Success in business is not only determined by what you know but also by whom you know. The more people you know in the business, the higher your chances of succeeding," says business consultant and *ENTREPRENEUR* columnist Henry Ong. Ong is chairman of the Young Entrepreneurs Society (YES) Philippines, a group that supports young entrepreneurs and even students with business potential. YES holds mentoring sessions, boot camps, and competitions for its campus chapters nationwide. It counts as its members the founders of some successful Philippines businesses, including the local arm of online food delivery marketplace Food Panda, barbecue chain Mang Inasal, and tutorial and review center AHEAD.

Being in the company of established businessmen, of course, does not guarantee success, but Ong says his group facilitates interaction among generations of entrepreneurs to

inspire younger members to become self-made achievers. "One main advantage of joining an entrepreneur organization is the ability to network with like-minded entrepreneurs who can be your partners, suppliers, or customers in the future," Ong explains.

Another benefit, he adds, is the learning you gain from joining forums, seminars, and conferences your organization hosts. "Some of these lessons can be valuable to your business," Ong says.

### STRENGTH IN NUMBERS

Andoni Albert, president-elect of the Entrepreneurs' Organization (EO) Philippines, agrees that hunger for knowledge and insight is a good motivation to seek membership in a group. The EO is a peer group that caters particularly to "hyper-growth" entrepreneurs, or those whose businesses are growing exponentially. Thus, like the YES, the EO gives entrepreneurs an easy way to relate to, share with, and learn from each other.

But Albert says being part of an organization makes it easier not only to learn from within your group, but also from without. "As a collective, we gain access to global speakers and learning events to further grow and develop as entrepreneurs," he explains.

In the case of the EO, which has chapters in other countries, members also get to learn from entrepreneurs of different cultures. "This gives us, in turn, the opportunity to expand our businesses in new markets," Albert says.

For the Association of Filipino Franchisers Inc. (AFFI), meanwhile, strength in numbers means it can host regular trade shows where members can present franchise concepts to potential investors. "Franchisees are more likely to visit trade fairs where they can look into several options than a meeting where they will see only one franchise concept," says AFFI executive vice president Ricardo Cuna.

### BOOSTING TRUST

Membership in an organization also bolsters the legitimacy of a business, which Cuna says is key to attracting clients and, more importantly, investors. "When you're in the trade fair of a large group of franchisers, people are more confident to work with you," he explains. AFFI has some 165 members, some of them founders of homegrown businesses that have gone global. It is one of only two prominent organizations of Filipino franchisers, the other being the Philippine Franchise Association (PFA).

Cuna owns Milkin Corp., the franchisor of ice cream brand Fiorgelato. He thinks that prestige—both of the PFA, of which he is a longtime member, and the AFFI, which he co-founded 18 years ago, contributed to Milkin Corp.'s success. "That's why it's important to maintain the organization's good reputation," Cuna says. The AFFI is strict about screening prospective members based on criteria that include branding, sound franchising practice, and potential organizational contribution.

## JOINING THE CLUB

**Entrepreneur organizations in the Philippines range from broad to specific. Here are some that might pique your interest:**



### ENTREPRENEURS' ORGANIZATION-PHILIPPINES

The local chapter of the global peer-to-peer network of entrepreneurs was founded in the Philippines in 1996. It now has 136 members. Membership is by invitation only, so if you want to join, you need to ask a member to endorse you. You must also be the founder, co-founder, owner, or controlling shareholder of a company that grosses \$1 million annually. Even if invited, you need to go through screening. As a member, you may attend trainings, meetings, chapter, and global events. The EO has more than 10,000 members worldwide. The annual fee is P55,000, on top of the one-time new member chapter initiation fee of P30,000.

### YOUNG ENTREPRENEURS SOCIETY (YES) PHILIPPINES

YES links budding and potential entrepreneurs with successful business owners, events, and mentorship and networking opportunities. It has chapters in colleges and universities nationwide. If you are 18 to 49 years old, whether you already have a registered business or plan to start a business, you are qualified to join YES. If you own a business, however, you must be generating at least P1 million in annual gross sales. If you are over 50 years old, you may still join as an affiliate. Benefits include invitations to forums and learning events, online and face-to-face mentoring, discounts on YES-produced and -sponsored seminars, among others.

## “One main advantage of joining an entrepreneur organization is the ability to network with like-minded entrepreneurs who can be your partners, suppliers, or customers in the future.”

Only half of those who apply for AFFI membership get accepted, Cuna estimates. “We don’t want members who will only take advantage of the organization’s network and brand; we are looking for people who also want to contribute,” he explains.

### COPING WITH THE TIMES

This eagerness for collaboration is also the reason why AFFI, which used to be open only to owners of franchise businesses, recently welcomed members who are not in franchising, accepting even startup owners. “Our organization’s advocacy is really to provide small and medium enterprises vehicles for growth. Franchising is one effective growth strategy, but there are emerging business models that may offer opportunities. We don’t want to be left out,” Cuna says.

In business, Cuna notes, how much you know is not always directly proportional to how long you’ve been doing it. “It’s never too early to join an entrepreneur organization, because you will learn from your big brothers in the group. But it’s also never too late, because veterans will benefit from the innovativeness of young members,” he says.

Like Cuna, Ong finds wisdom in joining a group even if you’re a giant. “For more established ones, [organizations mean] more than connections. It can be for political lobbying to promote and protect their business interests,” he explains.

### CHOOSING YOUR PEERS

Ong highlights the importance of profiling entrepreneur organizations before joining one. “Before you join any group, you should find out whether it will add value to you and your business,” he says.

Will the members enrich your network? Do you see possible partners or clients from the membership pool? What are the activities in the organization that will help your business? Are you interested in the seminars or forums they usually host?

Albert, for his part, says you should make sure your personal and business beliefs are aligned with the core values of the organization. He also advises that you identify what you want to learn, and use it as a guide in scouting peers. “Your mindset needs to be: I am ready to give time and energy to this organization. It is really in giving time to the learning activities, board

activities that your experience will be most rewarding,” he says.

When it comes to fees, Albert insists the cost should be commensurate to the benefits. Ong, meanwhile, notes that fees can regulate the quality of members. “If you pay a high fee, that means your business is probably successful,” he says.

### DEAL BREAKER?

But Ong, Albert, and Cuna agree that the biggest investment you will make when you join an organization is not the membership fee but your time. It is also the reason many entrepreneurs don’t join groups. “In order to take advantage of the networking and mentoring opportunities, you need to actively participate in all the activities. Can you afford to leave your business with your associates for a day or two?” Cuna says.

If your answer is yes, Cuna says you should make the time investment count. “Gather as much insight as possible, but also share what you can, *wag lang puro tanggap*. When you share your insights, people will return the favor,” he adds.

Ong, meanwhile, goes as far as saying that if you can find time, it makes sense to be part of more than one organization. “Organizations can have different objectives and both can benefit your business,” he says.

Albert agrees, but notes that joining more than one organization might weaken your commitment. “If you can fully align with the mission of one group, that would be enough to satisfy, and even exceed, your expectations,” he says. **E**

#### ASSOCIATION OF FILIPINO FRANCHISERS INC. (AFFI)

Owners of homegrown businesses that eventually became successful franchise brands—Figaro, Fiorgelato, Goto King, Lavandera Co., Pancit Malabon, and Potato Corner, among others—founded AFFI in 1997. It now has some 165 members. AFFI used to be open only to owners or executives of franchise companies that have been operating for not less than two years, but recently allowed members who are not into franchising to join, so long as they have been operating for at least a year. Benefits include educational programs, slots in trade shows, and consultation sessions. Members need to pay an annual fee of P9,000.

#### PHILIPPINE RETAILERS ASSOCIATION (PRA)

First known as the Chamber of Philippine Department Stores and Retailers Inc. in 1976, the PRA has evolved into a 400-strong network of companies, including retailers, mall operators, suppliers, manufacturers, distributors, and wholesalers. You may join the PRA as a regular member if you are directly involved in retail and have been operating for at least year, or as an associate member if you supply services, equipment, or materials to retailers. Members gain access to industry information and publications, seminars and trainings, as well as opportunities for community service. There’s a one-time fee of P10,000, plus annual dues.

#### PHILIPPINE CENTER FOR ENTREPRENEURSHIP (PCE)

The PCE is a non-profit organization that promotes entrepreneurship as a solution to unemployment, underemployment, or labor migration. It helps SMEs by linking them with partners and giving them access to training programs and funding sources. Through its advocacy program called Go Negosyo, launched in 2005, the PCE regularly holds Negosyo Seminar, a one-day affair for SMEs, as well as caravans and summits, which are usually open to the public. You don’t need be a member to participate in mentorship programs. You may, however, offer to be a partner or an exhibitor during caravans, host seminars, or help train aspiring entrepreneurs.

# SPEAK EASY

There's an art to writing a press release

BY LORENZO G. ABELLERA

A fledgling business will do practically anything just to get noticed and, in turn, gain loyal customers. Press releases are a way to spread the word without having to shell out a small fortune.

Distributed to print, online, or broadcast media, press releases can come in the form of straight news about a company or establishment, or in the



ILLUSTRATIONS BY JEREMIAH IDANAN



form of features, with topics ranging from outreach or corporate social responsibility programs to lighter approach on new products or services. There are also photo releases, with information-laden captions.

Milen De Quiros, who heads communications firm Full Circle Inc., says that, among communication tools, issuing a press release is the fastest way to spread the word about the latest developments in an enterprise. "We advise our clients to hold press conferences if there is something big to announce. There are also media or product launches. But with these, you still have to look for a venue, prepare to feed guests, and do a set-up for the program. With press releases, you just have to send email to the editors," she says.

### CONTENT IS KING

But while issuing press releases sounds as easy as hitting the send button, an enterprise will have to work hard in order for their announcements or statements to stand out among the heaps of press releases that reach the reporter or the editor. A press release should be worth the time of the editor, not to mention the limited space on magazines and newspapers, and the precious air time on TV or radio.

"If the press release complies with all or most of the elements of news, if I know it will click with my audience, if it has complete details or most of the basic details, has minimal grammatical errors, and is written in a very simple and attractive way, I will publish it," says Regina Bengco, senior deskman at the *Malaya Business Insight*.

Simply put, a press release should contain a real, valid story that would be palatable to readers. Targeting publication of press releases on a schedule, say on a weekly basis, without having a good story to tell, will just be a waste of time, says De Quiros. "Even if you have a good relationship with the media, if your release does not have a good story, it will not see print. You have to have a good story," she says, citing for example the relevance of a product and how it will improve lives as good story angles.

Timing is key when sending out press releases, she says, given the deluge of stories and issues that would only eclipse an announcement or statement.



## A press release should contain a real, valid story that would be palatable to the readers

"You have to know how the media works," she adds.

### IT'S NOT ABOUT YOU

And while press releases are intended to announce good news from a company, the article should be written with the readers' preferences in mind. If the business is a newcomer, the press release should be able to convey to the readers why the story should be read and why the business or a product should be patronized.

De Quiros says the press release should be written with none of the flowery words that make press releases "praise releases." The writer of the press release should ditch claims of the business or a product as being the best or being the number one, as readers get easily tired of hard selling. "We are now in the age of sincerity and authenticity. The audience is discerning. They know if you're not telling the truth," she notes.

Andres Saracho, head of the professional development team of the Public Relations Society of the Philippines, adds: "Praise releases are a no-no and will surely go straight to the trash bins. The release should be straight to the point, using simple language and no hard sell."

For the startup or the newcomer, De Quiros says the focus should still be on growing the business and not just on publicity. "If you can't sustain your business, no one will believe you," she says.

## PRESS RELEASE ESSENTIALS

Writing a press release may sound intimidating. It doesn't have to be. Just remember these five basic rules.

**01** Don't forget the *what, when, where, why, and how* of an event or a product offering. Answering the question "So what?" would also be helpful as this would tell the reader why the event or product offering is relevant to them. "In any press release, what is important is that it provides the information that the public should know," says Andres Saracho of the Public Relations Society of the Philippines.

**02** Keep it simple, straight to the point, and informative. Press releases have been given a bad name for having flowery words. Editors, not to mention the readers, will easily give up on reading press releases that are too wordy.

**03** Make sure the release is error-free and grammatically correct. A press statement that is free from grammatical and typographical errors would easily make it to the editors' selections.

**04** Keep the consumer in mind. The goal of a business is to be able to create awareness and spur people to buy their product or service. This is where a press release comes in. But businesses or writers of press releases should bear in mind that readers do not want to feel that they are being forced to buy. Keeping the press releases informative, and, to a certain extent, entertaining, would do the trick. "There is a traditional way of writing press releases, mostly they are text heavy with really long paragraphs (that sometimes contain technical terms and quotes) and tend to hard-sell a product or event. Today's readers or consumers don't want to feel like they are being forced to buy something. They should feel that they are reading any ordinary news or feature story with details about a product, or event...eased into it," says Regina Bengco, senior deskman at the *Malaya Business Insight*.

**05** Make it visual. In this day and age of multimedia technology, texts should be supported by pictures so the readers and the editors can appreciate the release better. Enclosing pictures and even video clips, which would be useful to online media, should win the attention of both the editors and the readers, says Bengco.

# CUSTOMER 007

Improve your customer service by employing mystery shoppers

**L**ike any other business owner, you probably wish you know what your customer thinks about your offering. But how do you assess exactly if your product is effective, your establishment customer-friendly, and your service excellent? One way to take out the guesswork is through mystery shoppers.

“Mystery shoppers are real customers who anonymously evaluate their experience with the establishments they visit or interact with, which could also be a phone call or a website visit,” says Michelle Patel, co-founder of SatisFIND, a provider of customer experience measurement services which helps businesses improve how they deal with customers. She says customer experience measurement gives business owners feedback on how well programs are executed or implemented at the branch-level. “It gives them that snapshot of how their customers really experience their brand when no one’s looking,” she says.

Mystery shoppers are not researchers or auditors, Patel says, but they visit an establishment with the eyes and ears of a real customer because they are one. “They visit a particular establishment with a purpose to observe closely and report back their experience, both good and bad.”

## WHO NEEDS MYSTERY SHOPPERS?

Any business that deals with customers could use the services of a mystery shopper to get insights on how customers perceive their brand and their front-line staff. These include industries such as banks, car dealerships,

restaurants and bars, hotels, government offices, airlines, cinemas, malls, gaming centers and health facilities, and retail establishments.

Patel says that mystery shoppers are there not to find fault in the staff but to catch people who are doing things right.

## DIY MYSTERY SHOPPING

If you don’t have a budget to hire a firm offering mystery shopping services, you can do it on your own, or mobilize people you trust to do the job. First, identify the customer journey, define the customer touch points within that journey, and finally set a standard. Formulate a mystery shopping questionnaire based

on this criterion and contact people to review this questionnaire, and mystery shop the target store. “The success of a mystery shopping program depends on a very good questionnaire, which uses words that can easily be understood and are not vague and open to misinterpretation,” says Patel. “The challenge in doing it yourself is ensuring that your mystery shoppers remain bias-free. But if you are committed to putting a system in place to regularly evaluate your personnel, and you want your staff to trust the credibility of the mystery shopping program, you need to partner with a third-party company to conduct it for you.”—Excel V. Dyquiango



ILLUSTRATIONS BY CONRAD LACHICA AND RUSSEL TATE / GETTY IMAGES



## BY REMOTE

If budget is tight, you can always use technology to listen in on your front-line staff. Josiah Go of Mansmith and Fielders Inc. says business owners can pose as a customer for telephone or online inquiries. They can also monitor their staff’s in-store interaction with customers through CCTV. In cases when the interaction is by phone, a supervisor can set up the phone system so he could listen in during the actual conversation or a recording of the chat. The business can also use SMS to get customer feedback, he adds.

# UNDER ATTACK

No startup is too small for cybercriminals

WRITTEN BY **BERNADETTE REYES**



ILLUSTRATIONS BY ARNOLAND

**D**on't think that, because your business is small, you're off the radar of cyber criminals.

As a small- or medium-sized enterprise, you may even be an easier target because you might not have the budget to protect your business from cyber attacks. Cyber criminals will often go over thousands of IP addresses, then zero in on the low-hanging fruit. "They target vulnerable networks, systems, or computers. Usually, the least secured networks are prone to these attacks. Many SMBs [small and medium businesses] have become victims of cyber attacks because they failed to use data protection for customer information," explains IT expert Art Samaniego Jr.

A survey of IT managers by research firm Ponemon Institute commissioned by IT security provider Sophos showed that smaller firms apply less rigorous security for their networks than big companies. "Their average self-assessment score of security posture—which includes ability to mitigate risks, vulnerabilities, and attacks—was a six on a scale of 10," says Sumit Bansal, director for Asean. "The survey also reported fewer than three full-time workers fully dedicated to IT security."

The survey also reports that many SMBs fail to provide the needed security for their systems because of budget constraints, and lack of personnel and in-house expertise for their network.

But network security should never take a back seat because, as Samaniego says, a cyber attack can have disastrous results. "SMBs need to understand that it would be a costly mistake not to secure their data," he warns. "If it fails to keep client information private, the company's reputation would be in peril, and it would affect would-be clients."

## >RECOGNIZE THE SIGNS

Cyber attacks are designed to stay inside a network for as long as possible to get more information from the target organization: They access passwords and other personal information, steal contracts and classified documents, among others.

That's why detecting the first telltale symptoms of an attack is important. "For a business to achieve optimum performance, it cannot be shackled by complex and awkward security

processes, neither can it afford to be exposed to danger. This is especially important for SMBs," Bansal says.

Entrepreneurs should keep an eye out for abnormal activities such as attempts to edit files, an unusual number of log files, and access to critical data and information outside of business hours.

## >BUY PROTECTION

Setting up a secure network doesn't need to be complicated or costly.

A network should at least have some basic form of protection, such as firewalls and anti-malware tools, including antivirus software and anti-spyware. Antivirus software detects malicious

codes and removes them before harmful programs are embedded in your computer. Anti-spyware, meanwhile, prevents attackers from spying on your activities while you're on your computer.

Spyware is usually installed on a computer without the users' knowledge—that's why you should have tools to combat it. (Note that there are Trojan spyware that masquerade as free anti-spyware downloads.)

Firewalls protect your system from attacks that steal sensitive information, or worse, crash your network. However, a firewall is usually meant for a single computer. For multiple computers, hardware routers may be necessary.

# I SAW A SIGN

**Viruses and malware come in various forms and means. Watch out for these signs—if any of these look familiar, your network may be under attack.**

## POP-UP ADS

While many pop-up ads are harmless, some may compromise your system. Some spyware, adware, and scareware may disguise themselves as pop-up ads. If you feel your account has been compromised, run an antivirus software or apply an anti-spyware. As a proactive measure, enable pop-up blocking options on your device.

## PHANTOM MESSAGES

Have you ever received an email from friends or colleagues, supposedly as a response to an email you didn't send yourself? If so, chances are, your network was compromised by phantom messages. These types of messages usually come with a link that, once clicked, infects your system and may even spread to other networks. Change your passwords right away and run your security software. Inform your colleagues and bosses that your account was hacked, so they themselves can take necessary precautions.

## LIMITED ACCESS TO COMPUTER

Ransomware is exactly what it sounds like: A message that asks your business to pay a ransom in exchange for returned access to your system or to compromised data. Still, it may not be wise to pay the ransom. After all, there is no guarantee you will regain access to your computer or file after the ransom has been paid. Instead, remove the threat by removing the compromised part of the system, then restore files from your backup.

## WONKY PROGRAMS

Your computer, without warning, doesn't work properly. So you try to restart your system, key in Ctrl+Alt+Del to reboot the system, check your connection and your power supply, but suddenly, everything is working just fine. But these may be signs that a virus has attacked your network. Use a reputable anti-malware software to correct the error, or check your hardware for possible malfunctions.



**“For a business to achieve optimum performance, it cannot be shackled by complex and awkward security processes, neither can it afford to be exposed to danger. This is especially important for SMBs.”**

It's not enough to have protection installed, either; you need to update these tools along with your operating system periodically so they can continue to detect security threats, including the new malicious codes floating in the web.

Bansal urges SMBs to use cloud-based IT security solutions “because they are easy to install, configure, and manage, and should provide automatic, real-time protection from most threats.” Since 90 percent of attacks come from online sources, cloud-based security measures automatically block access to malicious or infected websites. The cloud-based security solutions also intercept malicious files before they can infect the system.

Whatever security measures your business has in place, it's best if you encrypt your business data all the time. Unauthorized third parties may still be able to access your data, but they won't be able to read it. Only an authorized

recipient of the data can decrypt it in its readable form. Encryption will secure your data while it's transferred to other parties, effectively preventing theft. “It would be difficult for outside parties to breach the encrypted data and get sensitive personal and business information,” Samaniego says.

**>GET RID OF BAD HABITS**

Don't forget to protect your IT hardware, too. One way to do this, Samaniego suggests, is to limit the number of people who can access it. In fact, it's everyday careless habits that usually expose your networks to cyber attacks.

For example, the use of CDs and USB sticks could easily facilitate transfer of virus and malware from one computer to another. “Be careful when you use a thumb drive from unknown sources. One of my colleagues once found a thumb drive inside the cafeteria, and when we

checked it, it had malware that could steal data,” Samaniego warns. Something as easy as avoiding public computers to access your accounts can help keep passwords safe.

Many employees also fall into the habit of leaving their computers turned on for convenience. No less than the U.S. Federal Bureau of Investigation says that “being ‘always on’ renders computers more susceptible” to attacks. By shutting down your computer, you effectively cut off your connection from an attacker.

You may also lock your network to allow only trusted uses to connect to your network. This way, you also avoid wardriving, such as when attackers on mobile devices try to connect to random Wi-Fi networks while on the move.

**>KEEP EMPLOYEES VIGILANT**

Cyber attackers have become wiser and more creative in infiltrating networks. “Many malware attacks and cybercrimes rely on psychological tricks to dupe users into activating malicious code, for example, by opening an attachment in an email,” Bansal says. A seemingly harmless email can lead you to a virus or to a fake link that would collect your log-in credentials. “All emails should also be treated with caution, as some viral emails may appear to come from colleagues or friends,” Samaniego adds.

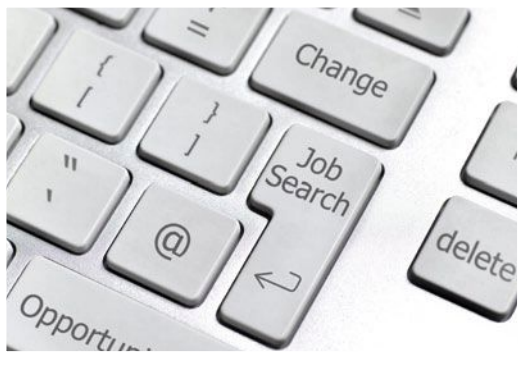
That's why, aside from investing on a secure system, educating your employees is necessary to improve your business' IT security. Says Samaniego, “You don't need high-tech security tools to protect yourself from hackers. Sometimes it just takes common sense to secure your system.” Establish a sound policy among employees, specifying which file types are safe to download from the Internet. Also, you can restrict installation of downloaded software and browsing compromised sites.

The education process should be constant to ensure that everyone in the company is up to date. To keep abreast of new and emerging threats, some companies sign up for alert services over email. “Alert services provide early warnings of new threats, and allow administrators to check whether their antivirus and anti-spam protection is adequate,” Bansal says. **E**



## ONLINE HIRING DECLINING

Online hiring in the Philippines fell 16 percent as of September this year against the previous year, according to the Monster Employment Index, a monthly gauge of online job hiring activity around Southeast Asia. Hiring in the production, manufacturing, automotive, and ancillary sectors posted the sharpest decline, falling 56 percent during the period. On the other hand, the IT and telecom sectors posted the highest growth at 16 percent. Online hiring activity in banks and financial institutes, meanwhile, grew 10 percent, reflecting the demand for finance and accounting professionals.



## PHILIPPINES CROWNED "MOST SOCIAL" COUNTRY

Once known as the world's text messaging capital, the Philippines now has a new title: It's been dubbed the "most social nation" thanks to factors like higher smartphone adoption and easier access to Internet, according to Opera's State of the Mobile Web Report, which was based on aggregated information gleaned from Opera Mini servers. The report's findings show that, among 50 Opera Mini user countries, the Philippines' mobile Internet users have a tendency to visit social networking sites over others: In fact, 86 percent of page views from Opera Mini mobile browser users in the Philippines are to social networking sites. Facebook tops that list, while Twitter, Tumblr, Flirchi, and Pinterest are also other social media counted among the top 20 most visited sites.

ILLUSTRATION BY LEE WOODGATE/GETTY IMAGES.  
PHOTO BY PETER DAZELEY/GETTY IMAGES



## HANABISHI® Kapartner ng Praktikal na Nanay at bossing!

Christmas is a time for reunion. It's the time for the long-awaited homecoming of our real-life Santas, our Overseas Filipino Workers (OFW's). These real life heroes endured the trial of being away from their loved-ones in the hopes that someday, having saved enough for their family's livelihood, they will never have to spend another Christmas far away from each other's loving presence again.

For the past 30 years, Hanabishi's inspiration is the Filipino family. By providing them a wide range of affordable appliances for their household and entrepreneurial ventures, Hanabishi continues to deliver its promise of becoming the partner of practical moms, helping them to achieve their dreams for their families.

This Christmas, Hanabishi salutes the men and women of our OFW community most especially the Filipino Mom.

ISANG PAGBATI NG MASAGANANG PASKO AT MANIGONG BAGONG TAON SA INYONG LAHAT!

*Vic Sotto*  
VIC SOTTO  
TV PERSONALITY



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PHOTO BY JONATHAN BALDONADO



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# MAHAL

# N A M I N G M G A

# KABABAYAN

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## EXPERT ADVICE FOR OVERSEAS WORKERS ABOUT INVESTMENTS MONEY AND COMING HOME

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BY **MARI-AN C. SANTOS** ILLUSTRATIONS BY **FABO**

# TRACK THE MONEY

Take control of your finances so that money will always be there when you need it.

BY FRANCIS KONG, AS TOLD TO MARI-AN C. SANTOS



Having been invited to different cities in Europe and the Middle East, I would say that I have spoken to a total of 10,000 Filipinos working overseas. Filipinos are extremely hardworking and family-oriented, so much so that they are willing to sacrifice in order to provide for their family. However, we also trust too much. When OFWs send money to their relatives and loved ones here, they assume that their money is being managed well.

The following scenarios are only too familiar:

- The family is overdependent on the OFW. This has also given rise to a generation in the Philippines that is unwilling to work.
- Without proper money management training, OFWs use their hard-earned money in order to buy happiness to deal with their loneliness.
- OFWs work hard, splurge, then go back to work and try to earn money again.

OFWs and their families need to develop an entrepreneurial mindset. An entrepreneur understands that before you get a profit, you need to invest in hard work to earn the money that you are asking for.

Ask your family members to come up with a plan. Ask them the following questions:

- Where are you going to use the money that you are asking for?
- What are the fixed expenses? This can be rent and food. By tracking everything, you will know where the money goes in terms of needs. Do not allow them to use the money for wants.
- If they ask for additional money, they have to earn it. Tell them that the money that you will

send them is to prepare them to start a livelihood for themselves so that they will become self-sufficient. If you are sending someone to school, you also need to track school records. If they don't deliver, the funds should stop. Sometimes, we need to do this. Tell them: If you are irresponsible, why should I fund your irresponsibility? It may take one semester or one year, however long it takes for that person to become mature enough. And then, you continue your financing.

Due to the low cost of communication these days, you can afford to ask for weekly updates in order to track your family's expenses.

OFWs also have to contend with challenges relating to health and aging, and the volatility of the world economy. So you have to take extra care in tracking every expense. You need to set aside money for yourself, apart from the money you send home. You need to save for emergencies.

At any given time, you should have at least the equivalent of three months of your salary. You should be liquid; work out something that gives you funds at the moment you need it.

Filipinos are grossly underinsured. We do not think far enough into the future. There are insurance companies now with very attractive packages to help prepare OFWs for retirement. Some even have flexible investment plans incorporated into it, so it forces you to save.

Another folly is immediately shelling out money to buy a house despite the fact that you still do not have enough savings. Remember, you can buy a house anytime you want, but don't do it just because you think it will give you fulfillment. Owning a house where you will live is never an investment. If something breaks or needs repair, you have to pay for it. The very definition of investment is that it appreciates in value, you are able to sell it, and enjoy the benefits. If you are able to buy a house, and then buy another and rent it out, it becomes passive income, yes. But considering the current real estate market, it's not that easy because there are many vacancies and units for rent-to-own. Owning a house can come anytime if you are liquid. OFWs need to have someone teaching them, empowering them to come up with the right decision.

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**Francis Kong** is a business consultant and corporate trainer. ([franciskong.com](http://franciskong.com))

# GET OUT OF DEBT

Debt happens. What's important is what you do to get out of it.

BY **RANDELL TIONGSON**, AS TOLD TO MARI-AN C. SANTOS

**Over the years, I've spoken to Filipinos working in the Middle East and Asia. I've heard many stories of their hardships and challenges. Unfortunately, Filipinos are very trusting and are in dire need of financial literacy. Debt comes from not saving enough, not preparing enough, and having no exit plan.**

Our perception of money and how we deal with it is a behavioral problem. You don't go into debt overnight. That's why we have to change our behavior.

Debt is an issue that is first about behavior and secondly about knowledge. Before buying anything on credit, consider the following:

First is purpose—is your prospective purchase a need or a want? If it's not a need, consider postponing and saving up for it. Second, how much does it cost? Consider buying in cash rather than credit if it ends up cheaper that way. And third, look at the interest rate on your loans.

The best way to deal with a credit problem is by not getting into debt in the first place. Avoid borrowing altogether. If you really need to use credit, make sure it's "good credit"—a home loan or business loan. Stay away from consumer-type loans.

Don't despair if you are buried in debt. Do something about it. First, do a debt inventory. Make a list of all your debts. On a piece of paper or spreadsheet document, write the following: name of the creditor, amount due, when the loan was taken out, interest date, due date, etc. Also indicate: current, past due, and under legal action, if any.

When you start to pay debt, it's like going to war, but do you have the ammunition? The logical move that most financial counselors will advise is for you to pay the ones with the highest interest. It's logical, right? But that doesn't work because if you pay them all at the same time, you will inevitably get debt payment fatigue.

My advice is that once you have identified all your debts, pay the smallest ones first. When you see progress, then your behavior changes along the way. You start believing that being debt-free is a legitimate reality. As you knock off one debt after another, you'll see a positive effect in your cash flow as payments made for your earlier debts can be used to pay your other debts.

Some people will advise you to consolidate, to take out a personal loan and pay off the other debts with the amount. But that does not work because it's still debt. It's artificial. Instead, talk to your creditor. Stay calm and be honest with whoever is trying to collect from you. Let them know your real situation and that you are willing to settle your obligations. Negotiate for settlement amounts.

The root of the problem are the head and the heart. It's all just a matter of budgeting and basic money management. You should track and control the outlay of money.

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**Randell Tiongson** is a life and personal finance coach. ([randelltiongson.com](http://randelltiongson.com))

# INVEST EARLY, AND WISELY

Don't wait: It's always a good time to get started when it comes to investments. BY LUIS GERARD LIMLINGAN

**When investing in stocks and bonds, I would give the same advice to OFWs that I would give to any other investor, with some minor differences. The short answer is, it's always a good time to invest (especially in stocks), and once you get started, you'll never be content to sell.**

## WHAT DO YOU WANT?

Whenever I sit down with first-time investors, I ask them three questions, which serve to help "know thyself" in terms of expectations. It helps me gauge what their investment personality is, and helps them align their objectives with more realistic expectations.

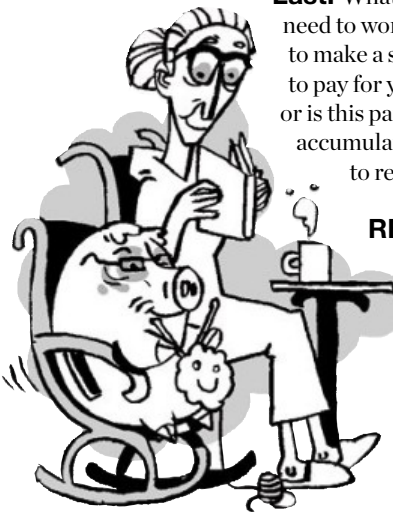
**First:** What is your investment objective? Are you looking to maximize return, preserve capital, or rely on passive income? This is important because stocks or companies depending on the nature of their business, behave differently, so too the manner by which they reward shareholders.

**Next:** What is your risk tolerance? For example, this year has not been favorable to stocks, so it may take some time to weather out the storm. If you are not willing to ride out the volatility, then it's best to invest in companies that are less prone to speculation and the cyclical nature of business shocks.

**Last:** What is the time horizon you need to work with? Are you looking to make a small return after a year to pay for your children's education, or is this part of a long-term plan of accumulation leading to retirement?

## REWARD VS. RISK

Investing in stocks is often risky. But if you manage the risks, you can secure your financial position and earn money. What exactly are the benefits of investing in stocks?



**Investment Gains:** One of the primary benefits of investing in the stock market is the chance to grow your money. Over time, the stock market tends to rise in value, though the prices of individual stocks rise and fall daily. Investments in stable companies that are able to grow tend to make profits for investors. Likewise, investing in many different stocks will help build your wealth by leveraging growth in different sectors of the economy, resulting in profit, even if some of your individual stocks lose value.

The longer you hold stocks, the chances of loss are minimized. In fact, after 10 years, if you had invested during what would seem like the worst possible time, then you would at the very least break even. More importantly, after 20 years on average, you should be making 7 to 8 percent a year on a compounded basis.

**Liquidity:** Liquidity is the ease by which something can be traded or converted into cash. With stocks, there is a regulated market for people to buy or sell shares during trading hours. If you are satisfied with the price at which you are going to buy or sell your shares, then you can have this done automatically. (This isn't the case for other assets. Selling a painting, for example, won't be as easy. You'll need to find a buyer and likely haggle over the price before reaching a deal.)

**Dividends:** Some stocks provide income in the form of a dividend. While not all stocks offer dividends, those that do deliver annual payments to investors. These payments arrive even if the stock has lost value and represent income on top of any profits that come from eventually selling the stock. Dividend income can help fund a retirement or pay for other investments as you grow your portfolio over time.

**Tax Savings:** Real estate, businesses, and other valuables are taxed 10 to 20 percent when sold. When you sell stocks, you will only be taxed 0.5 percent of the value at which you sold them.

OFWs need to take note of fluctuations with regard to foreign exchange. For our hardworking relatives, this year has been much more favorable as the peso has depreciated with respect to other currencies. In this regard, I believe they can be more aggressive in remitting funds and investing in stocks. In terms of forecasting, it's best to observe the latest inflation reports because, generally, our central bank raises and lowers rates in order to fight risks from hyperinflation or deflation.

The most important advice I always give to newbies is just be patient. As Charlie Munger, Warren Buffet's right-hand man, says: "Patience is an underappreciated but critical component of investing success."

**Luis Gerard Limlingan** is the head of sales at Regina Capital Development Corporation. ([reginacapital.com](http://reginacapital.com))



## GET YOUR FAMILY ON BOARD

If you want you and your family to have long-term financial security, you have to get them to share your savings philosophy.

BY ROLANDO VICTORIA, AS TOLD TO MARI-AN C. SANTOS

**We all hope that, one day, somehow, our *kababayans* will go home for good, and together with their families, establish a business here. This social objective is one of those close to the heart of ASKI Global. Over the years, we have seen that financing is not the only need of our fellow Filipinos. That is the reason why we considered OFWs in our financial education and literacy program, because they are one of the pillars of the economy.**

Our financial education and literacy program guides OFWs on how to handle their finances. We teach them about financial planning,

forecasting, and budgeting; savings and investing; and financial analysis. We also ensure that OFWs have an entrepreneurial mindset.

We also provide back-to-back training, where a migrant worker enrolled in any of the programs offered has the opportunity to nominate a family member in the Philippines to undergo the same training. At the same time, ASKI Philippines provides financial assistance to family members in the form of a loan, which they can use as startup capital for their business plans.

The goal is to establish a common mindset between the OFWs and their relatives.

We provide financial and non-financial assistance, such as trainings, coaching, and mentoring sessions, and we attend to the needs of the community. We have an in-house insurance arm, a mutual benefit association, and we also partnered with a commercial insurance firm to help our clients.

The aim is to reach out to Filipino migrant workers to change their remittance behavior, to earn as much as they could and use their hard-earned money to put up a business in the Philippines. We give them a one-on-one business coaching aimed at helping OFWs create a business, and draw up marketing plans and strategies to ensure the venture's sustainability and boost profits. Our students need to present their business plans before they finish the course. After passing the course, they will receive their certificates at the National University of Singapore—one of our staunch supporters who co-developed the modules for the training. This is done not just to train them, but to also educate them and help them realize their dreams for their families. It's also our mission to mentor them along with their family members on proper handling of their finances. We always tell the OFWs who underwent the training programs to keep on dreaming big dreams. We even run a microfinance facility for OFWs who want to go into business.

Once an OFW decides to go back home, they become confident that the knowledge and skills on entrepreneurship and financial education they acquired will help them in providing a better life for their families.

Since we started the program in 2010, there have been 37 OFWs who decided to go back home for good after working in Singapore. They have established their businesses and continuously apply their learnings. Some of the Singapore-based OFWs who decided to be reunited with their families include Bella Paz Ignacio from Quezon City, who established her own dress shop, and Jenalyn Espiritu from Tuguegarao City, who put up Cool Breeze Spa, which is now profitable.

Many Filipinos have a "one-day millionaire" attitude—where they squander all their savings in a short period of time by spending it without thinking. Proper handling of finances is important. That's why education and training, as well as ensuring OFWs apply their learning, is crucial.

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**ROLANDO VICTORIA** is the executive director of Alalay sa Kaunlaran (ASKI) Philippines ([aski.com.ph](http://aski.com.ph)) and the chairperson of ASKI Global Ltd. He is based in Cabanatuan City, Nueva Ecija.

# FIND THE RIGHT BUSINESS

Franchising is a way to get into business with a little help from like-minded people.

BY ARMAND BENGCO, AS TOLD TO MARI-AN C. SANTOS

**The financial objective of any business is not mere profitability. It is best said in Filipino: “*Maging karapat-dapat pautangin, maging kaakit-akit bilhin.*”**

There are two ways to get rich: (1) investing in the stock market and (2) getting into business. Getting into business makes a community, a country, and the world rich. There is more employment generated and more money circulated. When you decide to invest your hard-earned cash, you must choose well what kind of business you will invest in for the long term.

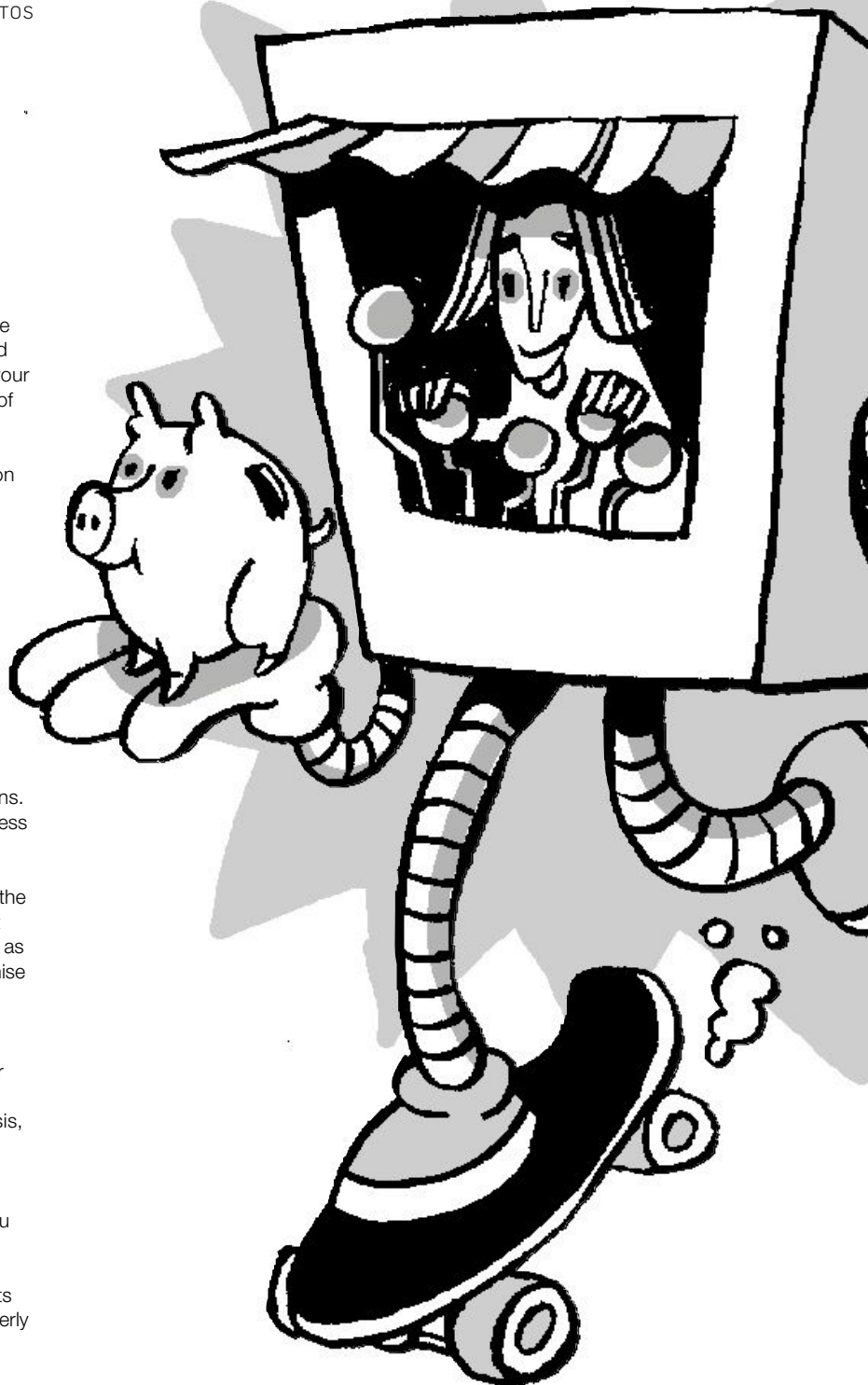
Why do people go into business? It could be any or a combination of five reasons: Personal satisfaction is one reason—because you enjoy the challenge. It may also be because of family ties, and because you’re taking off from a legacy of a family business; or, similarly, because of social networks (you find a business that is based on the needs of people you know). People become entrepreneurs to be their own boss; they don’t simply want to be employed by somebody else. But, ultimately, people go into business for profitability: While this is not the sole motivation, it is important to make money. There is no right answer to the question “what is a good business to go into?” A business’ success does not depend on capital, but based on one of these reasons.

Going into franchising also means going into business for yourself, but without having to do it by yourself. There are more than 800 companies now offering franchises. Before deciding to get a franchise, check the track record of the business. Look at the first and last franchisees, and some of those in between; interview as many as five franchisees so you know how the franchise is conducted and track its progress. Make sure there have been no complaints in the past.

Whatever business you decide to go into, make sure it is something you’re interested in or holds your interest while you study it. Start small and grow your business. A good profit is 20 percent on a yearly basis, excluding capital, electricity, among other expenses.

Come up with a business plan. To do so, answer the following questions: What are you going to do? How will you do it? When will you do it? What are you expecting from what you will do?

Cash flow is important to business. You should somehow have a mastery of the business, including its risks. It is also very important to have everything properly



## REMINDERS FOR THE NEW FRANCHISEE

**01 PAY YOURSELF A SALARY.** Do not mix business and personal finance.

**02 MAKE IT YOUR GOAL TO MAKE BUSINESS THRIVE.** Save for it and grow your business.

**03 UNDERSTAND THAT SALES IS DIFFERENT FROM PROFIT.** You have to consider the expenses.

**04 LOOK AT FINDING HELP.** There are many groups that you can consult for advice.

**05 FIND A WAY TO START AND SUCCEED IN BUSINESS IN THE PHILIPPINES.** After all, this is our country.

documented: sales, financials, transactions, what worked, and what didn't work.

A business works not just because of the brand or a business plan, but because of the person running it. An entrepreneur must be decisive, disciplined, and determined. One person can have the same franchise as another, but fail while the other person succeeds. Again, it does not depend on the kind of business or amount of capital. Business success depends more on the person—on you.

Every business just starts with an idea. If it is an idea that you thought about, cultivated, nurtured, and planned for, and it is a business you are interested in or interested to learn, then you are ready to start your business.

**ARMAND BENGCO** is the executive director of the Colayco Foundation, and the general manager of the KSK SMP Cooperative.

# TAKE TAXES INTO CONSIDERATION

Arm yourself with a little knowledge, so tax expenses won't become the downfall of your business. BY **AYA LARAYA**

**If you are an OFW thinking of using your hard-earned money to put up a business, the most important advice I can give you is this: Do not overlook the BIR and the effect that taxes can have on the success of your venture.**

Simply put, taxes can mean the difference between a business failing or earning a sustainable income in the long run. The sad fact is that many businesses tend to omit taxes when they show how much a business can earn.

I recently attended an event wherein a completely legitimate business was touted to have an earning potential of over P30,000 a week—or over P100,000 a month. Sounds attractive, right?

However, nowhere in the presentation was the matter of operating expenses discussed, nor were business taxes and income taxes mentioned at all. Plus, the implicit assumption was that the entrepreneur wouldn't have to borrow money at all to get the venture started.

So assuming that the business earned P120,000 over four weeks, the most important figure is how

much of that actually became income. Just because the business generated P120,000 does not mean you will receive P120,000 in income. For one thing, it will cost you money to run the business—salaries, inventory, government fees, among other expenses. And if you borrowed money from a bank or other credit institutions, then there will be interest costs as well. Lastly, the BIR can be owed up to 32 percent in taxes before you can actually call anything yours.

Using the above example, you may be surprised to learn that, after expenses and taxes, the P120,000 in “earnings” actually results in income of less than P30,000 per month—assuming no loans were taken out. Suddenly not as attractive, don't you think?

In conclusion, before you actually put in any money into a business, make sure you know how much you can realistically expect to earn after all the necessary fees and taxes have been paid.

**AYA LARAYA** is a personal finance adviser and the writer behind the website Pesos and Sense ([pesosandsense.com](http://pesosandsense.com)).

# STAY THE COURSE

Know what you're doing this for, and never forget it.

BY LORETO SORIANO, AS TOLD TO MARI-AN C. SANTOS

**I worked in Riyadh for six years in the 1980s. I had finished a technical course and worked in the telecom industry before deciding to leave the Philippines to work in Saudi Arabia. My main reason was to build a better life for my young, growing family. This is also the reason why many of our countrymen choose to leave home to work overseas.**

This must be clear at the outset: when a Filipino decides to work overseas, he or she must have a strong reason and a clear vision. Then, you keep your focus fixed on the vision, despite distractions and trials that may come your way.

Whether it's for your wife and children, or parents and siblings, you need to determine for whom you are leaving. In addition, you need to have a tangible goal of improving your lives. For example, if your family is engaged in farming, then you need to do what you can to raise the level of livelihood and become better farmers; if they are involved in a business in their town or *barrio*, then they should become better entrepreneurs and expand their business. That way, when you're overseas, you can cope more easily with the challenges of migration.

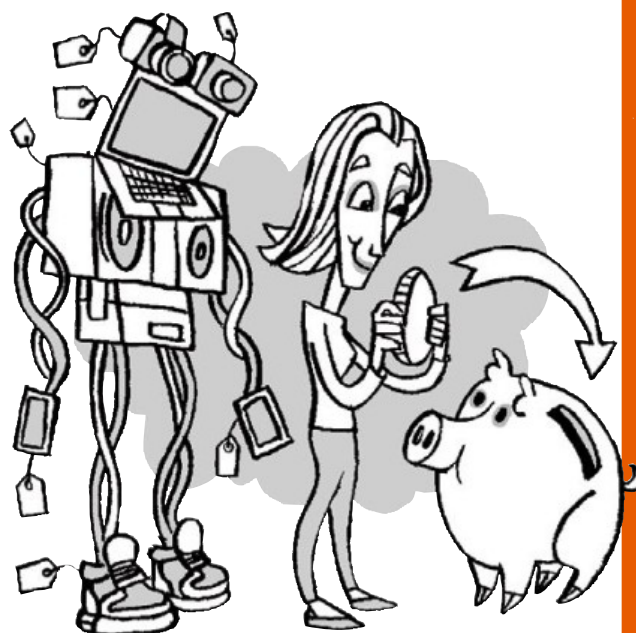
Before leaving, talk to the members of your family about how there will be improvement in the family and how each member can help if there is a joint initiative towards wealth creation.

My wife and I spoke about this before I left to work abroad. We sat down and discussed:

- How much debt do we need to pay? What are the things that should change while I am away? These are the priorities that must be settled. Then, of course, our dream house. Buying a house is an accomplishment for us. Or maybe having the house repaired or renovated.
- What are the things that should happen for the kids or the siblings so that their lives also improve? For example, finishing school. With children, you need to provide motivation and incentive with regards to studies. In the case of our children, it was based on grades and achievements. Even when my eldest was in his school's varsity basketball team, I would give him incentives when he scored during tournaments. You need to provide them a mission and find achievable ways to accomplish that mission.
- What are the things that can wait? These are things you can talk about later on. You can make a list of these things, and the list might change and get longer over time. You need to keep lines of communication open to complete and update this list.

It is important to write all of these things down. The biggest problem would be proceeding without a clear plan.

Aside from a plan for the allocation of your earnings, you also need a plan for your transition when you decide to come back to the Philippines. While I was abroad, I encouraged my wife to put up a small business, a food stall outside our house that was near a high school in Pangasinan. It slowly grew



and was able to make considerable money, and so, helped with our expenses. As I said, there needs to be a joint effort towards wealth creation.

That is why, when I came back, even if there was less income, at least there was still some from the small business. In the case of many others, when they come back, there is no other source of financial support and eventually, they resort to taking money from their savings. That is very dangerous. Then, after a while, not finding any employment at home, there's confusion among family members and the savings dwindle.

Even when I was working abroad, I already knew that I wanted to put up my own business back home. I thought: If I could do something here in the Philippines, where my family was, I would try to do it.

By raising them in an environment of entrepreneurship, my children got used to helping in the business. It came naturally to them. So when I put up my own recruitment firm, they would spend summers helping in the office, typing up resumé's. They also got rewarded for their efforts.

Our journey as an overseas family has been blessed. In 2013, we were awarded OWWA Model OFW Family of the Year. All of our children were involved in the business at some point. Now, my eldest son is our vice president and our youngest son, the head of the IT department. After running my recruitment company for 28 years, I now have time to work more actively in furthering OFW welfare. I work with NGOs and we have formed a coalition of OFW advocates assisting workers in distress. I also do research on various issues that confront our OFWs. **E**

**LORETO SORIANO** is the president of LBS Recruitment Solutions Corp.





## Build a brand worth talking about.

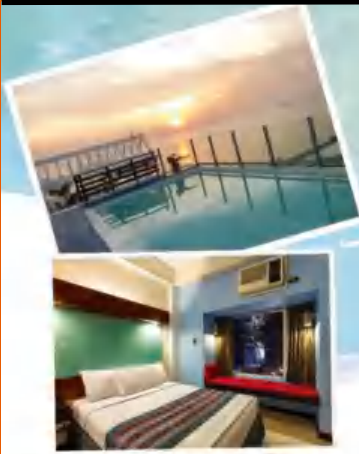
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PACKAGE	SERVICES	Social Media Management	Editorial Calendar	Influencer Marketing	Content Marketing	E-Mail Direct Marketing	OTHER SERVICES
		Facebook, Twitter, Instagram + 2 Social Media Sites   Posting Automation					Display Advertising
PREMIUM		30 Posts Per Month	✓	✓	✓	✓	✓
BASIC		15 days posting per month	✓	—	—	—	✓



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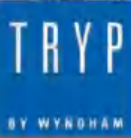


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# #TRENDING

## CONSUMER AND BUSINESS TRENDS THAT WILL SHAPE THE WORLD IN 2016

COMPILED BY **TONI ANTIPORDA**, WITH ADDITIONAL INPUT FROM **MARICRIS CARLOS**  
ILLUSTRATIONS BY **JAMES JOHN ANDRES**

Perhaps there's nothing more digitally native than a hashtag. Formerly known as the pound key during the golden age of analog phones, the hashtag is now the symbol of unified thoughts and experiences in the digital realm. But it serves to reflect what's happening in the real world—in the physical and the traditional. And as digital trends go, they only serve to remind us of our basic humanity.

Which is why it's interesting to look at the trends coming our way this new year.

**Omni-channel**, that new tech buzzword after mobile, big data, and cloud, serves to remind businesses that even while the world is on the cusp of massive digital transformation, consumers still yearn for physical interactions with products and people.

**Millennials**, today's current generation, whom experts said will never settle down, are actually

settling down and are fast becoming happy parents to Generation Z children. They are still their fun-loving, digital-native selves, mind you, but they are now using their online savvy to become better homemakers and parents. Who knew?

Southeast Asia is also set to have an **e-commerce boom**, but its traditional trade channels, like our very own *sari-sari* stores, will also continue to thrive and eat up market share for the sale of fast-moving consumer goods. Digital innovations will continue to change the way people **travel** and approach their **health**, and will also prompt more consumers to demand **natural and sustainable products and services**. Digital transformation might be nigh, but it is still shaped by very human traditions and values, as the following trends will show.

## SPOTLIGHT ON THE PHILIPPINES

Consumer confidence in the Philippines will remain bullish

Filipinos remain confident yet cautious consumers coming into 2016, says the results of the latest Global Survey of Consumer Confidence and Spending of consumer insights firm Nielsen. With a **Consumer Confidence Index score of 117, up two points year-on-year**, Filipino consumers remain optimistic amid the recessionary sentiments of its Asean neighbors (Malaysia, for one, has a score of 78, considered “pessimistic” against the baseline of 100). “The country’s robust economy continues to keep the consumers’ confidence in the Philippines bullish,” says Stuart Jamieson, managing director of Nielsen in the Philippines. Still, job security, work-life balance, and health remain to be key concerns of Filipino consumers, with financial security given top priority—**67 percent of Filipino consumers put their spare cash into savings, while 30 percent make it a point to invest in stocks and mutual funds.** But Filipino consumers still know how to reward themselves, as shopping for new clothes (30 percent) and splurging on travel (26 percent) remain a priority for their discretionary purchases.



## THE RISE OF THE MILLENNIAL MOMS

### THESE “CHIEF HOUSEHOLD OFFICERS” ARE STILL FUN-LOVING DIGITAL NATIVES

Millennials—those born between 1981 and 1996—remain a formidable market segment. **In the Philippines alone, there are 35 million millennials,** more than a third of the country’s entire population. And these millennials are growing up and becoming parents to Generation Z children.

#### MILLENNIAL MOMS RULE...

Most millennial moms in Asia see themselves as the “chief household officer,” as **83 percent consider themselves the primary decision-makers in their households,** reveals the latest Asian Digital Mom survey of parenting resource portal TheAsianParent.com. They often control household product choices, domestic arrangements, and even life-changing family decisions, which is why Pauline Fermin, marketing director of brand consultancy group Acumen, urged marketers and brand managers present at the recently concluded Brand Bootcamp to “get to the skin and soul” of these millennial moms to gain brand loyalty.

#### ...AND SO DO DADS

There’s a reason why #TeamKramer, the official social media handle of Cheska and Doug Kramer’s family, works. Fermin of the Acumen group says it’s because **millennial moms believe in “parenteam,”** a parenting style where husband and wife work together as a team, and “parentwining,” where the millennial parents’ life is tightly-knit with their children’s—they cook, sleep, and even go shopping together.

#### SHE’S A DIGITAL NATIVE

Millennial moms in the Philippines thrive online, with **63 percent spending one to six hours on the Internet daily** for work and social engagement, according to data from the latest Asian Digital Mom survey of parenting resource portal TheAsianParent.com. Surfing the Internet has become the new “me time,” with **49 percent being more active online past seven p.m.** And she makes up for the lack of face time with lots of screen time—**77 percent admit to interacting with friends mostly online** through various communities and social platforms, while only 12 percent admit to having the luxury of bonding with them face-to-face.

# GO FOR SUSTAINABLE

Heightened environmental and social awareness influence Filipinos' purchasing decisions

Filipinos are fast becoming one of the most socially conscious consumers in the world, recent data from consumer insights firm Nielsen show. In its latest Global Survey of Corporate Social Responsibility and Sustainability, Nielsen reveals that 8 in 10 Filipino consumers (83 percent) say they are willing to pay extra for products and services which come from companies that have a commitment to "positive social and environmental impact." Stuart Jamieson, managing director of Nielsen in the Philippines, says that Filipino consumers are becoming more aware of environmental and societal issues, and this awareness influences their purchase decisions. "Sustainability is now a worldwide concern," Jamieson adds.

More Filipino consumers are now checking labels, doing background checks on businesses and their manufacturing practices, and paying attention to public opinion about certain brands, especially on social media, Jamieson observes. "They are doing their homework," he adds. And, of course, doing good always pays off—according to the report, sales of consumer goods from brands that have shown a strong commitment to sustainability grew by more than 4 percent in the past year. Needless to say, brands that overlook sustainability efforts risk hurting not just their reputation but also their bottom-line. "Ignoring the sustainability imperative makes [brands] vulnerable to competitors of all sizes, who will seize the opportunity to build trust with the predominantly young, socially conscious consumers who are looking for products that align with their values," Jamieson explains.

## SURVEY SAYS...

60 PERCENT OF FILIPINO CONSUMERS SAY THAT "ENVIRONMENTALLY FRIENDLY" PACKAGING HEAVILY INFLUENCES THEIR PURCHASE DECISIONS

74 PERCENT SAY THAT PRODUCTS MADE WITH FRESH, NATURAL, OR ORGANIC INGREDIENTS APPEAL STRONGLY TO THEM, IN PART DUE TO POTENTIAL HEALTH AND WELLNESS BENEFITS

83 PERCENT ARE WILLING TO PAY EXTRA FOR PRODUCTS AND SERVICES WHICH COME FROM COMPANIES THAT HAVE A COMMITMENT TO "POSITIVE SOCIAL AND ENVIRONMENTAL IMPACT"

(SOURCE: NIELSEN GLOBAL SURVEY OF CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY, 2015)

## HOY, SUKI!

### SARI-SARI STORES AS AN ALLY IN THE BATTLE FOR MARKET SHARE

Don't underestimate the power of the humble corner store in the battle for market share, says consumer insights firm Nielsen. In its report called *Maximizing Traditions: The Shop. Shopper. Shopkeeper*, Nielsen argues that this ubiquitous trade channel can boost sales by putting fast-moving consumer goods in front of more consumers. In 2014, almost half, or 47.9 percent, of all retail sales in Asia and India were made through these traditional trade channels, as opposed to only 17.2 percent made through supermarkets. In Southeast Asia, there are more than five million of these small stores that Filipinos fondly call *sari-sari* stores. In 2000, Nielsen estimated that there were around 430,000 *sari-sari* stores in the Philippines alone. Now, that number has ballooned to around 800,000.

The report adds that sales made at these corner stores are mostly for small, immediate needs: 39 percent of the purchases were for immediate use and consumption, such as powdered coffee, carbonated drinks, laundry detergent, and shampoo. The key to maximizing sales through this trade channel, Nielsen argues, is to leverage on the relationships between the shopkeeper and the shopper, and to come up with packaging formats that can cater to smaller and more immediate needs, such as single-serve and single-use sachets.



## ASIA-PACIFIC AND “THE ASEAN ELEPHANT”

Doing business on this side of the world

The Association of Southeast Asian Nations (Asean) is reaching an anticipated milestone come 2016 through economic integration, with the creation of the Asean Economic Community (AEC). Made up of 10 Asian nations—namely Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam—the AEC is poised to be a young and dynamic consumer market, posits consumer insights firm Euromonitor International, what with its over 622 million consumers, its growing middle class with dispensable incomes, and its total consumer expenditure of \$1.5 trillion as of 2014 alone. No wonder it’s called “the Asean Elephant”—by 2030, the Asean bloc is eyed to become the third largest economy in the world, behind only the United States and China.

## PREMIUM ON PREMIUMIZATION

Southeast Asia’s growing middle class is trading up to premium brands, notes consumer insights firm Nielsen, in part thanks to improved spending power and increased demand for quality and differentiation. Demand for premium items, especially in the fast-moving consumer goods (FCMG) category, is growing despite being priced at least 20 percent higher than mainstream products—Nielsen identified a 21 percent increase in the share of premium-priced goods sold in Southeast Asia, thereby taking up 16 percent of total grocery sales in the region. Further, around 43 percent of Asian consumers say that they will pay more for a product that exhibits high quality and safety, superior technology, and boosts their social status and sense of self-reward.

## E-COMMERCE HOTSPOTS

Southeast Asia is seen as the new prime spot for e-commerce, according to consumer insights firm Euromonitor International. The region has a young population (half of which are below 28 years old), an expanding middle class, increasing Internet connectivity, rising smartphone penetration, and improving online payment options, all of which are favorable for the growth of e-commerce, explains An Hodgson, income and expenditure research manager at Euromonitor International.

Categories that will have the strongest growth in e-commerce from 2016 to 2019, according to recent data from Euromonitor International:

**INDONESIA** Apparel and footwear, with 138 percent growth

**THAILAND** Beauty and personal care, with 82.5 percent growth

**PHILIPPINES** Consumer healthcare, with 39.4 percent growth



# DIGITAL CONSUMERISM IN ASIA

TRENDWATCHING.COM SAYS DIGITAL CONSUMPTION HABITS IN ASIA ARE EVOLVING

## MESSAGING APPS AS THE NEW “LIFESTYLE REMOTE CONTROLS.”

Users can now shop, pay bills, and avail of government services via messaging apps. WeChat and LINE, for example, already have a strong ecosystem that brands like Burberry are leveraging on to reach their target consumers.

## DIGITAL DIRECTORIES

Remember the Yellow Pages? Well, the concept has evolved as digital directories help consumers navigate the “consumption-sphere” online. These can range from aggregators of retailers on Instagram, to trackers of available parking spaces and nearby comfort rooms in key Asian cities.

## TECH FOR THE MASSES

Digital technologies now help improve the quality of life for Asian consumers at the so-called “bottom of the pyramid.” SariLoad and SariScan, for example, provide enterprise-grade loading and inventory management solutions to sari-sari store owners in the Philippines, while the mFish mobile app helps fishermen in Indonesia look for good spots to fish in, with the aid of satellite technology.



## THE K-INVASION CONTINUES

Filipinos are no strangers to K-Dramas and K-Pop, not to mention the infectious dance craze that was “Gangnam Style” courtesy of South Korean pop star Psy back in 2012. But it seems like the Korean wave is far from over as it’s influencing consumption patterns in and beyond Asean.

### FOOD & DRINK

South Korean food chains are spreading all over the world, and no, they’re not even serving South Korean food fare. Food concepts such as pizza chain Mr. Pizza, and coffee and pastry shops Caffe’ Bene and Schneeballen, all of which have found their way to the Philippines via master franchise agreements, are all brands from South Korea that have European flair. Who knew, right? And more of these South Korean food concepts are expected to come to the Philippines next year, notes Sam Christopher Lim, assistant vice president for marketing and strategy at franchise consultancy Francorp Philippines. “More [South Korean] food operators are now looking at setting up shop here after seeing how well food concepts like Caffe’ Bene, for example, is being received by Filipino consumers,” he adds.

### BEAUTY & LUXURY

South Korean dramas and pop idols are not only influencing the viewing habits of its ardent followers, but their sensibilities have also seeped into beauty and luxury consumer trends, says Nicole Tyrimou, global beauty analyst at consumer insights firm Euromonitor International. “The influence of Korean dramas and Korean pop has been unprecedented, not just in the beauty industry, but also for luxury, apparel, consumer electronics, and consumer food services, with items featured in music videos and TV dramas in high demand among consumers,” Tyrimou adds. Even international cosmetics giant L’Oréal has been swept up in the Korean wave, introducing K-Beauty inspired products such as BB creams with Garnier, and air-cushion foundations with Lancôme. In the Philippines, homegrown cosmetics brand Happy Skin takes some branding and packaging cues from the K-Beauty phenomenon, with some of its packaging and ingredients even originating from South Korea.

## THE GLOBAL STAGE

Consumer trends from  
all over the world

Digital transformation will now be at the center of growth and profitability strategies of businesses worldwide beyond 2016, says data insights firm International Data Corporation (IDC). This will drive more than half of the IT expenditure of enterprises for the next 24 months, and will rise to 60 percent by 2020. **“Digital transformation should now be a priority for business owners, lest they be left behind,”** says Jubert Daniel Alberto, country lead at IDC Market Research Philippines Inc. The Internet of Things (IoT), which IDC predicts will span 22 billion devices by 2018, will drive the development of more than 200,000 apps and other digital solutions that have the potential to boost competitive advantage in industries like manufacturing and transportation. And we need not look far to see what digital transformation can do—it’s already changing the way we shop, travel, and manage our health.

## WELCOME TO THE YEAR OF OMNI-CHANNEL

ALL BASES COVERED AS  
DIGITAL GOES PHYSICAL

**F**or the past couple of years, talk of big data, cloud computing, and mobile has dominated conversations about enterprise technology solutions. These technologies are definitely here to stay, and now tech industry observers are urging entrepreneurs and executives to look at what these three trends have wrought, and to look at them through an omni-channel perspective. “Having omni-channel measures and strategies can really help businesses thrive in an ever-growing digital consumer market,” says Jubert Daniel Alberto, country lead at data insights firm IDC Market Research Philippines Inc.

As the term suggests, **“omni-channel” basically means being present in all possible channels.** “So, for example, if you’re a retailer, you should have an e-commerce platform, a brick-and-mortar store, and the necessary infrastructure and strategies to support the growth of both,” explains Alberto. A great example would be the unprecedented move of e-commerce giant Amazon to build a brick-and-mortar bookstore in the United States. In Asia, fashion retailer Zalora, another e-commerce native, has opened a series of pop-up stores in Hong Kong and the Philippines. “The challenge for retailers here would

be how to accommodate both the in-store and online purchases with the same level of efficiency,” Alberto adds.

Stuart Jamieson, managing director of information and measurement company Nielsen Philippines, touts Zalora’s move. “It’s incredibly smart,” he says. “It comes back to, ‘is the offering that you have compelling for consumers?’ Because if it is, then it’s going to work in a physical sense, as well as in a digital sense.” Moving that very strong online presence into a physical presence, he says, “just extends your brand for those people who are not comfortable and confident yet in going online. You build that relationship... A lot of those people will transfer into the online world as well because you started to build a relationship.”

Another company that has leveraged on the omni-channel trend is NetSuite, a maker of cloud-based business management solutions, which introduced a solution that would make it easier for retailers to serve customers, whether shopping online or in brick-and-mortar stores. “We saw the omni-channel world coming,” said NetSuite president Zach Nelson when he introduced the solution during the company’s global user conference SuiteWorld in San Jose, California last May.



He said the company saw the need for such a solution as businesses realized the need to give a seamless experience to customers both online and offline. “We knew we had to bring together not just the website touchpoint, but any touchpoint, in particular, in-store touch point,” he said.

Dubbed SuiteCommerce InStore, the solution will allow a retailer’s sales associates to deliver a more personalized shopping experience with a comprehensive view of the customer history, and the ability to order products from a tablet or mobile device if it’s not available in the store. The solution unifies all customer information into a single customer profile. This means that any employee, whether a store associate or a customer service representative in a call center, can have an immediate understanding of any customer, in real time, regardless of the channel, which facilitates better service, more sales, and improved customer loyalty. “This is the holy grail of in-store and online. Talk about a unified experience. It is by definition a unified experience,” Nelson said during the May conference.

Admittedly, says Jan Pabellon, principal product manager for Asia Pacific at NetSuite, omni-channel is still in its infancy in the Philippines. But eventually, he says companies will need to adopt omni-channel strategies and solutions in order to serve customers. “It’s all about winning the trust and loyalty of the customer, providing superior customer experience whatever channel is involved.”

“The challenge for many companies is they’re not prepared, they don’t have the tools for it, they don’t have the strategy for it, and the changes that are happening are so fast that even if they wanted to, it could be very difficult for them, or be very expensive, sometimes,” he says. “If you’re a company and you’re not prepared, you’re not going to be able to offer a good customer experience.”

## WE’RE GOING PLACES

### DIGITALIZATION IS CHANGING THE WAY WE TRAVEL. CAROLINE BREMNER OF EUROMONITOR INTERNATIONAL TELLS US HOW.

#### OFF THE BEATEN PATH

Thanks to multiple online platforms and mobile apps, digitalisation is driving travel to more secondary cities all over the world. In Europe, visitors are even advised to go on “hipster holidays” to explore alternative districts that are popular with, well, local hipsters and avoid the “mainstream crush” with the help of Twitter and Facebook. In the Philippines, on the other hand, a new breed of digital travel agencies like FlipTrip seeks to promote lesser-known destinations.

#### IT’S PERSONAL

Travel companies will now be able to suggest activities for travellers at any location in real time thanks to big data and mobile technology. Suggestions will be personalized, using data and preferences mined from a consumer’s social media accounts, and cross-checked with online directories of local travel services and activities. Google Now, for one, aims to give information before consumers even ask, using past behavior as reference and geo-localisation to keep suggestions locally relevant.

#### THE POWER OF THE CROWD

Luxury hotels are now turning to crowdsourcing and crowdfunding to finance the opening of new boutique properties. Would-be hoteliers, such as Amberlair and the Prodigy Network in the United States, are now tapping social media to find potential collaborators and investors, with contributors receiving benefits or free stays in the hotel as rewards. In the Philippines, you can have a piece of Novotel Suites Manila by Century Properties by way of “fractional ownership.”





## LET'S DRINK TO THAT

Elizabeth Friend, foodservice analyst at consumer insights firm Euromonitor International, lists three upcoming trends in craft beverages.

### COLD BREW COFFEE

What started out as a means to sell more coffee during warm seasons has led to innovations that can yield stronger, better tasting, and smoother iced coffee that doesn't need to be mixed into indulgent blended drinks.

### "ADULT" SODAS

Mixology has turned cocktails into an experience rather than just a drink, and also brought about the advent of "adult" sodas—sparkling beverages with sophisticated flavor profiles, often

flavoured with bitter, sour, or spicy ingredients such as vinegar, ginger, herbs, or citrus fruits.

### SOPHISTICATED JUICE

An extension of the cold-pressed juice movement, its appeal rests on presentation and preparation, often incorporating vegetables and herbs to offer "functional" drinks that are both healthful and high value—offerings like non-traditional lemonades, for example, will be flavoured with cucumber, lavender, or any other seasonal fruit.

## TAKING YOUR SELFIE OF HEALTH

### MARRYING CONSUMER HEALTH AND DIGITAL TECHNOLOGIES FOR A BETTER YOU

Thanks to digital technologies such as medical devices, applications, wearables, smartphones, and tablets, more consumers are taking full ownership of their health and wellness. Dubbed electronic health (eHealth) and mobile health (mHealth), this trend in health and

wellness promotes self-monitoring and self-medication with the aid of mobile apps and online services, some of which are even approved and backed by doctors and other health professionals. As early as April 2014, the European Commission's Green Paper on Mobile Health has predicted that mHealth revenue worldwide will reach \$23 billion by 2017. Also, free-of-charge health, sports, and fitness apps have already reached 231 million downloads as early as 2013, with an estimated 68,000 available health-related apps targeted directly at consumers.

And the trend will continue to strengthen next year as more cloud-based technologies are expected to emerge in response to the digitization of patient health records worldwide, says Monica Feldman, consumer health

analyst at consumer insights firm Euromonitor International. "The consumer health industry is entering a new era where an empowered consumer will benefit from the virtual accessibility of his electronic health records (EHRs)," adds Feldman. Pioneers in eHealth and mHealth such as Microsoft's Health Vault and Apple's HealthKit have been aiding not just its users but also the consumer health industry as a whole by promoting digital connectivity for research, product development, and consumer engagement, Feldman further explains. "Consumers are recording and uploading their personal health records in digital spaces, and these will eventually merge with their EHRs, which will create an amazing and comprehensive view of their individualized health."

# THE NEW FACE OF CONSCIOUS CONSUMERISM

IT'S NOT ENOUGH TO GO "NATURAL," SAYS DATA INSIGHTS FIRM JWT INTELLIGENCE

## FROM FARM TO FACE

"Natural" trends that first emerged in food and drink are now finding its way to other categories. Case in point: the farm-to-face beauty trend, an offshoot of the farm-to-table food movement, with the same emphasis on localism, provenance, and responsible sourcing. Commonplace beauty products like makeup, nail polish, perfume, and even tampons are now under scrutiny from a more discerning—and demanding—female consumer base. Startup cosmetics brand NatureLab understand this demand for information and transparency about the ingredients and processes that go into making their beauty products, and don't shy away from the scientific and even technical lingo in their packaging and brand messaging. "Natural" products will no longer be niche, but are expected to become the new normal come 2016, and brands in this category are advised to scale up in order to reach a wider mass market, adds JWT Intelligence.

## WASTE NOT

As the global population is eyed to reach 9.6 billion by 2050, food production remains a growing concern, which is why brands and consumers alike have taken to combating food waste. As early as 2014, French supermarket Intermarche has been selling imperfect-looking fruits and vegetables at 30 percent below the standard retail price through its Inglorious Fruits and Vegetables campaign. Swedish-Filipino startup FoPo, on the other hand, has taken to turning overripe fruit into dry powder to prolong its shelf life. Chefs and restaurateurs in the United States and Europe have also taken to serving limited edition "scrap-based meals" to diners. And there's growing support for this practice—according to a survey conducted by data insights firm JWT Intelligence, 70 percent of millennials from the United States and the United Kingdom are willing to pay more for products that reuse and recycle materials. **E**

## MOBILE HEALTH BY THE NUMBERS

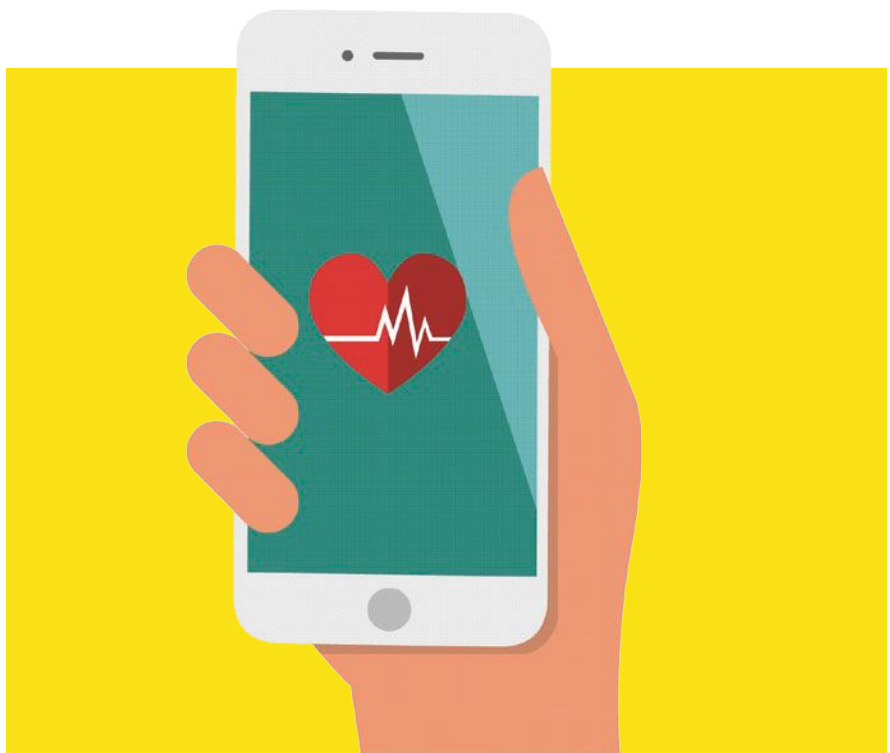
**63.2 MILLION UNITS** → **108 MILLION UNITS**  
NUMBER OF PASSIVE WEARABLES SOLD WORLDWIDE IN 2015, AND BY 2020

**1.25 BILLION UNITS** → **1.64 BILLION UNITS**  
NUMBER OF SMARTPHONES SOLD WORLDWIDE IN 2015, AND BY 2020

**68,000+**  
ESTIMATED NUMBER OF AVAILABLE HEALTH-RELATED APPS AS OF 2013

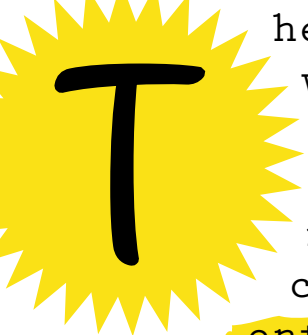
**231 MILLION**  
NUMBER OF DOWNLOADS FOR FREE-OF-CHARGE HEALTH, SPORTS, AND FITNESS APPS IN 2013

(SOURCE: EUROMONITOR INTERNATIONAL)



# Act of Reinvention

Three entrepreneurs  
build growing businesses  
for their second act



There is a lot of hype about entrepreneurs who started their businesses early, as if knowing what you want to do is a rare gift. While that may be so, we mustn't discount folks who found their calling later in their careers. Many entrepreneurs achieved success after they switched careers—some of them, after retirement. The most popular example is Colonel Harland David Sanders, who worked different jobs before opening a fried chicken restaurant at 40. To this day, his name and image are synonymous with KFC's delicious fried chicken.

It takes a lot of guts to decide to change careers, especially when one is already successful. But sometimes, no amount of money or success can equal the call of a personal goal or passion, especially when one sees an untapped opportunity in the market. These three entrepreneurs saw a chance and took it, and are reaping the rewards after years of hard work and patience. It just goes to show that no matter how old you are or what your background or training is, when it comes to setting up your own business, it's your willingness to research, learn, bootstrap, and work hard and smart that will determine your future success.

BY YVETTE TAN PHOTOS BY JONATHAN BALDONADO MAKEUP AND HAIR BY TRICIA MIRANDA

# Not ready for retirement

## RICA KING COCOLINE Naturals

Instead of retiring, this high-flying exec discovered a way to use her experience to develop her passion.

Rica King headed a global skincare brand for 20 years before retiring to spend time with her family. As a high-ranking executive, King played a big role in securing wins for the brand in the Philippines and in Asia. It was her idea to offer whitening products, which were unheard of at that time, but have become de rigueur today. She managed to see the company grow to become a billion-peso business, and saw her products reach the top of their categories. She'd done it all, and she was ready to take a back seat. "I retired in 2010 thinking I could be a full-time housewife."

During retirement, King discovered holistic living, and, wanting to adopt the practice for her family, began to study natural alternatives to chemical-laden mass-produced skincare. She found that fruits and plants are loaded with healing properties, and are more effective and a lot safer than synthetic ingredients. "I was fascinated by the unmatched powers of coconut oil," she says. "Scientists hail coconut oil as the 'miracle oil' because it outweighs the benefits of other popular and expensive oils. It is a strong antioxidant. Many Hollywood celebrities claim this oil as their beauty secret. A study also revealed that the Philippines has the best quality of coconut oil in the world. I figured, if there is any country that can come up with the best line-up of coconut-related products, it should be us."

The turning point came after she saw the devastation made by typhoon Yolanda to coconut farms in 2013. "It provided me a stronger mission and advocacy to help coconut farmers and help improve the quality of life through nature."

That's when she decided to set up COCO HealthProducts Inc., which makes lotions, body wash, and soaps made with virgin coconut oil under the brand name COCOLINE Naturals. The products, which are available in supermarkets, department stores, and drugstores nationwide, naturally have antibacterial properties and are paraben-free. COCOLINE Naturals came about very systematically, through "Research, plan, create, and network." "I updated myself with world trends [and] market size, and gathered consumer insights. We visited factories and talked to chemical engineers and other experts. It was vital to find and work with the right people and agencies who share the vision," King says. "The entire process was not hard, but it can be tedious because I am OC [obsessive compulsive]. To add fun [and turn moments into bonding opportunity], I involved my kids—from creating the brand, to conducting consumer surveys and helping out [with] the launch."

After finding the proper formulation, the next step was to have the products certified. King wanted COCOLINE to adhere to international standards, so they chose a renowned and impartial laboratory, Switzerland-

based SGS, to do the product testing. SGS came back impressed with the results. "Our products passed with flying colors—up to 99.99 percent antibacterial and antifungal qualities that can beat the quality of many other brands, and additionally, ours is natural, without parabens," King says. "I felt like I won the lotto that day."

The biggest challenge, King found, was changing the way consumers thought about coconut oil. "Many Filipinos are aware of the benefits of coconut oil, but were averse to it being sticky, warm, and *amoy latik*," she says. "Our challenge was to produce a winning formula that captures its effectivity on skin yet is delightful to use. COCOLINE Naturals was made to give coconut oil a modern twist. We found other natural ingredients that complement well with virgin coconut oil to make the products smell fresh, feel cool and non-sticky, and pleasant to use daily."

King draws on the ideas and experiences that has made her one of the most creative forces in her old company to help launch her new one into public consciousness. "Aside from the high quality and strong benefits COCOLINE Naturals has to offer, we dared to be different in our way of communication," she says. "Against the traditional use of celebrity endorsers, we focused on our hero—the coconut. With our battlecry 'The Power of Coconut,' we aimed to be distinct, straight-to-the-point, honest, and caring. With the increasing rate of cancer and skin problems, the demand for 'healthy' products is at its highest. People are taking notice and we are slowly building our loyal base."

It seems to be working. Several interested parties have approached King to explore having COCOLINE in their countries. "Growing our local market will just be as important as planting our seeds well in other markets," King says. "Using naturals means you care enough to live longer for yourself and your loved ones. It's a kind of beauty care that goes way beyond vanity. This is true beauty care, inside and out."

King tells of a conversation that happened just before she decided to retire. "A prominent businessman once challenged me, saying, 'You have already earned them [former company] tons of wealth, why can't you do it for yourself and build your own company?' That statement haunted me, but I was quite decided to spend the next half of my life closer to my family."

Even though she didn't know it then, that question would lead her to fulfill a goal she didn't know she had. And now, in the middle of rolling out COCOLINE's products and developing new ones, she has found her second wind. In the end, for King, it's all about making people happy. "When consumers tell us how they love the products and how it helped their skin problems, we still get happily giddy about it."



### **Rica King's Golden Rules**

- Set your goals, do research, and plan well before you leap; [relying on] passion alone can make the journey to success longer and harder.
- Have a good grasp of your strengths and weaknesses. This builds grit and a strong backbone necessary to face the rollercoaster ride called entrepreneurship.
- Don't just do it for the money, but for a higher purpose. If you aim to create improvement for the world around you, somehow the world will cooperate with you.



### Success secrets from Philo Chua

- Be persistent—things will not always go your way all the time so be patient and just keep at it if you believe in what you are doing.
- Read or travel and be curious—you can learn a lot from reading and traveling, and not just information. You can gain different insights from different perspectives from different people you will never meet otherwise. Be curious [about] what others are doing and what they have to say. Those insights can help transform how you see the world and, in turn, help you gain a better understanding of your market.
- Time—a lot of things have to do with proper timing. It's hard to say when it's the proper time. It may be your biological clock, or your timing with regards to commitments, or it can be about proper market timing.



# Quitting the day job

**PHILO CHUA**

**Theo + Philo Chocolates**

To launch his bean-to-bar chocolate business, this web developer worked two roles.

Before launching a chocolate company that would herald the craze for locally sourced products, Philo Chua was a web developer in the United States. “I took up computer science in college, but I always enjoyed doing something more creative. The job I entered, however, didn’t really allow a lot of creative freedom. I was mainly doing back-end programming work for a company that offers services to law firms,” he says.

Living alone in the U.S. made him appreciate cooking. This necessity turned into a hobby, which led him towards baking as a creative outlet. “I wasn’t really thinking of cooking or baking as a business. It was just something fun to do,” he says.

After a few years, he decided to make a change. “I wanted to start a business—it would let me switch careers and try out something new. At the same time, while still being relatively young, I could always go back and look for a job if it failed,” he says.

A visit to a newly opened chocolate shop in Pittsburgh, where he was based, changed everything. “It showed exotic single-origin chocolates from all over the world. That’s when my eyes opened to the potential for chocolate. I knew that we have cacao here in the Philippines, and I felt like that’s what I wanted to do. At the same time, bean-to-bar chocolate makers from garage type operations was beginning to start in the [United] States. Reading about those guys who had never made chocolates before encouraged me to start one, even without the know-how and experience.”

He moved back to Manila. His capital consisted of his savings, as well as additional funding from his parents to purchase machines. To keep capital rolling in, and to make sure that he had enough to live on on a day-to-day basis, he kept his job as a graphic designer, working with his U.S.-based clients in the evenings while working on chocolate during the day.

Chua relied on research and experimentation. “It’s really the experiments that I try that really helped me understand how it is to make chocolate,” he says. “There were a lot of trials and errors.”

In a country where artisanal chocolate was yet nonexistent, everything seemed to be a challenge. “It was difficult at the start because nobody really understood what I was trying to do at the time, especially here in the Philippines. When talking to suppliers and companies for machines, nobody knew what I meant when I mentioned about processing cacao beans. If they did know, they could only offer industrial-sized machines from foreign manufacturers that were too big and too expensive for

me. It was a steep learning curve—I had to deal with mechanical motors which I knew nothing about and was literally getting down and dirty if something broke down. I was a one-man team at the start. From sourcing, R&D, repairs, production, design, accounting, etc.”

Chua knew that he was on the right track when he joined an expo where his work-in-progress product garnered positive comments. “We were not selling and was just offering it for people to taste, but people were already asking about buying it. It was gratifying to hear that a lot of people understood what I was trying to do, and liked the product,” he says.

The gamble paid off. Not only did Theo + Philo set off the artisanal chocolate craze, it brought Philippine cacao—and those who farm it—back into the limelight. “The best thing about my job is that I feel like I’m building something that has purpose beyond just earning a living for myself. We are able to help transform lives through the people we employ and work with, and it is gratifying as a business owner to see one’s employees prosper also. In addition, I am able to create products that I hope can bring a smile and happiness to our customers,” Chua says.

Now, Theo + Philo is halfway between a startup and a big company. “Originally, to be able to make 10,000 bars a month sounds like a big goal to have when we were just starting out. Now, we are able to make more than that and we now want to have a goal to be able to make at least 10 times more per month,” Chua says. “We have six to seven people doing daily production. Depending on the product and the load, we can make between 300 and 1,000 bars a day.”

“Our challenge now is to create a better system in place and manage our growth. We need to plan earlier and have a proper culture in our company that encourages excellence and productivity. It can no longer be just me who oversees everything. In order for us to grow properly, I need to relinquish control in some areas and have people take on responsibilities.”

Chua’s cautious approach has been beneficial to the company. “Sales and profit has been steady for the past couple of years. This year, however, is a transition year, as we set into a new place and have a new machine. It’s almost like starting over but in a slightly bigger scale, and we have new things to learn.”

And there’s room to grow. “We plan to start having more products that are mainstream, just like the chocolate spreads that we have now. In addition, we want to start doing some export as interest from outside shores are beginning to increase,” Chua says. “I’m not great at growth forecast. All I can say is that we don’t expect demand to go down anytime soon.”

# Shifting gears

**BEN WINTLE**

## Booky

Moving to Manila meant moving full-time into entrepreneurship for this expat.

Ben Wintle's first job was in commercial real estate in Hong Kong. In 2005, this led into him and some friends starting a headhunting company that focused on the real estate sector. Their sector-specific focus and hard-hitting sales culture proved to be a winning formula. Wintle was in charge of their China operations until the company was sold in 2009. After taking a year off, he stumbled into technology and was attracted to the scalability of apps.

Wintle moved to Manila where, using his own funds, he set up an app development studio whose mission was to experiment with different app concepts "in view of finding a winning horse." "Booky was the first app we did that solved a big personal problem in Manila; the Internet sucked so it was tedious to find restaurant information quickly. Given that connectivity is a universal problem here, the app got traction right away," he says.

Booky is an app that's basically a phonebook of restaurants in Metro Manila that also works offline. It's currently rolling out a premium service called Prime, which entitles members to discounts at over 200 leading restaurants.

Developing a winning app wasn't easy. It took Booky's five employees (Wintle included) three months to build the initial directory of restaurant information and develop the first version of the app. "It's like the movie *The Martian*; there is a constant barrage of new problems arising," Wintle says. "One of the challenges from the start has been keeping our restaurant directory updated. Our team has required a lot of grit to grow our

directory from 11,000 to 14,000 restaurants we have currently and maintain accuracy. I think a key reason for my team's high productivity is that everyone feels like they're owners of the business, most of them have stock options so they are."

The app touched a need, and was an instant hit. "Making an app that really gets used is hard, so when I first started learning that friends and friends of friends were repeatedly using Booky, it got me pumped," Wintle says. "We have about 500,000 monthly users now."

Their strategy for growth is simple: "to generate content that delivers value to our user base," Wintle says. "One example is our Instagram, where every day we post about the new restaurants opening in Manila. I think our Instagram account *@bookymanila* now has the biggest following compared to any other lifestyle/food app in the country."

Despite Booky's success, there are still some challenges to be hurdled. "With 15 people, I feel we're still a lean team for what we're trying to achieve, so knowing what to focus our resources on at any given time is as much an art as it is science," Wintle says.

But Wintle is confident that Booky has a long, successful way to go—thanks in part to sucky Internet. "We're aiming for 20,000 Prime subscribers by mid-2016," he says. "We will introduce Booky to Jakarta in 2016 as it's a bustling market and the 3G is terrible, so [it has] very similar conditions to Manila."

Booky is a great example of an app that is so simple and so obvious, the first thing one thinks upon experiencing it for the first time is, "Why didn't I think of this?" And that's part of what makes it great. "I love that we deliver some value to so many people," Wintle says. "I get a great kick when I'm in a public place and I see people using Booky on their phones."

After all, for an entrepreneur, the passionate adoption of their product is the best of all scenarios. **E**

## Wise words

Reinventing yourself involves learning.

Here are some books that can help you along the way.

**The Real-Life MBA: Your No-BS Guide To Winning the Game, Building a Team, and Growing Your Career**

By Jack and Suzy Welch

(Harper Business, 2015)

If you want to learn about running a business, might as well study under Jack Welch, the famed former chairman and CEO of GE, and his wife and co-author Suzy, former editor in chief of the *Harvard Business Review*. The couple offers insights on building a great company, creating a winning team, and growing your career.

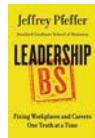


**Leadership BS: Fixing Workplaces and Careers One Truth at a Time**

By Jeffrey Pfeffer

(HarperCollins, 2015)

Why and how do leaders fail? The author Jeffrey Pfeffer, a professor at the Stanford Graduate School of Business, who is considered one of the leading management experts in the world, examines the causes of the failures to help readers understand how leaders fail their people and organizations and, in turn, change attitudes and mindsets to create better and more effective leaders.

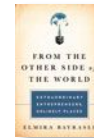


**From the Other Side of the World: Extraordinary Entrepreneurs, Unlikely Places**

By Elmira Bayrasli

(Public Affairs, 2015)

Silicon Valley doesn't have the monopoly on innovation. Innovation and entrepreneurship is happening even in emerging markets. That's the premise of this book, which follows entrepreneurs building globally competitive products and services in unlikely places—in countries seen to be the source of overwhelming economic growth over the next 25 years.



**Smart advice  
from Ben Wintle**

- If you're starting your own business, make sure you have the financial means to last you twice as long as you originally planned.
- View every day, whether success or failure, as a linear progression towards your goal.
- Put your family and health before any business matters to keep you sane.





# FORWARD MERCH

The changing landscape of retail franchising

WRITTEN BY **LOLITA VILLA**

**Y**ou want to get a franchise. And you're interested in retail. But is it a good idea?

Going by franchise stats, it doesn't look like retail is doing well. Experts say, however, that while apparel retail has been on the decline, other retail segments are on the rise.

## WINNERS AND LOSERS

Rudolf Kotik, president and CEO of RK Franchise Consultancy, says the number of retail franchises has gone down over the years. "When we started in 1997 in the

Philippines, retail franchises [comprised] 75 percent of franchise brands," he says. "Today that segment was taken over by food, and vanity and health-related franchises, while retail is down to 5 percent."

The entry of foreign retailers like Uniqlo, H&M, and Forever 21, for instance, has made it difficult for local clothing retailers to compete, which is why franchises of apparel retail has slowed down, says Christopher Lim, senior vice president for marketing and strategy of Francorp Philippines. Kotik agrees. "When we talk of RTW [ready-

to-wear] retail, clothing has definitely been on the downtrend for several years already. Look at the foreign brands coming into the market," he says. He estimates that about a third of all retail franchises in the Philippines are into apparel and accessories retail. The influx of cheap, imported merchandise, which come via bazaars, *ukay-ukay* stores, and online RTW set-ups, are also eating into the pricing margins of both retailers and retail franchisers, he adds.

But there's a bright side. Both Kotik and Lim agree that convenience stores,

usually foreign concepts from big players, and pharmacy concepts are growing in popularity. In the convenience store segment, 7-Eleven Philippines already boasts of more than 1,300 stores nationwide, while rival Ministop has more than 500. In the pharmacy retail segment, homegrown medicine retailer The Generics Pharmacy now leads the field in generic medicines retail, with more than 1,812 stores to fend off upstarts wanting a piece of the market.

One of

the major factors behind the rise of the convenience store segment is the country's growing middle class. Data from the Philippine Statistics Authority and consumer insights firm Euromonitor International show that the middle class has grown from 4.6 million households in 2008 to 5.4 million in 2014. The growing market has lured FamilyMart and Lawson, both Japanese chains, and Indonesia's Alfamart, to set up shop in the country. "This is cultural for

Filipinos. Everyone has a favorite *sari-sari* store, and these convenience stores function just like a *sari-sari* store. That's why these franchises are doing so well now," says Kotik.

### NEW CONCEPTS

The industry has also seen new concepts and developments. Two of the newest concepts include Calata Corp.'s Agri, which sells agricultural supplies to farmers, and Holcim HUBB Builders Center, which sells construction supplies to DIY enthusiasts and contractors. Both concepts are using the franchise model in order to expand. "Holcim, a global cement supplier, has started franchising a retail arm. So they started competing with mom-and-pop stores that sell construction supplies and equipment," Lim said at the recently concluded 18th Asia-Pacific Retailers Convention & Exhibition Summit. "They serve as a middle-ground between the home depot stores and the mom-and-pop stores, but they entered retail as well and are competing with the people they supply to," he says.

One new development that has piqued Lim's interest concerns online retailers. At the retail summit, he observed a development that no one has foreseen nor expected—"online players are starting to have offline stores." He cites the Zalora pop-up stores in Hong Kong and the Philippines, as well as e-commerce giant Amazon opening a brick-and-mortar store in the United States. "I really think that beyond 2016, a retail trend will be online stores opening offline. When a brand like Zalora starts to open offline stores, how long until they decide that they want to go into franchising?" he says. "When people talk about online competition, do not just

think of e-commerce," he adds. "Think of when will they start competing in their brick-and-mortar stores, and achieving growth through franchising."

### NICHE SEGMENTS

There is one segment that may prove promising: niche retailing. Kotik says that a niche product can be anything under the sun that is not commonly sold, such as gift boxes, accessories, or highly specialized beauty and home products. "It has to be its own market so it can maintain mark-up and profitability with no competition. The more competition, the smaller the margins. If you have your own niche, you can sell for how much the market is willing to buy it and not play with the competition," he explains.

Lim has found such niche brand, even investing in one—stationery retail franchise The Paper Stone from Singapore. "They have the cutest, liveliest, and trendiest stationery and paper goods. The competitive advantage of the store is that new designs are developed every week to keep customers coming back," he says.

For an aspiring entrepreneur, it seems that pursuing niche markets, playing with online platforms, and looking at convenience store and pharmacy franchise concepts may be the way to go in retail. But Armand Bartolome, president and CEO of GMB Franchise Consultants, cautions against just blindly joining the bandwagon. "Look at your lifestyle and personality. Gauge if you are the kind of person who loves food, services, or retailing. Then, check your budget and location if you can afford that kind of franchise. Finally, see if the franchise is a winner, and if you have few competition in the market. *Huwag lang sumali sa uso.*" **E**

## CHANGE IS GONNA COME

Sam Christopher Lim of Francorp Philippines lets us in on changes shaping the future of retail franchising.

### TECH-DRIVEN PAYMENT

Technology-driven developments in the form of mobile and online payment solutions, and upgraded point-of-sales systems in-store leads to better conversion rates due to less queuing in stores and the option of advanced payment.

### 3-D PRINTING

While seen by some more as a service, 3-D printing can be a boon to the industry as it would allow customers to buy customized made-to-order goods. Coming up with mock-ups or prototypes, which traditionally took weeks, can now be done in less than a day, or even mere hours or minutes, depending on the size of the item.

### CLICK-AND-MORTAR

Who would have thought that online merchants would eventually come up with their own brick-and-mortar stores? E-commerce giant Amazon just came up with its own physical bookstore in the United States, while online fashion retailer Zalora has had multiple pop-up stores in Hong Kong, Singapore, and the Philippines.



Lerida T. Guzman is spearheading Suy Sing Commercial Corp.'s first foray into retail franchising, with the Easy Day community grocery store.

## WITH EASE

Wholesale distributor forays into retail

**A**lthough Suy Sing Commercial Corp. has been in the wholesale distribution business for the past 70 years, it knows a thing or two about retail. After all, it has been the go-to supplier of more than 15,000 retailers, including independent supermarkets, mini-marts, grocery stores, and convenience stores.

No surprise it came up with the concept for its community grocery store retail brand Easy Day. The idea was to set up mini-supermarkets in residential areas, while leveraging on its wholesale and retail experience by helping others set up their own stores. It has even decided to franchise the concept. "It was easy for

### FRANCHISE PACKAGE

**Total investment:** P5 million to P6 million, depending on the size and location of the store

**Size requirement:** Minimum of 200 sq. m.

**Contract term:** 7 years, renewable

**Inclusions:** License to use name, trademark, and logo; site evaluation assistance; site construction and renovation assistance; operations manual; training; business system support; retail automation; stock management and control; marketing and promotions support; customer loyalty program, among others

Suy Sing to come up with this innovation since it already had the range of products, the logistics, and the system to support it," says assistant vice president for business development Lerida T. Guzman, who's spearheading the company's first foray into retail franchising.

Easy Day is positioned as "a modern neighborhood grocery store," she says. "We want to be an extension of people's pantry," she notes, adding the stores will boast of a wide range of products that can rival those offered by big-box supermarkets, but in a compact and accessible format.

The Easy Day franchise is turnkey, says Guzman, as it is already backed by Suy Sing's roster of more than 300 suppliers, and supported by its logistics network, inventory management systems, and marketing programs. "We already give franchisees a system as part of the franchise package, and this gives them a chance to level up their retail offerings so that they can be more competitive."

Each Easy Day store will have three check-out counters and a food counter which sells grab-and-go items such as hotdogs, *arroz caldo*, and *sisig* rice meals. A bills payment counter and an automated teller machine will also be available in every store.

Easy Day will also provide the right assortment of goods at "everyday low prices," starting with its Easy Day brand line of items which includes bread, pasta, mineral water, and party and cleaning supplies.

At P5 million, startup costs may be steep, in part due to construction costs, but Guzman believes that Easy Day still makes for a worthwhile investment for aspiring entrepreneurs. "Whether the economy is doing well or is in a recession, a grocery store would still do well since it provides the basic needs of households."

Currently, Easy Day has five company-owned stores in San Andres and Tondo, Manila, Quezon City, and Makati City. It is set to open five more stores before the year ends. —Toni Antiporda

### EASY DAY SHOP

(Suy Sing Commercial Corp.)  
suyying.com  
(02) 706-8888; (02) 247-1888  
511 Muelle de Binondo St., Binondo, Manila  
sales@suyying.com

# PROBLEM SOLVED

MatheMagis adopts Singapore math for learning center

Let's face it: Children hate math. Joanne Tabora-Sison realized this more than five years ago as she struggled to find a mathematics enrichment program for her son. And she wasn't alone—fellow mothers and educators Ina Cuisia-Sehwani and Julienne Sison-Vital were also in the same boat.

But they were all disappointed when they learned that learning centers focused on drills and memorization when it came to teaching math—an approach they knew children hated. So in 2010, the three mompreneurs started their own mathematics enrichment center using a teaching method from Singapore.

MatheMagis Singapore Maths teaches children math concepts, skills, and processes using visual tools such as toy blocks, colorful worksheets and books, and interactive activities on an iPad. This visual approach enables children to better grasp the logic behind math problems and, in the process, promote creative thinking and strategic problem solving.

The visual approach also helps children develop a more positive attitude towards math, says Sehwani, chief executive officer. "Many children don't like math because their foundation skills were not developed well early on—we want to

## FRANCHISE PACKAGE

### Total investment:

P2 million to P3 million for a 40 to 60 square-meter location

### Contract term:

5 years, renewable

### Inclusions:

License to use trademark, name, and logo; start-up business guidance; site selection and evaluation assistance; training and certification of teachers; operations manual and systems; learning materials; marketing support, among others

strengthen their foundation skills so that when they move up to the higher grades, they are more prepared and confident."

MatheMagis's enrichment program also complements the math lessons taught in private and public schools. "When you look at the K-12 framework, it's moving toward problem-solving skills," notes Sison, chief program officer. "The concept and implementation are the same, and it's aligned with MatheMagis."

The founders started to franchise the center this year. "There was a demand from parents to offer it to places like Alabang, Quezon City, and even abroad," says Sison.

The founders are aware some see Singapore math as just a fad. "They think that way because some schools tried it but stopped after a year—they weren't able to implement [the program] because they didn't train the teachers," shares Sehwani. That's why they developed a solid training and certification program for teachers.

The founders also want to ensure the success of their franchisees. "We want to choose the right partners—it's not easy to re-wire the way of teaching," says Vital, operations chief. "Yes, this is a business, but this is also our passion—whatever happens, we will be there to support our franchisees," says Sison.—Ieth Inolino

### MATHEMAGIS SINGAPORE MATHS

(Explorarium Co. Ltd.)  
mathemagis.com  
(02) 833-7374  
3/F Cedar Executive Bldg.,  
1006 A. Arnaiz St., Makati City  
mathemagis.franchise@gmail.com



(from left) Julienne Sison-Vital, Joanne Tabora-Sison, and Ina Cuisia-Sehwani have grown MatheMagis Singapore Maths to six branches.

# FRANCHISE



The Ocampo family (from left: daughter Haraya, Era, grand-daughter Sophia, and Eufrazio) each with their own favorite *pasalubong*.

traditional Filipino delicacies like *pili* tarts, *pastillas de leche*, *piaya*, and tamarind candies. When Eufrazio failed to renew their business registration, they lost their business name, which forced him to coin a new one—he came up with Sitsirya Sari-Sari. The name change ultimately redirected the course of the business, and paved the way for a better brand.

While Sitsirya doesn't produce the goods themselves, it has a network of trusted suppliers of traditional delicacies from different parts of the Philippines. The suppliers are able to tap a bigger market through the Sitsirya brand, with the Ocampos guiding them on how to improve their production practices, facilities, and product costing.

Their packaging innovations allowed Sitsirya to corner diverse markets, from *balikbayans*, tourists, and even organizations in need of gifts and giveaways. Small pouch samplers called "Pasalubong kay Bunso," which sell for P15 to P20, makes *pasalubong* within reach for the mass market. Sitsirya's use of high-grade desiccants and triple-layer foil in premium boxes also improves the products' shelf life and quality, cutting the need for preservatives and making them easy to distribute even overseas.

After setting up 17 company-owned outlets, the Ocampos realized that they needed a more systematic way to grow the business, prompting them to start franchising Sitsirya Sari-Sari last June. "It's a simple business—you just need to sell," says Eufrazio. "But Sitsirya doesn't just sell *pasalubong*; it also sells memories," he adds, noting that every Filipino has a favorite *pasalubong*, with a story attached to it. "The memories are there, you just need to capitalize on the emotional triggers," he says.—Lolita Villa

## SITSIRYA SARI-SARI INC.

sitsirya.com  
(02) 713-5040; 0920-9209680  
sitsirya@hotmail.com

# LOCAL FLAVOR

Sitsirya Sari-Sari levels up the Pinoy *pasalubong*

Whenever a family member or a friend comes home from a vacation, or even just from work, almost always they would have *pasalubong* in tow. "When we were young, our father would always come home from work with *pasalubong*," recalls Eufrazio Ocampo.

It's a tradition he wants to keep alive through his *pasalubong* kiosk Sitsirya Sari-Sari, which he started with his wife, Era, in 2001. But instead of peddling the usual commercial junk food fare, Sitsirya promotes traditional Filipino delicacies,

"the best of what the Philippines has to offer," says Eufrazio.

While the concept centers on tradition and happy memories, the business itself was built on loss and hardship. In 1983, the Ocampos found themselves jobless and mourning the death of Era's father. Fighting back temptation to work abroad, for fear that it might tear the family apart, the Ocampos chose to start their own business instead.

Armed with P10,000, the Ocampos started Burp Foods in 1984, selling

## FRANCHISE PACKAGE

**Total investment:** P450,000 to P700,000, depending on the size and location of the kiosk

**Contract term:** 3 years, renewable

**Inclusions:** License to use name, trademark, and logo; site evaluation assistance; kiosk set-up; training; operations manual; P40,000 to P50,000 worth of initial stocks; marketing and advertising support, among others







# SAY CHEESE

Local bread manufacturer imports Japanese cheesecake concept

## FRANCHISE PACKAGE

### Total investment:

P7.5 million to P10 million, depending on the size and location of the store. In-line stores are allowed to have three satellite kiosks.

### Contract term:

5 years, renewable

### Inclusions:

License to use name, trademark, and logo; site selection; operations manual and systems; staff hiring and training; pre-opening preparations; marketing support; operations and quality assurance audits, among others

When Walter Co went to Taiwan for a business trip, he stumbled on a bakeshop with a long line of people waiting 45 minutes just to buy cheesecake. When he tried the cheesecake, he discovered it was different from the Western-style versions he had tried before—it was light and fluffy and almost melted in his mouth. “It was like eating a cloud of cheese, and it was not overly sweet,” says Co, president of C. Walter Company Inc. and founder and CEO of Walter Bread.

That was Co’s introduction to Uncle Tetsu, a cheesecake brand originally from Japan, but is now also present in Taiwan, China, Malaysia, and Canada.

Not long after, Co set out to bring Uncle Tetsu Cheesecake to the Philippines.

In May 2013, Co met with the brand’s founder Tetsushi Mizokami—Uncle Tetsu himself—a baker and pastry chef. “We assured him that we understand the bakery business, and presented to him our plans for the Uncle Tetsu brand in the Philippines,” says Co, who has been in

the bread business for 33 years. His pitch convinced Uncle Tetsu, who agreed to grant Co a master franchise for the Philippines.

Uncle Tetsu Philippines opened its first store in July 2014. It now has six branches—in SM Megamall, SM Mall of Asia, SM City San Lazaro, The Podium, Alabang Town Center, and SM City North Edsa. Three more franchised outlets are set to open next year in Cebu, Iloilo, and Davao.

Apart from the cheesecake, Uncle Tetsu has also introduced cheese tarts, pastry puffs, cream cake rolls, and chilled decorated cakes, in line with the company’s commitment to introduce new products every quarter, says Co.

—Lou Bognot



Walter Co of Walter Bread was immediately taken with Uncle Tetsu, a Japanese cheesecake chain.

## UNCLE TETSU CHEESECAKE PHILIPPINES

(C. Walter Company Inc.)  
(02) 239-2959; (02) 239-2964 local 201  
CST Bldg., Lot 33 & 34 Felix Ave.,  
Brgy. San Isidro, Karangalan Village,  
Cainta, Rizal  
charlesco.uncletetsuph@gmail.com

PHOTOS BY HEIDI AQUENDE



Kingsley Tan immediately recognized the value of a Mineski Infinity franchise.

## GAME ON

Cybercafé gamble pays off for freelance graphic designer

“So this is where all the people are!” exclaimed Kingsley Tan when he walked into a packed cybercafé two years ago. The freelance graphic designer, his sister, and potential business partners were then scouting Katipunan Ave., Quezon City for a franchise to invest in. At first, they looked at food concepts; learning about the Mineski Infinity cybercafé made them reconsider.

They went to another branch along E. Rodriguez Ave., Quezon City to see if it was as packed as the one in Katipunan—it was. “We went around 10:00 p.m. and there were still a lot of people, and I thought that was unusual,” Tan recalls.



But it was a meeting with Mineski’s founder Ronald Robins that sealed the deal for Tan and his partners. “We liked where the company was headed— [Robins] knows where he is going with it, and he understands the market because he *is* the market,” says Tan.

So in November 2014, Tan and his partners finally set up their own Mineski shop along E. Rodriguez Avenue. It was a huge gamble for them. For one, the total investment needed, more than P3 million, was rather steep. “We ran the numbers and knew that we were paying a premium for the brand,” discloses Tan. “We were apprehensive at first, especially since other cybercafés had cheaper packages.”

But, in the end, Tan and his partners saw that the investment was worth it. “Mineski already had 10 years of experience, so we figured that paying the franchise fee just saved us 10 years of headache,” says Tan. To finance their investment, Tan and his partners pooled their savings and took on loans.

In less than a year, the gamble paid off as they were able to set up their second Mineski shop in Caloocan last August, using profits from the first branch. Tan credits the success, in part, to Mineski’s growing e-sports community, which

already has 300,000 members. Tan’s first branch, which houses 100 computer units, caters to more than 35,000 gamers per month on average, and can still cash in up to P21,000 even on slow days.

Overhead remains a concern, though, especially since it’s a 24-hour business. “We keep an eye on our electric bills since it takes majority of our expenses,” Tan discloses. To save on electricity costs during off-peak hours, Tan advises his staff to either turn off air-conditioning or move all customers to just one section of the shop.

Still, the biggest challenge for Tan is ensuring that his customers are happy. He has trained the staff to respond to customer complaints right away. “Because if you don’t, then expect a bad review on Facebook,” he says. Tan is happiest when the shop is packed and nobody’s complaining. “I’m not a gamer; I’m in this purely for business, but I still want my gamers to be happy.”—Ieth Inolino

**MINESKI INFINITY**  
(Mineski Franchise Corp.)  
infinity.mineski.net  
(02) 442-2228  
marketing@mineski.net

## FRANCHISE PACKAGE

### Total investment:

Starts at P3.2 million, depending on the size and location of the shop

### Contract term:

5 years, renewable

### Inclusions:

License to use name, trademark, and logo; site selection assistance; interior renovation; operations manual; training; technical support; computer gaming units, including monitors, tables, and chairs; lighted signboards, among others

# REWARDS

12/15-01/16

AFTER 6

SHINY OBJECTS



AFTER 6

## NOT JUST A CAR

It's one of the most expensive things you'll ever buy. You can't keep it forever, and it loses value every day. And yet you still want it

WRITTEN BY **KRISTINE FONACIER**

For some people, it's not just a car. "Think of it," a friend counseled, "as freedom."

As the next-biggest material purchase in your life other than a house, every car that you own inevitably has some emotional resonance. You will be able to count the cars that pass through your life, each one acting as sort of a marker for touchpoints in life. The first car, which you may never forget, is a first signal of financial security; it is the first time you have enough money to spend on things other than necessities, and can spare a bit to make life a little better for yourself.

Somewhere along the way, something will force you to give up that beloved first car, and it'll probably be because

PHOTOS COURTESY OF FORD MOTOR COMPANY PHILIPPINES

of a welcome necessity: A bigger, more sensible car now, for a growing family. And on and on, until again the circumstances align, and you have room for a little more than just what you need. This is when you can get a car that you truly enjoy.

As with all expensive interests, many people try and justify this as “an investment.” With very few exceptions, however, from a purely financial point of view, a car is a terrible investment. A new car offers especially bad returns: You just have to accept that it loses at least 10 percent of its value (and as much as 30 percent, according to some alarmists) over its first year. That’s not even counting the maintenance and running costs of your “investment,” which includes fuel, repairs, and insurance—which, over four or five years, can run you as much as the price of the car itself.

A financial adviser I know likes to tell her clients that they should take their original budget, buy secondhand, and put the difference into a much more sensible investment like stocks or bonds, which can then make up for the depreciation of the car. At the very least, this approach can defray the cost of the car, if not put you slightly ahead. This is all possible, she says, because of the lower initial costs of a secondhand car and its slower depreciation rates; even accounting for higher maintenance costs and perhaps even for the inferior fuel efficiency of an older automobile, the value of a new one declines so sharply after you drive it off the dealer’s premises that it makes absolutely no sense to think of it as an investment.

So: buy a used car, put the savings in a more sensible investment. I ran this information by another friend—let’s call him Mike—who was at that moment shopping around for a new ride—he was considering a new-model pony car or a tank-like SUV, either option far outside what could be considered frugal or even reasonable. On a normal day, he himself was an entrepreneur who had a reputation for being very careful with his money—perhaps, I suggested, he’d just be better off downgrading in the interest of fiscal sensibility. “Anyone who says that,” he scoffed, “has never driven a good car.”

What is it about cars that makes normally level-headed people swoon?



**The Mustang was more than just transportation. It was my childhood watching *The Dukes of Hazzard* over my dad’s shoulder. It was rock n’ roll. It was power. It was speed, and it was living life. Needless to say, I wanted it.**

Now, I’d like to think of myself as a person who, when it comes to personal transportation at least, is rigorously practical—but not immune to the enchantment of a really nice automobile. When I bought my first car, I set myself a strict budget, did a survey of all the current models, and narrowed my decision based on a small set of parameters, of which fuel efficiency was the top priority. I read technical specs, talked to engineers, and did everything short of kicking the wheels.

And yet, despite all this, it all boiled down to a gut decision: I can only describe it as love at first sight. When I visited the last car dealer and saw the sleek, shiny beast that was to be my first car, I felt it in my heart. Sure, it was a tiny subcompact whose best feature was its top-of-its-class fuel efficiency. Under its hood lay a nondescript engine, but its transmission, I was told, was an experimental little machine borrowed from European race cars. It was small, efficient, but it was also cunning and deceptively powerful. It was a car that was the person I wanted to be.

As it goes, however, fiscal responsibility prevailed, and upon the advice of other financially capable advisors, I sold that car before it could fully depreciate. It’s been a succession of practical cars since then, each one more sensible than the last.

In the interest of science, I asked to borrow what anyone would rightfully consider “a good car”—which means, quite simply, a car

that gives a bit more than is sensible. There’s more power under the hood; there’s a little bit more room than you need; it occupies a tiny bit more space in your life than any inanimate object has the right to.

“You’re going to like this,” I was told as the driver handed me the keys to the 2015 Mustang that I was being loaned. “Enjoy,” he winked.

I didn’t stand a chance. I turned the key, and the V8 engine roared to life. That’s when I understood what it meant to have a car that was more than just a car. The Mustang was more than just transportation. It was my childhood watching *The Dukes of Hazzard* over my dad’s shoulder. It was rock n’ roll. It was power. It was speed, and it was living life. Needless to say, I wanted it.

Now I’m justifying this to myself by saying that, with a sub- $\$2$  million price tag, it was actually a good buy that could beat out some SUVs in the market. Surely that’s not a bad price for power and speed and life, is it?

My friend Mike disagreed. “I’m looking at a Land Rover,” he said. “Do you know that’s the only car that appreciates in value as time goes on?”

I told him I had never heard of that factoid, though he insists that it’s true. It’s a wise buy, even with the price tag that hovered around the  $\$10$ -million mark on the model he was looking at. “I took one out for a test drive, and let me tell you, it made me feel...” he paused, and swept his arm dramatically in front of him. “*Powerful.*” **E**



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# SMALL WONDERS

Spread holiday joy with these fun-sized goodies

WRITTEN BY **CLIFFORD OLANDAY**

## 01 FOREVER YOUNG BRACELETS BY CHARRIOL

If you can't afford to get her that jaw-dropping piece of jewelry (for now), win her over with a set. These are your standard steel cable bracelets, except they come in a rainbow of hues, from fuchsia to cobalt to pistachio. The narrow design makes them perfect for stacking on her delicate wrists. *Greenbelt 5.*



01

## 02 CURRENCY POUCH BY DUNHILL

The perfect gift for the frequent traveler has two zippered compartments for organizing different currencies and, more importantly, it's small enough to slip into the pocket of a suit, trouser, or coat. The grained calfskin, in a deep inky blue, also delivers the right message: The bearer of this accessory is sensible and elegant. *Rustan's Makati.*



02

## 03



## 04



**04 AVIATORS BY RAY-BAN**

Almost everyone looks better wearing sunglasses. More specifically, almost everyone looks cooler in a pair of aviators. This is why the aviator is the gift to give when you don't really know what to give. This particular model, the Light Ray, builds on the timeless style with titanium temples for comfort and a screwless, mono-block hinge for durability. *Eye Society, Makati.*

**05 TIMEWALKER WATCH BY MONT BLANC**

If the trio of counters and the carbon-like leather strap do not tip you off about its athletic leanings, then the sand-blasted steel case and ceramic bezel will definitely say that this timepiece is not meant to be kept inside a vault, but worn on the wrist on many adventures. *Rustan's Makati.*



**05**

**06 JASMIN IMMORTELLE BODY POWDER BY L'OCCITANE**

She will literally sparkle with a few dabs of this shimmering powder. She will also smell temptingly delicious—like a blend of lemon, pink pepper, jasmine flower, and orange blossom as concocted by famed French pastry chef Pierre Hermé. Also consider the perfume and body lotion versions. *Rustan's Makati.*



**06**

**07 SWAGGER BAG BY COACH**

Looking for something new? Head to Coach, which recently opened its first store in the country. What to get? Only their hottest bag, the Swagger. Its structured frame, in that modern winged shape, transmits formality and coolness, but what makes it really desirable is the serious hardware, a double dose of the fashion house's signature turn-lock. *Rustan's Shangri-La.*



**07**

**08 BOAT SHOES BY SPERRY**

JFK wore it. *The Official Preppy Handbook* endorsed it. What was an invention born of necessity (a shoe built to maintain traction on a slippery boat deck) has become a wardrobe staple for men. To give: the Authentic Original boat shoe from the Gold Cup collection. The more premium line uses the finest leathers, memory foam foot beds, and anti-shock and vibration technology. *Glorietta 3.*



**08**

PHOTOS COURTESY OF CHARRIOL, DUNHILL, RAY-BAN, OLIVIERS & CO., L'OCCITANE, MONT BLANC, COACH, AND SPERRY

# Company Directory

**ASSOCIATION OF FILIPINO FRANCHISERS INC.**

affi.com.ph  
(02) 501-5449  
afficalcenter@gmail.com

**BACK OF THE HOUSE**

facebook.com/backofthehouseph  
0906-2695655



**BEAMANDGO**

beamandgo.com  
facebook.com/BeamAndGo  
(02) 869-6414

**BOOKY**

ph.phonebooky.com



**BUNSO ART CLOTH DOLLS**  
facebook.com/BUNSO-  
Art-Cloth-Dolls-  
1524567604451097

**CALATA CORPORATION**

calatacorp.com  
(02) 511-1701  
info@calatacorp.com



**COCOLINE (COCO HEALTHPRODUCTS INC.)**

cocolinenatural.com

**EASY DAY SHOP (SUY SING COMMERCIAL CORPORATION)**

suysing.com  
(02) 706-8888; (02) 247-1888  
sales@suysing.com

**ENTREPRENEURS' ORGANIZATION**

eophilippines.com

**EUROMONITOR INTERNATIONAL**

euromonitor.com

**FLYING DUTCHMAN**

flyingdutchman.ph  
(02) 710-9981

**FOUNDER INSTITUTE MANILA**

https://fi.co/mentors?target=manila

**FRANCORP PHILIPPINES**

francorp.com.ph  
(02) 638-3142  
info@francorp.com.ph

**FULL CIRCLE COMMUNICATIONS**

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facebook.com/fccpr.ph  
(02) 637-1116

**GMB FRANCHISE CONSULTANTS**

gmb.com.ph  
(02) 532-8386  
info@gmb.com.ph



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facebook.com  
industriyamarikina  
(02) 904-8372

**IDC MARKET RESEARCH PHILIPPINES INC.**

idc.com  
asean.idc.asia  
ap.idc.asia

**KICKSTART VENTURES**

kickstart.ph  
(02) 625-8723



**SATISFIND**

satisfind.com

**MANSMITH AND FIELDERS INC.**

mansmith.net  
(02) 584-5858; (02) 412-0034  
info@mansmith.net

**SITSIRYA SARI-SARI**

sitsirya.com  
(02) 713-5040; 0920-9209680  
sitsirya@hotmail.com

**SOPHOS**

sophos.com

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theoandphilo.com

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(02) 833-7374  
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yesphilippines.org  
(02) 225-3726; (02) 263-3233



# Franchise Directory

## FOOD

### BIALETTI CAFFÈ

**Café, casual dining**  
bialetticafe.org  
0917-8081255; 0922-8965581  
**Total cost:** P1.8M to P2.5M for expanded kiosks, P3.5M for full stores  
**Total franchises/co.-owned:** 10/2  
inquiry@bialetticafe.org

### ENZO'S SHAWARMA

**Shawarma**  
facebook.com/EnzosShawarma  
(02) 585-7039; 0917-8336967  
**Total cost:** P300K  
**Total franchises/co.-owned:** 9/2  
enzoshawarma@gmail.com

### FERINO'S BIBINGKA

**Traditional rice cakes, coffee**  
ferinosbibingka.com.ph  
(02) 216-1028; 0917-8313477  
**Total cost:** P385K  
**Total franchises/co.-owned:** 12/8  
ferinos\_bibingka1938@yahoo.com



### FONDUE FACTORY CAFÉ

**Chocolate fondue**  
fonduefactorycafe.com  
(02) 531-3008; (02) 274-6363  
**Total cost:** P380K for standard cart package, P580K for standard counter package  
**Total franchises/co.-owned:** 5/8  
franchising@fonduefactorycafe.com

### OCTOBOY

**Takoyaki and other Japanese street food**  
octoboy.wix.com/octoboy  
(02) 359-2881; (02) 216-6568  
**Total cost:** P450K-P500K  
**Total franchises/co.-owned:** 3/5  
coctoboy@yahoo.com

### REDBUCK'S COFFEE SHAKES

**Coffee shakes**  
redbuckscoffeeshakes.com  
(044) 931-7893  
**Total cost:** P200K-P350K  
**Total franchises/co.-owned:** 22/4  
redbuckscoffeeshakes@gmail.com

## RETAIL

### AFICIONADO

**Perfumes, personal care items**  
aficionado.com.ph  
(02) 740-0000; (02) 411-5455  
**Total cost:** P465K  
**Total franchises/co.-owned:** 294/175  
franchisegroup@aficionado.com.ph

### BENCH BODY

**Intimate apparel**  
bench.com.ph  
(02) 777-7888 loc. 173  
**Total cost:** P4.5M-P5M  
**Total franchises/co.-owned:** 26/237  
franchise@benchtm.com

### GAMOT PUBLIKO

**Generic and branded medicine and personal care items**  
gamotpubliko.com  
(02) 723-8142; (02) 727-3869  
**Total cost:** P500K-P600K  
**Total franchises/co.-owned:** 46/5  
spl@gamotpubliko.com

### K2 DRUG

**Generic and branded medicine and personal care items**  
k2drug.com  
(02) 708-5299; (02) 913-7271  
**Total cost:** P980K  
**Total franchises/co.-owned:** 11/13  
k2drug@yahoo.com

### PLAINS AND PRINTS

**Ladies' apparel and accessories**  
plainsandprints.com  
(02) 372-6190 to 92, loc. 117  
**Total cost:** P2.7M-P3.2M  
**Total franchises/co.-owned:** 31/37  
franchise@plainsandprints.com

### TOBY'S SPORTS

**Sporting goods, merchandise, and equipment**  
tobys.com  
(02) 651-7777; (02) 651-7753  
**Total cost:** P3M-P5M  
**Total franchises/co.-owned:** 17/45  
al.regalado@tobys.com;  
tobysfranchising@tobys.com



## SERVICES



### CRYSTAL CLEAR

**Water refilling station**  
crystalclear.com.ph  
(02) 975-6623  
**Total cost:** P500K  
**Total franchises/co.-owned:** 302/22  
solorex@solorex.com.ph

### CUT & FIX

**Hair salon**  
cutandfixinternational.com  
(02) 445-5994; 0936-6949977  
**Total cost:** P1.8M  
**Total franchises/co.-owned:** 16/4  
cutandfixsalon@gmail.com

### FLAWLESS

**Skin care center**  
flawless.com.ph  
(02) 586-6807  
**Total cost:** P5M-P6M  
**Total franchises/co.-owned:** 16/25  
raymond.diyco@finafranchising.com

### MICROTEL INNS & SUITES

**Hotel**  
microtelphilippines.com  
(02) 870-0303  
**Total cost:** P2.5M/room  
**Total franchises/co.-owned:** 7/8  
franchise@microtel.ph

### NETOPIA

**Internet café**  
netopia.ph  
(02) 638-6742; (02) 638-0618  
**Total cost:** P2.6M for a 30-computer branch  
**Total franchises/co.-owned:** 27/68  
franchise@netopia.ph

### OH MY LASH

**Eye lash extensions**  
ohmylashsalon.com  
(02) 912-2946; (02) 912-2973  
**Total cost:** P450K  
**Total franchises/co.-owned:** 5/2  
ohmylash@yahoo.com.ph

**Note:** Investment costs indicated here might be different from actual investment costs due to various reasons, such as ongoing promotions, adjustments, and conversion rates, among others. The inclusion of any company in this list is not an endorsement; please get in touch with the companies concerned to make a sound decision about starting a franchise business.

## INTERNATIONAL

### AMAZING LASH STUDIO

**Eye lash extensions**  
amazinglashstudio.com  
**Total cost:** \$246K-\$404K  
**Total franchises/co.-owned:** 21/6

### BABY BODYGUARDS

**Baby proofing, CPR instruction, car-seat installation**  
babybodyguards.com  
**Total cost:** \$33.2K-\$59.9K  
**Total franchises/co.-owned:** 1/1

### BARKEFELLERS, THE PLACE FOR DOGS

**Upscale pet hotel**  
barkefellersfranchise.com  
**Total cost:** \$938K-\$4.5M  
**Total franchises/co.-owned:** 0/3

### BEBALANCED HORMONE WEIGHT-LOSS CENTERS

**Hormone-based weight-loss and wellness services**  
bebalancedfranchise.com  
**Total cost:** \$87.9K-\$141.2K  
**Total franchises/co.-owned:** 1/1

### BODY BY DR. MIAMI

**Plastic surgery**  
balharboursurgery.com  
**Total cost:** \$237.6K-\$495.9K  
**Total franchises/co.-owned:** 0/1



### BURRITOBOX

**Burrito vending machines**  
theboxbrands.com  
**Total cost:** \$55.4K-\$62K  
**Total franchises/co.-owned:** 10/5

### CRUMB & GET IT COOKIE COMPANY

**Made-to-order cookies**  
crumbandgetit.com  
**Total cost:** \$128K-\$178.5K  
**Total franchises/co.-owned:** 1/1

# Events

## SEMINARS & WORKSHOPS

### December 1 PRODUCTION AND OPERATIONS MANAGEMENT FUNDAMENTALS

Adopt lean manufacturing practices.  
**Venue:** Unit 201 Richbelt Tower, 17 Annapolis St., Greenhills, San Juan City 1502  
**Contact:** BusinessCoach Inc.; (02) 225-6616; businesscoachphil@gmail.com; businesscoachphil.com

### December 2 CREATIVE PROBLEM-SOLVING & DECISION-MAKING

Think out of the box to better solve problems and make decisions.  
**Venue:** Upon inquiry  
**Contact:** Salt and Light Ventures; (02) 813-2703 or 32; inquiry@saltandlight.ph; saltandlight.asia

### December 2 ESTATE PLANNING

Transfer properties legally.  
**Venue:** Unit 201 Richbelt Tower, 17 Annapolis St., Greenhills, San Juan City 1502  
**Contact:** BusinessCoach Inc.; (02) 225-6616; businesscoachphil.com

### December 4 FINANCING YOUR SMALL BUSINESS

Learn ways to finance your business.  
**Venue:** Unit 626 Tower A, BSA Twin Towers, Bank Drive, Ortigas Center, Pasig City 1605  
**Contact:** Day 8 Business Academy; (02) 722-2318; 0917-5673298; info@day8.org; day8.org

### December 4 INNOVATIVE CREDIT AND EFFECTIVE COLLECTION STRATEGIES

Create an effective credit and collection strategy for your business.  
**Venue:** Astoria Plaza, 15 J. Escrivá Drive, Ortigas Center, Pasig City 1600  
**Contact:** Ariva Events Management; (02) 890-9651; successseminars@ariva.com.ph; ariva.com.ph

### December 4 MANAGE AND CONTROL YOUR INVENTORIES

Prevent excess and fraud related to inventory management.  
**Venue:** Unit 626 Tower A, BSA Twin Towers, Bank Drive, Ortigas Center, Pasig City 1605  
**Contact:** Day 8 Business Academy; (02) 722-2318; day8.org

### December 5 BUSINESS OPERATIONS & PEOPLE MANAGEMENT

Professionalize your operations.  
**Venue:** 1503A West Tower, Philippine Stock Exchange Building (Tektite), Exchange Road, Ortigas Center, Pasig City 1605  
**Contact:** The Business Maker Academy; (02) 687-4445; kcbm@businessmaker-academy.com; businessmaker-academy.com

### December 8 MARKETING THRU SOCIAL MEDIA

Harness social media for your business.  
**Venue:** The Philippine Trade Training Center Building, Sen. Gil J. Puyat Ave. corner Roxas Blvd., Pasay City 1300  
**Contact:** The Philippine Trade Training Center; (02) 468-8969; cecil.li@yahoo.com; pttc.gov.ph

### December 8 MOVING INTO MANAGEMENT

Go from managing tasks to managing people.  
**Venue:** Upon inquiry  
**Contact:** Salt and Light Ventures; (02) 813-2703 or 32; inquiry@saltandlight.ph; saltandlight.asia

### December 9 MANAGING BIR TAX ASSESSMENTS

Know how BIR officials assess taxes.  
**Venue:** Unit 201 Richbelt Tower, 17 Annapolis St., Greenhills, San Juan City 1502  
**Contact:** BusinessCoach Inc.; (02) 225-6616; 0915-2050133

### December 10 CUSTOMER SERVICE EXCELLENCE

Keep customers satisfied and get repeat business.  
**Venue:** 1503A West Tower, Philippine Stock Exchange Building (Tektite), Exchange Road, Ortigas Center, Pasig City 1605  
**Contact:** The Business Maker Academy; (02) 687-4445; businessmaker-academy.com

### December 11 INCOME TAX AND TAX UPDATES

Stay updated with the latest income tax rulings.  
**Venue:** Astoria Plaza, 15 J. Escrivá Drive, Ortigas Center, Pasig City 1600  
**Contact:** Ariva Events Management; (02) 890-9651; (02) 895-9527; successseminars@ariva.com.ph; ariva.com.ph

### January 14 BEST PRACTICES IN STRATEGY EXECUTION

Convert strategies to results effectively.  
**Venue:** EDSA Shangri-La Hotel, 1 Garden Way, Ortigas Center, Mandaluyong City 1650  
**Contact:** Center for Global Best Practices; (02) 556-8968; hannah@cgbp.org; cgbp.org

### January 15 LABOR LAW UPDATES & REMEDIES

Stay updated with the latest labor-related regulations.  
**Venue:** EDSA Shangri-La Hotel, 1 Garden Way, Ortigas Center, Mandaluyong City 1650  
**Contact:** Center for Global Best Practices; (02) 556-8968; lara@cgbp.org; cgbp.org

### January 20 HOW MAY I HELP YOU? CUSTOMER SERVICE 101 FOR FRONTLINERS

Learn the principles of excellent customer service delivery.  
**Venue:** 3F Ateneo Professional Schools Bldg., 130 H.V. Dela Costa St., Salcedo Village, Makati City 1200  
**Contact:** The Ateneo Center for Continuing Education; (02) 830-2050; (02) 840-1742; sales@cce.ateneo.edu; cce.ateneo.edu

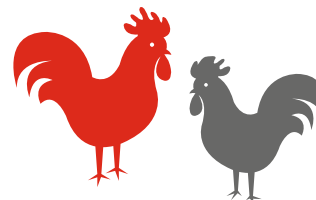
### January 27 NEW YEAR TAX UPDATES & REMEDIES

Get updated on the latest BIR issuances.  
**Venue:** EDSA Shangri-La Hotel, 1 Garden Way, Ortigas Center, Mandaluyong City 1650  
**Contact:** Center for Global Best Practices; (02) 556-8968; (032) 512-3106; anna@cgbp.org; cgbp.org

## EXPOS & TRADE FAIRS

### December 4-21 WORLD BAZAAR FESTIVAL

The premier destination for your Christmas shopping needs.  
**Venue:** World Trade Center Metro Manila Building, Gil Puyat Ave. ext. corner Diosdado Macapagal Blvd., Pasay City 1300  
**Contact:** Worldbex Services International; (02) 656-9239; (02) 477-1899; info@worldbex.com; worldbex.com



### January 15-17 WORLD GAMEFOWL EXPO

An annual exhibition of the latest products and services for the game fowl industry.  
**Venue:** World Trade Center Metro Manila Building, Gil Puyat Ave. ext. corner Diosdado Macapagal Blvd., Pasay City 1300  
**Contact:** World Expos & Concepts Inc.; (02) 855-8341 to 44; 0915-6652965; info@worlddexco.com; worlddexco.com

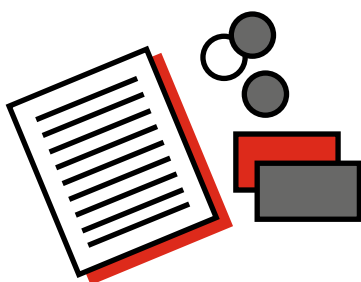
### January 16-17 GETTING MARRIED BRIDAL FAIR

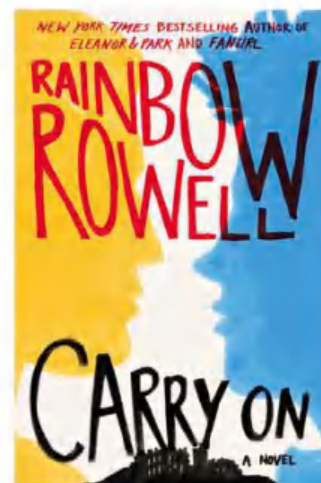
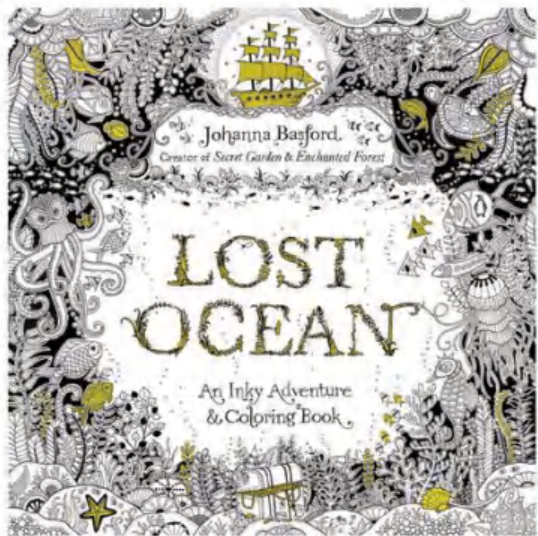
A showcase of the best suppliers for weddings and other events.  
**Venue:** SMX Convention Center, SM Mall of Asia Complex, Seashell Drive, Pasay City 1300  
**Contact:** Getting Married Wedding Coordinators & Event Planners; (02) 671-5496; 0917-5412749; gettingmarriedbridalfairphils.com

### January 23-24 WEDDING AND DEBUT EXPO

Stay updated with the latest trends, products, and services for weddings and debuts.  
**Venue:** PICC Forums 1-3, CCP Complex, Roxas Blvd., Pasay City 1307  
**Contact:** Weddings & Beyond; (02) 890-0179; 0915-1990538; wednbeyond88@yahoo.com; weddingsnbeyond.com




**NOTE:** The information on this page is correct as of press time. Please get in touch with the event organizers in order to confirm the event details.





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2006	448
2005	152

**ASIA COUNT**

2005: 24,912 | 2006: 28,876 | 2007: 28,610 | 2008: 30,448 | 2009: 32,187 | 2010: 34,500 | 2011: 37,000 | 2012: 40,805 | 2013: 43,129 | 2014: 44,600\*

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# Entrepreneur<sup>®</sup> BUSINESS WATCH

We've gathered some strong options for franchising and new business. Keep your eyes on this month's crop of business opportunities if you're looking for worthwhile investments.



## FROM IDEAS TO IMPACT

For the first time, the Hult Prize is coming to De La Salle University. Over 30 teams—composed of undergraduate, graduate, and PhD students from DLSU—are vying to compete in the inaugural run of what's dubbed as the "Nobel Prize for Students".

Successful participants will propose solutions to a critical social problem: Crowded Urban Spaces, a subject handpicked by no less than former president Bill Clinton. Finalists will be pitching in front of an esteemed panel of judges on December 11, 2015 at the DLSU campus. The winning team will automatically advance to compete in one of the regional finals in Boston, San Francisco, London, Dubai, and Shanghai. The Hult Prize is an annual competition that encourages entrepreneurs to create and launch the most compelling social businesses. Winners will receive USD 1 Million in seed capital as well as mentorship from the international business community.



## HAVE YOU MET ANDY?

It's time to meet the newest player on the whisky block: Andy Player. Get to know Andy Player and the whisky experience it offers. You can choose new and interesting ways to take Andy—from mixing it with cola, or trying a new combination like taking with citrus soda or even coffee. Or do a classic shot on the rocks. Whatever you mix, Andy will be a surefire hit with friends. Share your experience by using the hashtag #HaveYouMetAndy or visit [HaveYouMetAndy.com](http://HaveYouMetAndy.com).



## WELL-STOCKED KITCHEN

Unilever Food Solutions' range of quality, professional ingredients inspire food business owners to make all dishes on any menu appealing and delicious. They work closely with businesses of all sizes, and carry some of the world's favorite brands, such as Knorr Liquid Seasoning, Knorr Broth Pastes, and Lady's Choice Real Mayonnaise.

## PAVING THE WAY

Fred DeLuca and Dr. Peter Buck opened the first Subway restaurant in the city of Bridgeport, Connecticut in the summer of 1965. Due to constant demand, the first franchised shop was opened in 1974. Subway is the largest restaurant chain in the world with more locations than any other restaurant. Since its founding, the Subway franchise system has experienced phenomenal growth, and has become the #1 Quick Service Restaurant chain in the world. To know more about franchising a Subway restaurant, write to [info@substogo.ph](mailto:info@substogo.ph) or call 843-6057.



## BREEDING WINNERS

Francorp begins a new tradition of success through the inaugural NextGen in Franchising Award. Organized by the Philippine Franchise Association, it's open to business owners 35 years old and below with strong potential to grow a franchise. The award seeks to recognize the next generation of leaders in the franchise industry, and support them to gain international success. Agri, an agriculture retail franchise, was the overall winner. While the Paper Stone from Singapore, Beauty & Beyond from Cebu, 360 Fitness from Manila, and Blu Nektar from Laguna made it to the finals. With over 18 years of experience in the Philippines, and 3,000 brands developed worldwide, Francorp continues to support enterprises to grow through franchising. For a free franchisability assessment, visit [francorp.com.ph](http://francorp.com.ph), email [info@francorp.com.ph](mailto:info@francorp.com.ph), or call (+632) 638-3149 / (+63917) 835-5530.

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# GOURMET FOR GOOD

This family-run café is a service to both diners and the differently abled

**“We are targeting a more inclusive country, where [the differently abled] can really get jobs that they are both interested in and good at.”**

**W**hen their father, Butch, was about to retire, Ysabella “Ciab” Canoy and her siblings Jose, Ponch, Toons, Kara, and Juz, had a family heart-to-heart about their future. “Being a close-knit family, we started talking about who was going to possibly take care of my autistic brother, Jose,” says Ciab, who is also one of the co-managers of the café. “My parents weren’t getting any younger, and we knew that one of us would eventually take him in.”

It inspired them to open Puzzle Gourmet Store & Café, a safe haven where 20-year-old Jose can learn valuable work skills. And he isn’t the only one: Puzzle Café has also welcomed other differently abled trainees, who have different levels of either Down Syndrome or autism, to practice skills like how to interact with others and how to follow instructions.

The Puzzle Café team works closely with the trainees’ parents and therapists during this process, and the trainees are assigned various roles in the restaurant to measure their strengths. Some are under the care of the Independent Living and Learning Center, which caters to needs of people with developmental conditions.

The family-owned establishment not only serves up hearty comfort food, it also seeks to promote a special cause. Their shelves are lined with specialty foods, along with autism awareness products. With Puzzle Gourmet Store & Café, “we are targeting a more inclusive country, where [the differently abled] can really get jobs that they are both interested in and good at,” says Ciab.



PHOTO BY HEIDI AQUENDE



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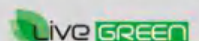
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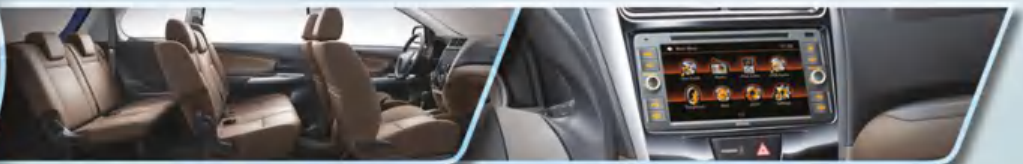
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