

SME

A PLANTERSBANK PUBLICATION FOR ENTREPRENEURS

NEWSLINE

Plantersbank receives Top Bank Excellence Award

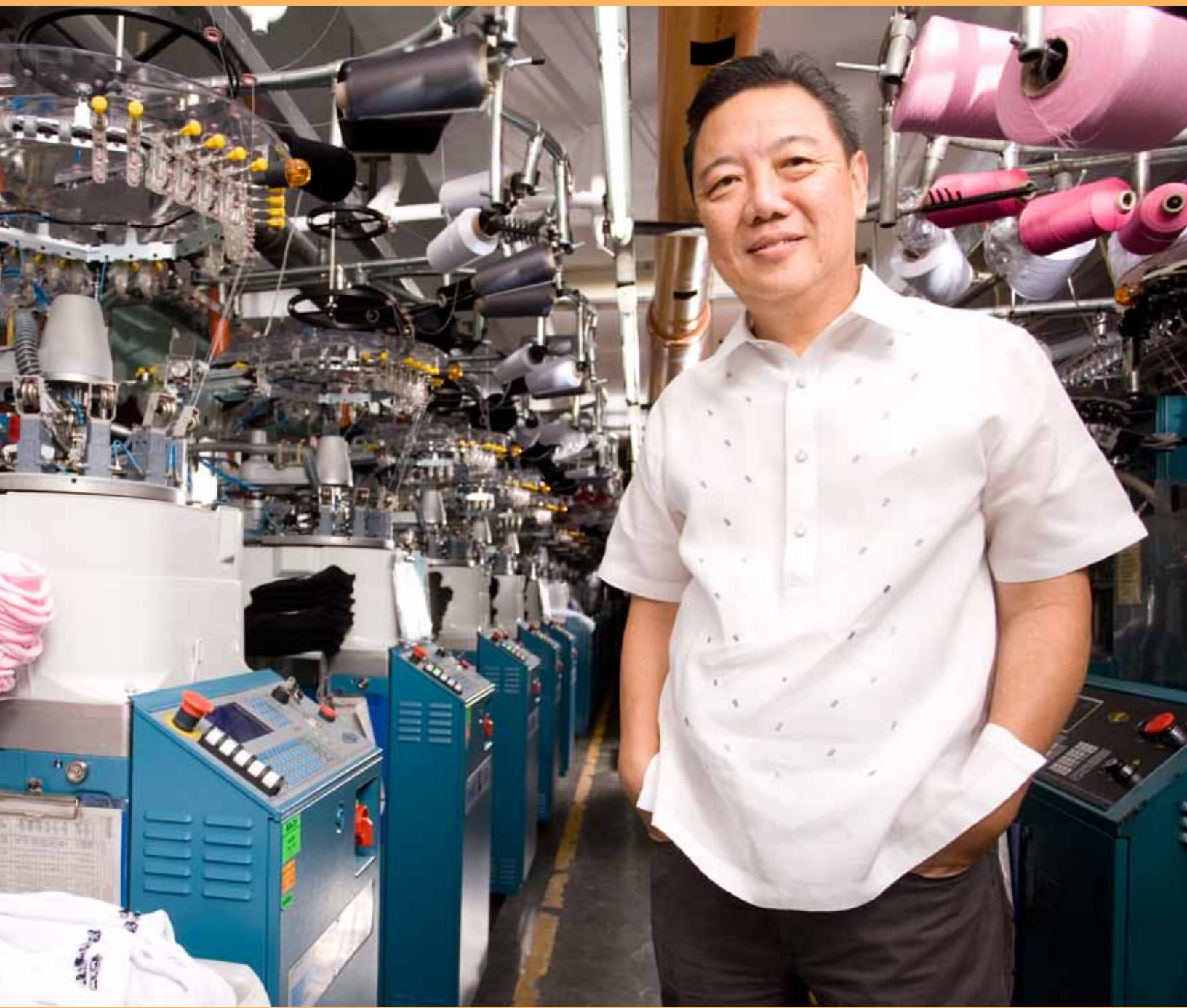
SME PROFILE

Wholesaleage Inc. makes a name in the food commissary business

SME FOCUS

Learn about pricing strategy

VOL06 ISSUE04 AUGUST 2011



RUDDY TAN
of Burlington Industries Philippines, Inc.

A TOAST FOR FILIPINO SMEs

Entrepreneurs lead the country towards economic growth, social responsibility and a sustainable planet

Enjoy the benefits of your long-term investment as early as now.



PLANTERSBANK Premium 3

Because every wise investment should reward you instantly, Plantersbank's 3-year term deposit lets you enjoy annual interest earnings in advance. With over 40 years of experience and alliances with some of the top financial institutions in the world, we guarantee investment plans that make your money work for you.

Open an account today. Call Plantersbank Direct at (02)812-5325, email info@plantersbank.com.ph or visit a Plantersbank branch near you.

- Minimum deposit: P50,000 • High fixed interest p.a.* • Borrow up to 80% of your deposit

*Subject to 20% withholding tax. Pre-termination charges apply.

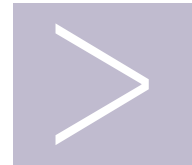


PLANTERSBANK
The SME Bank

Member of The Philippine Deposit Insurance Corporation.
Maximum deposit insurance for each depositor P500,000.

Planters Development Bank • Plantersbank Building 314 Sen. Gil Puyat Ave., 1200 Makati City, Philippines, Telephone numbers (02) 884-7600; 884-7800 • www.plantersbank.com.ph

Member **MeaLink**



PUBLISHER'S MESSAGE

A COUNTRY OF ENTREPRENEURS

THE ENTIRE COUNTRY is on the move, and entrepreneurs are leading the march.

In the countryside, farmers capture a bigger market by diversifying and branding harvests. Better transport links allow boutique hotels and inns to spring up in far-flung islands and villages. Backyard processing plants and workshops supply corporate chains here and abroad. College students and stay-at-home moms manage trading firms on the internet. As home-grown franchise brands continue to expand.

With the recent celebration SME Development Month we present a triple feature in this issue. SME Magazine pays a visit to industrialist Ruddy Tan, who

shares the story of Burlington Industries Philippines, Inc. and how the Tan family's 45-year saga building Burlington into one of the country's most trusted undergarment brands. We drop in and meet Joric Eleazar, the young visionary whose hands-on approach is driving the growth of his food commissary business Wholesale Edge. And get to know husband-and-wife team Francis and Edna Dy, who built Lucena City's hometown favorite LC Big Mak into the biggest budget burger chain in Luzon.

As we toast to the accomplishments of these SMEs, we also present readers with the story of the much-loved Pinoy bagoong and learn how Filipino hobbyists are transforming pastimes into profit-

able pursuits. Plus gain fresh insights about pricing strategy, local business taxation and capturing customer loyalty.

Through these reports, SME Magazine hopes to encourage more Filipinos take up the challenge of entrepreneurship, pursue new avenues for personal growth and financial independence, and furthermore, discover self-fulfilment in making a contribution to nation-building.

Ambassador Jesus P. Tambunting
Chairman and CEO
Planters Development Bank

STAFFBOX

Q&A

Q: WHAT CAN STRONG-WILLED AND DETERMINED FILIPINO ENTREPRENEURS DO TO HELP OUR ENVIRONMENT?

A: I would say stick with goals and always be resourceful in recycling, also making sure that it is implemented in the whole company by being an example to employees and clients.

— MICHELLE NATIVIDAD, Rehabxpress in T. Morato, Quezon City

A: The environment should be a high priority among entrepreneurs because it results to a better quality of life. In our business, we need to ensure that our buses are always in good condition for more efficient use of fuel. Smoke-emission testings have to be done regularly and we also practice waste segregation in our terminals. — ELVIE ZAMORA, OF G-LINER

A: It's the little things that matter most. Entrepreneurs can use biodegradable paper bags instead of plastic, eco-friendly lighting or even use alternative sources of energy such as solar or wind energy to power up some appliances in the work place. Go green by starting locally while thinking globally.

— RAFAEL A. MENDIOLA JR., REAL ESTATE PROPRIETOR

WRITE TO US!

WHY SHOULD COMPANIES INVEST IN EDUCATION AS PART OF THEIR CORPORATE SOCIAL RESPONSIBILITY?

Send us your answer to this question through email address: info@plantersbank.com.ph before September 30. Chosen answers will be published in the next issue of SME magazine and lucky winners will each get a prize.

PUBLISHER

Ambassador Jesus P. Tambunting

EDITORIAL ADVISER

Consuelo V. Dantes

EDITOR-IN-CHIEF

Bobby F. Banaag

EXECUTIVE EDITOR

Olive B. Ramirez

MANAGING EDITOR

Dennis P. Liuag

ASSOCIATE EDITOR

Therese M. Gutierrez

CIRCULATION MANAGER

Bryan C. Rilloraza

EDITORIAL STAFF

Joy G. dela Cruz

Abi Abear

Eman Cruz

CONTRIBUTOR

Isay M. Roque

PUBLISHING AGENT

Quatro Grafix, Inc.

PROJECT MANAGER

Estelle Custodio-Piencenaves

DESIGN AND LAYOUT

Victor Garcia

GET IN TOUCH WITH US

Corporate Communications
Department
12/F Plantersbank Building
314 Sen. Gil Puyat Avenue
1200 Makati City, Philippines
Tels: (632) 8847600 (Trunkline)
8847654 (direct line)
Email:
info@plantersbank.com.ph
Website:
www.plantersbank.com.ph

CONTENTS



20 COVER STORY SECRETS TO (SOCKS)CESS

BY KARA TRINIDAD

04 NEWSLINE

Plantersbank Receives
Top Bank Excellence Award

17 LIFESTYLE

Black Gold
BY TRACY MENDOZA

19 SAVE MOTHER EARTH

Cool Home Tips Help Combat Climate Change
RESEARCHED BY: SME MAGAZINE STAFF

06 BIZBEAT

Passion Becomes Profitable
BY ESTELLE CUSTODIO-PIENCENAVES

18 HEALTHWATCH

Are E-Cigarettes Healthy?
BY KARL R. DE MESA

26 SME PROFILE



Burger For The Everyday Man
BY KRISTINE GONZALEZ



The Fierce Food Specialist
BY JOSE BIMBO SANTOS

08 SME FOCUS

MARKETING

What's In A Price Tag?
BY HERBERT M. SANCIANCO

WEALTH MANAGEMENT

Stocks Down,
Should I Invest Now?
BY RANDELL TIONGSON

SALES TRAINING

Too Shy To Network?
BY ADRIAN MILLER

TAXATION

Tax Base For Local Business
Taxes Cannot Be Presumed
BY PAMMY P. PALAD

INFORMATION TECHNOLOGY

Management Information
Systems For Small Biz
BY RIZ PULUMBARIT

CUSTOMER SERVICE

Keeping The Personal Touch
Improves Customer Retention
BY KRISTINA EVEY

INSPIRATION

The Necessity Of Challenges
BY FRANCIS J. KONG

30 REVIEW

BOOK

Socialnomics: Business
With An E-Twist
BY JOEL PABLO SALUD



TECH

Productivity Gadgets For
Entrepreneurs On-The-Go
BY KC CALPO



NEWSLINE



SBC recognizes Plantersbank as "Kaakibat sa Pag-unlad ng SMEs."

Quezon Avenue branch transfers to better location.

Bank upgrades its automated SME Credit Processes.

PLANTERSBANK RECEIVES TOP BANK EXCELLENCE AWARD

Plantersbank, the country's lead bank for small and medium enterprises (SMEs), is once again hailed as the "Kaakibat sa Pag-unlad ng SMEs," the top bank excellence award given by the state finance agency Small Business Corporation (SBC) to its accredited partners for active participation in its MSME Wholesale Lending Program.

This recognition marks Plantersbank's seventh year to be elevated in SBC's Hall of Fame in recognition of the bank's consistent support to the SME sector. Plantersbank bested 14 universal and thrift banks and microcredit institutions during the SBC's annual Bank Excellence Awards ceremony held recently in Makati.



Photo shows Plantersbank chairman Ambassador Jesus P. Tambunting (left) receiving the award from SBC president and COO Benel P. Lagua (right) and Department of Trade and Industry (DTI) undersecretary Merly M. Cruz (center).

SME CENTER FOR ASIA HOSTS ADFIAP SEMINAR ON RESPONSIBLE CORPORATE CITIZENSHIP

The SME Center for Asia together with the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) recently hosted the forum themed, "Institutionalizing Responsible Corporate Citizenship in Financial Institutions." The event was attended by 35 delegates from various ADFIAP member

organizations from the Federated States of Micronesia, Thailand, Malaysia, Tanzania, Philippines, India, Brunei Darussalam, Bhutan, Iran, Sri Lanka and Vietnam.

The Plantersbank visit was the second of four institutional site tours that the ADFIAP lined up for the delegates, which also included the Asian Development Bank, Land Bank of the Philippines and Development Bank of the Philippines. Plantersbank chairman and CEO Ambassador Jesus P. Tambunting personally

welcomed the delegation, briefly sharing Plantersbank's story and its commitment to helping small and medium enterprises (SMEs).

SME Banking Group senior vice president Ma. Agnes J. Angeles was the visit's main speaker. She discussed the Bank's credit policies and corporate social responsibility initiatives, highlighting the SME Center for Asia as the primary integrator of all the advocacy and capacity-building programs offered by the Bank.

UPGRADING OF AUTOMATED SME LENDING PROCESS NOW UNDERWAY

In keeping with the growing demand for SME financing, Plantersbank has started works for the upgrade of its automated SME Credit processes. This milestone project is envisioned to move Plantersbank to the "next higher level" as this marks the Bank's first big step towards making its SME lending process the best in the industry.

Plantersbank chairman and chief executive officer Ambassador Jesus P. Tambunting said, "We want to grow our

Bank, particularly our loan portfolio, much bigger and faster at a more profitable level while strengthening our SME franchise and securing our leadership in SME banking. To achieve this, we know that we have to continuously improve our credit processes with technology as a key driver. Automating as much of our SME credit processes would lead to a more efficient credit flow, better turnaround time, higher productivity, closer monitoring of loan generation and ultimately, a

healthier loan portfolio."

The project, dubbed Corporate Loan Origination System (LOS), will be the Bank's top priority IT project for the year which is targeted to be fully operational by the end of 2011. The Bank got the services of 3i Infotech Asia Pacific, a leading provider of IT products and services in the Banking, Financial Services & Insurance (BFSI) industry and its local partner QSI Systems for the implementation of the said system.



Sealing the agreement were Plantersbank chairman Ambassador Jesus P. Tambunting and 3i Infotech senior vice president Sunil Mundhra, joined by (L-R) QNX Solutions, Inc. EVP Willy Ramasola, executive vice president Fe Miranda T. Aruta, and 3i Infotech AVP for Banking Solutions Amit Chopra.

QUEZON AVENUE BRANCH MOVES TO NEW ADDRESS

Plantersbank Quezon Avenue Branch recently transferred to a more strategic location at 1184-A Ben-lor Bldg., Brgy. Paligsahan, Quezon City. The relocation, seen to strengthen the Bank's efforts in providing efficient and accessible service to more small and medium enterprises (SMEs), is part of Plantersbank's commitment to give clients quality service. "We want to make each visit to any of our Plantersbank branches a pleasurable experience," says senior vice president and head of Branch Banking Group Rafael Z. Sison, Jr.

The new branch boasts of spacious area and modern interior. Adopting the envisioned standard look, the Quezon

Avenue branch is first to set the trend and look for the remaining branches to follow soon.

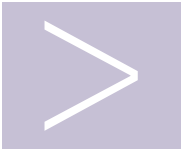
In attendance during the

inauguration were Metro Manila Area 1 team headed by FVP Joy Gochangco. The branch is headed by Branch Manager Valerie Razon.



SVP Rafael Z. Sison, Jr. (second from left) together with guest of honor Benjamin Goqingco (second from right, first row) of Ben-lor Realty lead the ribbon cutting ceremony together with Quezon Avenue branch manager Valerie Razon (extreme left) and Metro Manila 1 area head FVP Joy Gochangco (extreme right).

BIZBEAT



A high-profile lawyer, a news anchor and two businessmen show us that hobbies can be financially-rewarding.



PASSION BECOMES PROFITABLE

BY ESTELLE CUSTODIO-PIENCENAVES

Hobbyists spend endless hours on things that they love to do. Their high level of enthusiasm makes it possible to turn their hobby into a business, helping them survive the crucial start-up months and lean seasons.

Truly, what could be better

than turning something that you are very passionate about into a successful, money-generating venture? If you are looking for a business opportunity, don't look too far. You may have a hobby that's just waiting to be tapped.

Here are inspiring stories of

"hobbypreneurs" and the hobbies that gave them their ticket to entrepreneurship.

PHOTOGRAPHY

Barely a year into serious photography, high-profile lawyer Raymond Fortun was named

Weddings@Work Supplier of the Year in 2009, making him one of the most sought after wedding and pre-nup photographers in the Philippines today.

How he juggles work as a top-notch lawyer with his newfound career in photography is beyond me. Just to give you an idea, there was a time when he shot 22 weddings in one month, and in the course of this interview he mentions that he is already booked until December 2012.

Atty. Fortun took interest in photography in 2007 but only decided to turn it into a second job in 2008. "When I was starting, a multi-media artist looked at my photos and said that I had an eye for photography. After that, my first wedding client was also very satisfied with my photos so I was encouraged to take it seriously," he recounts.

He uses social networking sites Facebook and Multiply as marketing tools and he is also part of an organization of wedding suppliers. "I was happy to shoot one wedding in a month but before I knew it, there was a deluge of bookings. I have limited myself to eight weddings a month."

His message to other photographers who want to make it in the competitive world of wedding photography: invest in the best equipment that would deliver the job, keep yourself physically and mentally fit, and create your own distinct style – do not copy the works of others.

LOVE FOR SPEED

Transitioning from a car enthusiast to a sports car kit builder was not difficult for Raffy Tomas, thanks to his existing business engaged in industrial manufacturing and engineering. With the plant's surplus capacity in terms of materials, knowledge and engineering expertise, he felt that the timing was right to finally turn his life-long passion into a small business.

Raffy's enthusiasm gave birth to Rapid 7, a standardized two-seater open-top sports car kit. Already widely accepted in Europe and Australia, car kits already have a niche among Filipinos who love to

tinker with cars and big toys. "The idea is to purchase your standard kit, add your donor car parts and have a unique, cheap and fun way to enjoy your own sports car," Raffy explains.

This family man, who remains a boy-at-heart, believes that hobbies can turn into a good business because of one's in-depth knowledge of the product or service. But, he also notes that in order to succeed, hobbyists should balance their over-the-top enthusiasm with objective views from non-hobbyists and take care of the business side by professionalizing operations. Rapid 7 is on Facebook and has its own website.

TOY STORY

Growing up in the family business exposed Big Boy Cheng to different kinds of people, ways of doing business and secrets to success. Their family-owned enterprise, Uratex Philippines, helped him develop his business instincts and to a great extent allowed him to indulge his love for expensive toys.

"When I was small my parents always buy me toys. I love all kinds of toys from dolls to robots, and then I discovered designer toys, which are toys made by artists and I fell in love with it instantly," narrates Big Boy. Since then, Big Boy has collected everything that has attracted his eyes—some of his oldest ones include a mint Rainbow Bright and a Strawberry Shortcake doll.

Big Boy never planned to turn this hobby into a business, but positive feedback from friends who have seen his extensive collection encouraged him. "What drives me to a whole new level is seeing my customers happy with the artwork that they got and sharing with them this wonderful culture called Pop Art."

His toy store, Secret Fresh Gallery, is located at the Ronac Art Center along Ortigas. To other toy collectors who are thinking of starting a business, Big Boy says, "be resourceful, be organized and be innovative."

ART COLLECTOR

For the last 14 years, journalist and newscaster Julius Babao has enthusiastically collected art

pieces, starting with the works of Elmer Borlongan, Mark Justiniani and Manny Garibay, who at that time were just up-and-coming artists introduced to him by Dr. Joven Cuanang, a known patron of the arts.

To his surprise, the prices of the works of these new artists went up really fast. Eventually, he also bought works of masters such as Malang, Ang Kiukok and Bencab.

At the moment, Julius has no plans of turning his passion for art collection into a serious business, but experiencing his first sale gave him an insight about the value and worth of paintings. "In 2003, I was forced to unload some paintings for the construction of my house. I was able to sell them for 50 to 300 percent more than the price that I bought them for."

As an art lover, one would always find Julius supporting emerging artists, meeting with other art aficionados, and visiting international art auctions. His message to aspiring art collectors is "don't buy because you want to sell. Buy art because you like it and you can imagine it hanging on your walls. The investment value should only be secondary."

FROM HOBBY TO BUSINESS: THREE THINGS YOU NEED TO KNOW

● DEDICATION

The single, most important question that you have to ask yourself is, am I willing to give 100 percent to make this business succeed? If you say yes, then you're ready to turn your hobby into a business. When translated into work hours, this could mean working 24/7 and not going out as much as you used to.

● GOAL-SETTING

As with anything, goals help entrepreneurs inch closer to their vision. They keep you on track each day, from week to week, year after year. Goals help us stay focused, inspired and fulfilled with every accomplishment. If you don't meet a deadline or a specific goal, it also gives you an opportunity to reassess before it's too late.

● BUSINESS RECORDS

Giving a service or selling a product to a customer requires accountability. This is the "serious" part that separates a business from a hobby. As such, once you have decided to bring your passion to the next level, it is better to start out on the right foot by treating it like a business. Work with an accountant for your financial records, set quality standards and create systems to professionalize your operations.

SME FOCUS



MARKETING

The science of determining the right price for a product or service.

WEALTH MANAGEMENT

Is it wise to invest when stocks are down?

SALES TRAINING

Tips to help you get over your shyness.

TAXATION

Computing for local business taxes

INFORMATION TECHNOLOGY

Management Information Systems for small businesses

CUSTOMER SERVICE

The importance of personal touch in keeping customers

INSPIRATION

Challenges are crucial to success.

WHAT'S IN A PRICE TAG?

Profitability and commercial success are highly dependent on a company's ability to put the right price tag to its product(s).

BY HERBERT M. SANCIANCO

Price, a key element in communicating a product's image level within a product category sets the product apart from competition. This is known as competitive advantage.

Consumer purchase interest, on the other hand, hinges on what customers' perceive as an 'acceptable price' relative to what the product can do in order to satisfy a need or want.

Many neophyte businessmen usually set the prices of their goods or services based on an amount that will generate the most profit. This decision-making process does not however often involve consumer science. The most common practice that I have first observed is for a business' founding father to set the price of goods or services lower than that of the perceived market leader (or nearest identified and successful competitor) in order to gain immediate, if not the highest market share and acceptance.

Others enter the market with a higher price than its identified

competitor believing that their product is far better. While some others who may have cloned a product category's strongest seller will opt to tag their products at the same price.

But are these three different assumptions and executions 99.9% accurate in realizing and assuring one's commercial success and profitability in the long term?

Do neophyte businessmen on the other hand provide a contingency within their initial financial model for rising direct cost issues? And do they take into account the ever-changing marketplace realities that will require a play of offensive or defensive business strategies to ensure their continued commercial viability?

Up and coming products as well as long time market players need to constantly work on achieving the right price. In order to reach this goal, entrepreneurs need to consider the following macro conditions:

▶ **DEMAND ELASTICITY** – the change of price that will affect the change in demand to a higher or lower condition (elastic), or where no change in demand occurs (inelastic) despite a rise or fall in prices.

Market volatility –this is largely caused by macro-economic factors that will positively or negatively influence the target market's buying behavior where the latter may adversely impact the corporate bottom line. It is particularly dangerous if the product net margins are thin because it limits the product's ability to effectively compete. For imported products, the peso currency exchange rate at the time of purchase will ultimately determine the product's final price.

▶ **COMPETITION** – The product category may be growing from a marketing driven paradigm, particularly when there are

Herbert M. Sancianco has over 20 years of experience in advertising, marketing and sales operations. He owns and manages Market Bridges, Phils. Inc., a full marketing services company, with offices at 11-0 Burgundy Corporate Plaza, 252 Sen. Gil Puyat Avenue, Makati City. The author can be reached at mbpidmbc@i-manila.com.ph or at Tel: (63-2) 886-4122 to 23.



SME FOCUS MARKETING

numerous players reaching out to the same demographic description. Hence, continuous retail price adjustments may be necessary to match the market leader's marketing moves to prevent eroding consumer purchase interest in your brand.

- ▶ **VOLUME** – a business' break-even point relies on this factor — where the company needs to determine the minimum economic production run that will ensure that the fixed operating costs are covered against the forecasted revenue. This is likewise a reference in determining their Return On Investment (ROI).

PRODUCT PRICING

In many financial models that I have prepared for my clients for a market entry or re-entry condition, the rule-of-thumb in setting the suggested retail price is a mark-up of no more than 2.8 times of the established Manufacturing Cost or Landed Cost (if imported from overseas), and known as the Direct

Cost of Sales. The minimum desirable pre-tax net profit is usually at 12% of gross profit.

However, some premium products and services are exempt from this rule. Hotels and many upscale fine-dining restaurants, for example, use a mark-up factor of up to 10 times their food and beverage cost in setting their menu prices.

Regardless of size and star rating, hotels normally price between five to 12 times the direct cost of operations (its general and specific housekeeping and maintenance expense) to determine the room rates in their respective categories.

Business owners should also take into account the marketing cost of doing business. This expense item is crucial in achieving the targeted business success as it plays a critical role in developing the market until it reaches an optimal demand mass and onwards for a long-term presence.

PRICE TAG TESTING

After establishing the Suggested Retail Price (SRP), it would be

ideal to validate the target price against a price sensitivity study. The objective is to find out whether the product, given its packaging, size and utilitarian benefit will be perceptively acceptable to the target market as compared to the nearest rival brands. A high number above the intended SRP bodes well for the brand as its net margins can be further improved. Conversely, a lower number declared by the respondents will require a review of the entire financial model so that a downward adjustment can occur where an acceptable net margin number can be achieved.

For food and beverage products, a taste acceptance study is recommended in tandem with a price sensitivity query. A competent third party research agency should be contracted to do this so that an objective assessment and recommendation are given.

If a consumer study will not be undertaken, it is possible that the business will experience a hit-or-miss syndrome as it executes the marketing plan. Those who fall into this condition may most likely find themselves in financial trouble within just two years from the time they enter the market.

For those who are already in the market and are suffering financially, there is a need to undertake a thorough review of their profit and loss statement where the company's operational and selling realities are indicated. There may be a clear need to adjust the SRP to gain better financial and/or marketing traction.

When the source of problem is identified and corrected, a brand re-launch or a major marketing strategy may be executed to regain one's market position.

MABUHAY ANG NEGOSYANTE!



© Gunnar3000 | Dreamstime.com

SME FOCUS

WEALTH MANAGEMENT



Randell Tiongson, RFP, is an advocate of Life and Personal Finance. He is the Director of the Registered Financial Planner Institute Philippines in the USA and the Co-founder of www.income-tacts.com, the country's premiere personal finance online forum. He is also a columnist for the Philippine Daily Inquirer.

STOCKS DOWN, SHOULD I INVEST NOW?

BY RANDELL TIONGSON

As of this writing, the Philippine Stock Exchange Index or the Phisix is now a little over 3,700. Not too long ago, the Phisix went to nearly 4,500. From its peak, the market has lost about 20% of its value already. A lot of people are anxious as to the movement in the market and many are painting doom and gloom scenarios. The big question in the minds of many is if the market will continue to go down which scares many investors or would-be investors.

On the other hand, another group of people are now contemplating if it is time to get into the Philippine Stock Market now seeing there is a possibility of growth soon. These people are what we may call 'contrarian investors'. Wikipedia defines contrarian as "one who attempts to profit by investing in a manner that differs from the conventional wisdom, when the consensus

opinion appears to be wrong". The adage 'buy low, sell high' is still the predominant sentiment of many people who are thinking about the stock market.

So, is it time to get into the market? The possibility of recovery entices one to get into the market now. If the market was as high as 4,500 not too long ago, there is a big chance that it will go back to such a number, it's only a question of when. When you do enter the market today, be prepared to buy more stocks when the market goes down further, an investment technique that will make you average your investment cost and help you recover better once the market goes up again.

A bigger question to ask is if you should invest in the stock market at all. That answer is really dependent on 3 factors: your investment objective, your time frame and your risk tolerance. You need to discern for the answers to the 3 factors I mentioned. Why are you investing in the first place? Is it for retirement, education needs? Is it to save up for emergency funds? You must determine what the need for the investment is for before undertaking any investment. When will you need to use your investment? Do you need it in 5 years? 10 Years? Or do you need it within the year? Lastly, what is your tolerance for risks? Can you tolerate 10 to 20% decline in your capital or you can't accept any loss of your capital at all? Investing in

the stock market is for those who are expecting for higher potential growth over a long period of time. Further, anyone who invests in the stock market should be able to tolerate momentary losses in his investment or what they call paper losses. The stock market is not for everyone but it is a good place to make your money grow over time. Growth in the equities is a good hedge against inflation. Safer investment will typically perform at par or even below inflation rates. In the long run, you will actually lose purchasing power of your money if it does not grow ahead of inflation. In investments, we call inflation the "invisible risk" – something we must always be aware of.

My view? The stock market for me is more about time and less about timing. Once you invest in the stock market, you should be prepared to stay for the long haul. While there are people who earn from actively trading their stocks, the investor who has a longer time frame will eventually come out with real growth in his investment and sleep soundly at night. I will write more about the stock market in my future blogs; about individual stocks, equity funds, etc.

Here's my tip: know your investment objective, determine your time frame, learn your risk tolerance, commit to investing regularly and diversify.

In anything, always remember 'prudence' is key.



© Cteconsulting (John Takai) | Dreamstime.com

Based in New York, Adrian Miller is the president of Adrian Miller Direct Marketing, a sales training and consulting company that provides customized, results-driven training programs to companies worldwide. AMDM's programs focus on the techniques and skills needed for building new business and retaining existing business, resulting in increased 'ROA' (Return on attention). She can be reached at amiller@adrianmiller.com.



SME FOCUS SALES TRAINING

TOO SHY TO NETWORK?

BY ADRIAN MILLER

Are you too shy to network?

I know how intimidating networking can be and how downright uncomfortable it can make you feel. I've had participants in my training classes tell me that they'd rather do just about anything else than attend a networking function.

That's sad because business networking is a necessary activity, or some would say a necessary "evil". Effective networking helps you to make the contacts and connections that will (potentially) lead to new business opportunities. Steering clear of networking means that it is much more difficult to get the introductions and leads that turn into clients.

So, if networking causes you great stress, here are some tips that are sure to make it easier, and maybe even, pleasurable.

- ▶ When attending networking events, go early! By showing up early you will be one of the first people in the room and everyone that arrives afterward will naturally gravitate towards you. Additionally by arriving early you have the opportunity to meet the event organizers and even the speaker, should there be one. It is highly uncomfortable to get to an event late. It seems as if everyone knows each other and is engaged in meaningful conversation. The antidote-get there early.
- ▶ Be prepared. Take the time



to research the group holding the event. Learn about their members and gather some background information that will help you in conversation when at the event. You may even be able to speak with the event organizer and learn information about the expected attendees. The more you know, the more comfortable you will feel.

- ▶ Have a plan and then execute it. Do you want to meet 5 new people? Reconnect with some past contacts? Knowing what you want to accomplish helps you to actually do so. If you enter the room and are aimless,

you will probably not get the maximum ROT (return on time).

Most importantly, remember that everyone is there for the same reason and probably, some of them are shy as well.

Take a moment to gather your thoughts and then walk over to some folks and say hello. Ask them about their business or perhaps how they came to be at that particular event or even if they are members of the group. You'll be surprised at how fast the conversational ball gets rolling and before too long, you won't remember that you are shy at all.

TAX BASE FOR LOCAL BUSINESS TAXES CANNOT BE PRESUMED

BY PAMMY P. PALAD

Every business needs to secure a business permit to legally operate within the locality where it conducts its business. The business permits shall be issued by the respective local government units (LGUs), and shall be subject to renewal upon payment of the corresponding local business taxes (LBT) due every year.

The right of LGUs to create their own sources of revenue and levy taxes is upheld, consistent with the State policy to guarantee the autonomy of local governments. Thus, an LGU is granted the power to tax, including the right to impose LBT on all businesses operating within its jurisdiction.

LBT is imposed on the amount of gross sales or receipts of a business establishment for the preceding year using the rates of taxes provided under Section 143 of the Local Government Code (LGC), or a specific ordinance issued by the LGU, for each type of business. As a basis for computation, business establishments are required by LGUs to submit a Declaration/Certification of Gross Sales/Receipts for the preceding year; and the latest Income Tax Returns and Financial Statements for purposes of verifying the accuracy of the declarations that have been made for the previous year. Any underdeclaration found shall be added to the LBT due for the present year (i.e., 2011) before a business permit is issued.

Nevertheless, the widespread

practice in most LGUs is that, instead of using the declared gross sales or receipts as tax base, the said LGUs assess taxpayers using a higher income by means of the Presumptive Income Level Assessment Approach (PILAA), thereby resulting in the overassessment and overpayment of business taxes. In one case decided by the Court of Tax Appeals (CTA) En Banc last December 2010, the gross sales were increased from P2.3 million to P5 million, or more than 100% of the actual sales declared. Worse, based on actual experience, an LGU can impose an add-on income of as much as P20 million as basis

for computing LBT, without any valid justification.

There are some taxpayers who may not be sufficiently knowledgeable of how the LBT should be computed and, thus, they take the assessments at face value, not noticing the erroneous income level used. Unfortunately, taxpayers whose actual income levels have been significantly increased without legal justification are forced to pay the inflated amount under protest in order to obtain the necessary Mayor's Permit just so they can legally operate their businesses.

The LGUs have justified their use of the PILAA by explaining that it is commonly practiced in most LGUs throughout the country as a tool for the efficient and effective collection of taxes. It is used at the height of the renewal of business permits when an LGU has very limited time to verify the amount of gross sales declared by those applying for business permits.

The PILAA is indeed a tax collection tool that enables LGUs to set a certain income level standard for various business entities based on industry factors. One instance when the PILAA may be applied by an LGU in computing LBT is when a taxpayer is unable to provide proof of its income. However, LGUs should bear in mind that the PILAA does not give them carte blanche authority to increase the gross sales/receipts of the taxpayers



© Lightkeeper | Dreamstime.com



© Michaeldb | Dreamstime.com

within its jurisdiction and on that basis, assess the LBT.

Based on a taxpayer's submitted sworn declaration of gross income together with audited financial statements, an LGU can sufficiently compute the LBT due without resorting to the PILAA. There is no need for the LGU to use a "presumptive income level" since the taxpayer has already provided its actual gross income for the corresponding taxable year.

If an LGU believes that a taxpayer has underdeclared its gross income, the remedy should be to compute the LBT on the taxpayer's declared income and then subsequently issue a Letter of Authority for the examination and audit of the taxpayer's books of accounts and other records. If a taxpayer fails to present its books of accounts and other records, or if the taxpayer has no such records to validate its declared income, then the LGU may use the presumptive income level for the assessment of deficiency taxes.

Furthermore, the use of the PILAA should be properly provided for in the specific

local revenue code of the LGU. Otherwise, this may be subject to abuse by local officials.

While the LGC grants LGUs the power to create its own sources of revenue, the same is subject to the limitation that the tax be imposed through an appropriate ordinance. Hence, if the LGU intends to use the PILAA, then it should be subject to the procedures provided in the LGC regarding public hearings and publication. This is to ensure that the taxpayers are properly informed of the factors used in determining the presumptive income and they are given room to agree to the level of presumptive income applicable to their industry.

Absent such ordinance authorizing the use of the PILAA and embodying the presumptive income levels to be used by the City Treasurer, the collection of additional LBT based on such PILAA is illegal, and a taxpayer may properly claim the refund of the excess business taxes collected.

In claiming for refund or tax credit as a remedy, the procedure

would be to file a written claim with the local treasurer premised on the illegal and erroneous collection of the additional business tax computed upon the unilateral application of the presumptive income level. However, the claim must be made within two years from the date of payment of the tax, fee or charge, or the date the taxpayer is entitled to a refund or credit.

While the Constitution seeks to safeguard the viability and self-sufficiency of LGUs by directly granting them general taxing powers, it also ensures that such taxing powers are properly rationalized and limited by law so that taxpayers will not be overburdened or saddled with multiple and unreasonable impositions. The bottom line is, despite the local autonomy granted by the Constitution, local taxation must always be fair, uniform and just.

P&A is a leading professional services firm with a proven track record of high-quality work. P&A provides value-added services to clients through a client-caring team of audit, tax and business professionals who utilize leading-edge systems and technology and are guided by the highest standards of quality, integrity and competence.

MANAGEMENT INFORMATION SYSTEMS FOR SMALL BIZ

BY RIZ PULUMBARIT

The adage “information is power” has never been more true than it is today. But many small and medium enterprises (SMEs) have not yet taken advantage of the benefits of Management Information Systems (MIS). On the other hand, top corporations maintain and constantly upgrade their MIS.

A vital tool for obtaining, maintaining, and using information that help management in decision-making and control, MIS can also help SME owners make timely, accurate, and sensible decisions. Basically, you would need computers and a MIS software. There are companies that specialize in MIS which can address your company’s specific needs. You can even shop around the Internet for MIS solutions providers.

In their book “Management Information Systems: A Contemporary Perspective,” Kenneth and Jane Laudon emphasize that MIS “provide managers with reports and, in some cases, on-line access to the organization’s current performance and historical records.”

Here are some benefits you can reap from MIS:

- ▶ Tracks down your inventory/ raw materials and distribution channels accurately. Getting the correct inventory in real time would help you decide when to replenish, saving you money and avoiding



© Lincolnrogers | Dreamstime.com

oversupply. Tracking your distribution network will save your company fuel and other transportation costs. Pilferage may also be discouraged.

- ▶ Improves customer relationship. Quickly addressing your clients’ complaints will surely make your customers happy and also give your company a good image. In addition, some of your customers’ suggestions can also be profitable.
- ▶ Promotes efficient production/ manufacturing process. Useful information such as the stages that take up the longest time, the length of the entire production process, and the man hours spent will allow the company to target problem areas and enhance the manufacturing process.
- ▶ Manage your employees more

effectively. Easily monitor employee performance and and communicate with them better.

- ▶ Increases your e-commerce traffic. Enhancing your company’s internet presence and managing your website more effectively can increase your sales.
- ▶ Provides fast and accurate financial and accounting information. Be informed in real time. Easily check your cash flow, expenses, income, accounts receivables, payables, and past financial data.

MIS can be a very powerful tool for your business. By harnessing information properly and translating it into accurate and relevant reports, your company may become not only a more profitable enterprise but also a leader in your field.

Kristina Evey is improving the way companies connect with their customers and increase their profits. Kristina is an accomplished speaker and trainer on Customer Satisfaction and Retention. Info: <http://www.kristinaevey.com>.



SME FOCUS

CUSTOMER SERVICE

KEEPING THE PERSONAL TOUCH IMPROVES CUSTOMER RETENTION

Improving your customer service skills is very simple and the payoffs are almost immediate.

BY KRISTINA EVEY

Customers are willing to spend more money on a product that they know is inferior based on the feeling that they are being treated well.

Contrary to popular belief, buying decisions are not based on price, but by the feeling that the customer gets when they do business with us.

Now, there are some customers who purely price shop, but they are not the majority.

What customers really want is good customer service. When you train your staff, be sure to have them understand their role in the company and the customer experience.

When staff realizes this, if you've hired right, you will awaken the entrepreneur in them.

They'll understand that the way that they treat the customer will have the biggest influence on whether or not that customer returns to your business.

Customers really appreciate when personal attention is paid to them. They enjoy being treated politely and courteously.

The first thing that most people notice today is that so many businesses don't train to their staff to greet customers warmly, to make eye contact with them, or even to smile at them.

Consumers strongly feel, and rightly so, that when they are spending their money in a place of business, they should expect to be treated courteously and feel appreciated. Why then, is the perception that good customer

service is a lost art?

The smart businesses today are training their staff to value and treasure their customers. The staff clearly understands that if they don't treat their customers well, they will no longer have customers, therefore, the business will not be sustainable.

What are some of the simplest ways to show your customers that you value them?

- ▶ Smile at them and genuinely greet them.
- ▶ Get to know your customers names and preferences.
- ▶ Learn how your customers use your products and services.
- ▶ Ask for their ideas and suggestions on how to improve or change your products or business.
- ▶ Develop a set of customer service minimum standards within your company.

None of these customer service tips here cost any money at all. They can be implemented with your very next customer and will have an immediate payoff of a strengthened customer relationship.

When the relationship is stronger, the customer will be much more likely to return to you and will develop loyalty over time provided your service is consistently centered around the customer.

Article Source: CSM magazine.

<http://www.customerservicemanager.com>



© YuroIaitsalbert | Dreamstime.com

SME FOCUS INSPIRATION



An international speaker, trainer and consultant, Francis J. Kong has been featured in many major business conventions and conferences both here and abroad. He trains under Maximum Impact of Atlanta Georgia as well as the Ziglar World Training Company in London. He is a broadcaster, columnist and author, with 11 books under his name.

BOOK: JUST WHEN YOU THINK YOU CAN'T DO IT THE NECESSITY OF CHALLENGES

BY FRANCIS J. KONG

Note carefully that the human brain is wonderfully made by our Creator, who built into it the love to be challenged (neuroscientists have discovered this only in the early 1990's)! To this day no computer on earth could match the brain's intricate and incredible complexities and functions.

Staying put in one's comfort zone usually slackens discipline and dulls the brain; it needs to be exercised regularly, kept alert and productively responsive by the challenges we encounter and readily welcome and tackle along the way. Beware: comfort zones and danger zones!

Challenges satisfy man's sense of adventure. It's his innate desire to continually discover, as expressed in the popular TV series Star Trek, "to bodily go where no man has gone before." Life is indeed an unending series of outstanding discoveries and developments, from the invention of the wheel to the spanking new 800- passenger Airbus A380 megajet. This largest passenger aircraft in the world has practically made possible the reinvention of the dream of flying – and at 15,000 kilometers non-stop! After fifteen years in the making with inevitable challenges along the way, SUCCESS finally!

Challenges essentially (1) provide excitement (imagine a string of boring "What, that again?") and (2) sharpen and open up one's life to important personal discoveries – especially, among many of life's basic integrations, God's ways and their power to transform each one of us – all ushering us into enjoying real, long lasting success and dynamic usefulness.

"The only competition you will ever have is the competition between your disciplined and undisciplined mind. – James A. Ray

"Don't worry about having to make a right decision. Make it and then work to make it right.



© Iqoncept | Dreamstime.com

LIFESTYLE



Filipinos all over the world come home for their fill of bagoong, a condiment that smells odd but tastes so good.

BLACK GOLD

With the arrival of foreign-influenced restaurants and culinary specialties from abroad, let's hope the lowly bagoong remains a valuable part of the Filipinos' lifestyle for many years to come.

BY TRACY MENDOZA

Allan is known among his peers as "The Grinch" not because he's anti-Christmas but because his face puffs up every time he eats his favorite bagoong. He knows he is allergic to it, yet he can't help but give in to the lure of a satisfying meal best enjoyed with the famous Filipino condiment.

Most of our most sinful Filipino dishes like *kare-kare*, *pinakbet* and even the appetizer *hilaw na mangga* call for it. And the mere thought of indulging already makes one salivate.

Bagoong is a seafood paste made out of either fish or shrimp that is salted, fermented then sauteed. It has sweet, sweet and spicy or salty variants—and can even be a viand on its own.

Even our national hero, Jose Rizal, mentioned bagoong as one of his favorite foods in one of the letters he wrote during his exile in Dapitan, and the Katipuneros were also believed to favor bagoong as their favorite viand, which they tie on their waists in small pouches along with their itaks and amulets whenever they travel.

Clearly, the fascination for this seafood paste spans generations of Filipinos. American, Italian and Asian restaurants have

mushroomed in the metro in recent years but to experience Filipino food with bagoong is always a welcome change, like going back to one's roots.

Barrio Fiesta is one of the first Filipino restaurants that capitalized on the distinct appeal of bagoong. Before it became the go-to restaurant for Filipino fare, Barrio Fiesta first branched out by selling bottled bagoong, which was warmly embraced not only here in the Philippines but also in other countries like the United States, Canada, Hong Kong, Korea, and Japan.

Years later, a lot has changed in the restaurant business but the love for bagoong remained. Its presence in the modern-day society is still felt; Barrio Fiesta's *Ginisang Bagoong* even has a Facebook fan page!

In 2008, another restaurant has proven that bagoong could indeed be bankable. Fairly new in the restaurant industry, the Bagoong Club in Scout Lazcano in Quezon City is enjoying rave reviews because of its unique concept. "It's always easy to get into a business that you yourself enjoy," restaurant-owner Rosky Sevilla says.

He wanted a fresh yet familiar



concept for the restaurant, which he hopes will touch as many Filipinos as possible. Fortunately for him, during the course of his research for this venture, he found out that in all parts of the country, from North to South, each province has its version of the popular condiment.

About two-thirds of their offerings in the menu are incorporated with bagoong while the rest are served with bagoong as *sawsawan* (dip). Their loyal clients are comforted by the tasty bagoong twist in every Filipino dish they enjoy.

In the culinary world, the lowly bagoong has proven to be an excellent condiment and a wicked product to sell, but among us Filipinos, it is, undeniably, an important part of our culinary heritage and day-to-day life.

HEALTHWATCH



Can shifting to e-cigarettes help heavy smokers to finally kick the habit?

ARE E-CIGARETTES HEALTHY?

BY KARL R. DE MESA

You may have seen users of e-cigarettes happily puffing away in places like hospitals, cinemas or airports where a real cigarette would have gotten them arrested post-haste.

With the recent implementation of Republic Act 9211 banning the smoking of cigarettes or tobacco in public places including all major and secondary roads of Metro Manila, can e-cigarettes be a healthier alternative to the real thing?

Users of the e-cigs themselves emphatically say no, but most wholeheartedly advocate the product. They say it's a far lesser evil than actually smoking. Plus, it beats wearing a nicotine patch.

An electronic cigarette or e-cig is a battery-operated, cylindrical device that often physically resembles a real cigarette. Sometimes they look like thin, ball-point pens or screwdrivers.

Rather than burning tobacco or tar, they give off a mist processed by using heat or ultrasonics to vaporize a propylene glycol or glycerin-based liquid solution.

The concept is similar to the way a nebulizer vaporizes a medicinal cocktail. E-cigarette batteries are charged using a special unit that usually looks like a cigarette pack and are fitted with replaceable cartridges (or you can manually load up the solution into an existing cartridge).

E-cigarette users who are trying to kick their smoking habit opt to use the device without the nicotine solution. They also come in a variety of flavors that includes menthol and a range of fruits and, in some cases, even chocolate. A CNN broadcast in early 2011 quotes a reporter describing the product as, "It doesn't taste like anything."

Media producer Arvin Mancilla, who used to smoke a pack every two days, was able to kick his habit, saying he's "been on [e-cigarettes] for a year. It can become more of a hobby than a habit." He explains that the positive side to it is that it's "minus 4,000 toxins, airplane-friendly, no second hand smoke and food tastes better."



Invented by Chinese pharmacist Hon Lik in 2003, e-cigarettes have quickly gained popularity and found a big market share among smokers who were wary of the health caveats that Big Tobacco had all over its products.

However, the World Health Organization and the US Food and Drug Administration insist that further, more conclusive testing on the prolonged effects of e-cigarette use need to be made (the WHO stated in September 2008 that e-cigarettes are not to be considered a legitimate aid to stopping smoking) and have issued cautionary statements regarding the health claims of manufacturers. They are especially concerned about it enticing the younger market.



61.3 MILLION

ACCORDING TO THE PHILIPPINES' NATIONAL STATISTICS OFFICE (NSO), OUT OF **9,705** FILIPINO RESPONDENTS (A VIRTUAL REPRESENTATION OF **61.3 MILLION** FILIPINOS)



17.3 MILLION

28.3% OR **17.3 MILLION** FILIPINOS ARE CURRENT TOBACCO OR CIGARETTE SMOKERS



13.8 MILLION

13.8 MILLION SMOKED ALMOST DAILY

SAVE MOTHER EARTH



Six ways to make your home a cooler place for the family.



Instead of relying entirely on mechanical cooling, simple solutions like shading and lighter paints can keep your home at a comfortable temperature, reverse the "heat island" effect and lower your energy costs up to 50 percent.

Train vines up trellises on the hottest side of the house. Keep the trellis at least 6 inches from the wall to provide a buffer of cool air.

Plant trees on the southern and western sides of your property to provide shade. Shading can lower

indoor temperature as much as 7° Celsius and reduce the need for mechanical cooling.

Fit awnings or movable roof overhangs to block out hot tropical sun. Light colored draperies and shades can also help reduce heat gain.

Encourage a natural breeze. Open windows in the evenings to circulate cool air in and warm air out.

Paint your roofs and walls white or any light color to reflect

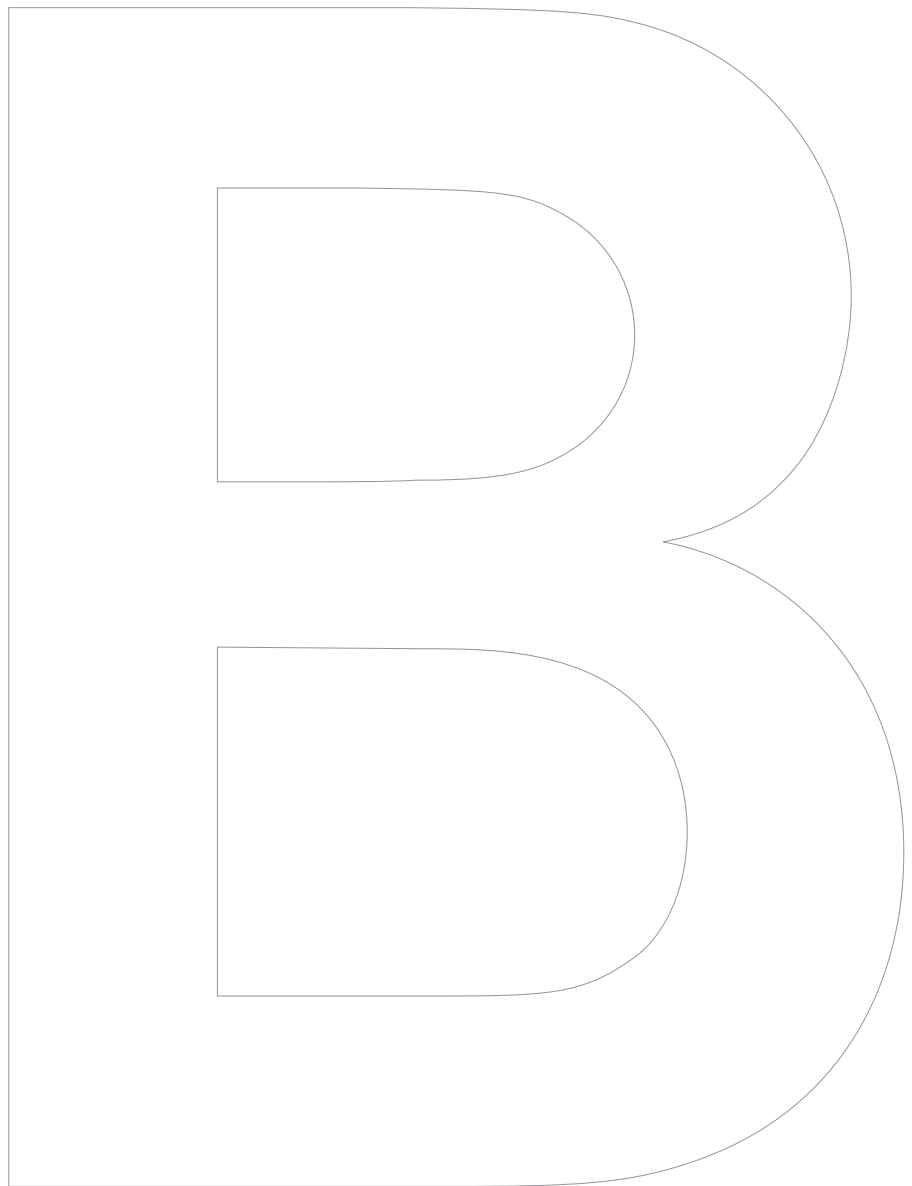
heat. Dark surfaces can be 21° Celsius hotter than white or silver ones. Heat stored in these walls and roofs continues to radiate even after sunset.

Be air conditioner smart. Keep windows and doors tightly closed. Use A/C to just take the edge off heat rather than creating a polar microclimate. Around 28 degrees Celsius is fine. Turn A/C off an hour before you go out—the air will still be cool by the time you are ready to leave.





Ruddy Tan, Burlington Industries' general manager for more than two decades.



COVER STORY

SECRETS TO (SOCKS)CESS

BY KARA TRINIDAD

PHOTOS BY ARTHUR ABRAHAM OF PARALLAX

Dating as far back as the 8th century BC, early men would tie animal skin around their toes and ankles in order to protect their feet from dangerous conditions and diseases. Thousands of years later, this crude footwear has evolved to become the socks that we know today, now made out of wool, cotton, acrylic, nylon or polyester.

Consistent quality.
We're very specific
and serious about that.

Our feet may be an often-neglected part of our body but by cocooning them in comfy socks that "hug," throughout a day's workload, we are saying that they no less deserve our undivided attention.

In modern times, socks serve a variety of purpose. For instance, men dressed to the nines need a fashionable pair of socks to match their knockdown ensemble. Competitive athletes need high-performing sports socks for their active lifestyles and tough games. Most people wear socks for

hygienic reasons, especially in the gym, in a leisure game of bowling and on days when they need to do a lot of walking.

STARTING THE SOCKS INDUSTRY

In the Philippines, the superior brand of socks that comes to mind is Burlington. In 1967, Pete Tan established Burlington, then known as Mil-Oro Manufacturing Corporation, as the go-to brand for affordable, well-made quality socks and foot accessories for men, women and children.

As a basic wardrobe requirement and a product with great growth potential, the Tan family was convinced that the socks business was worth exploring.

At that time, the company was up against what general manager Ruddy Tan calls "the giants," – the Manila Bay and Good Earth Emporium, which had manufacturing factories in the country.

Ruddy joined the company in the 80s after graduating as a mechanical engineer from the





University of Santo Tomas. His basic knowledge on machinery and preventive maintenance became very handy but to carry out the position of general manager remarkably, he clearly needed more than that bit of edge.

Working from the ranks, Ruddy says that the company's journey to the top was certainly not a walk in the park. It started as a humble family business, which operated with just two manned machines, capable of producing only two dozens of socks on an eight-hour shift.

"Like other start-up entrepreneurs, we were doing everything since our operations was very small. Even our grandmother did the labeling and packing, while the rest of us were in-charge of invoicing, endorsing, and delivering the products," recounts Tan.

THE WAVE OF MODERNIZATION

By the time Ruddy took over the reins, it's safe to say that Pete, his uncle, already paved the way for him to grow Burlington. Not the type to disappoint, it would appear that his biggest contribution to the company—apart from consistently taking care of the cycle of production, selling and replenishing of items—was leading it toward modernization around the 90s.

With modernization, the

company also adopted its present corporate name and moved from its first factory in Quezon City to its 2,500 square meter plant in San Antonio Village, Makati.

The company's new location enjoys a spacious factory with three floors housing modern production equipment. A computerized, systematic approach tracks each phase of production down to delivery. The digital age has helped in the production and delivery of the products to major cities in the country.

"When we started putting computers in the machines, everything changed. Suddenly, with the computer, you can make more patterns, so there's more flexibility with the designs and colors," Tan excitingly shares.

The company invested a lot of resources for its systems and equipment upgrade but the move was definitely worth it. With styles no longer limited to the usual plain white, gray and black, Burlington was able to cater to the consumers' changing tastes, making itself a leader in the industry.

But even with such major upgrade, the Chinese quality of practicality is also not to be forgotten, as Ruddy's family deemed it convenient to reside in the fifth floor of their factory to better watch over the company's day-to-day operations.

Currently, Burlington is the trademark owner of five sock brands in the Philippines: Burlington, Bally, Camp, Biofresh, and Puma. Technology has enhanced its capability to carry these brands and branch out to related products like insoles, foot sprays, foot powders and towels. Continuous product innovation has led the brand to create Anti-Microbial socks and undergarments too, as well as Dri+Plus feature, a nifty product innovation that keeps sweat at bay.

Despite the surge of cheaper China-made products, Burlington was unfazed because it takes pride in the quality of its products. "Many consumers tried the imported items because of the price but after a while, they went back for quality. They had comfort issues and complaints with the cheap material," Tan shares.

PRODUCT INNOVATION

With almost five decades of brand existence, the secret to the company's staying power, Tan says, is simple: "Consistent quality. We're very specific and serious about that." Burlington acquired its ISO Certification in 2009 for the factory's quality management system and consistent high standards.

Another noticeable strength of the company's management

If you're just going to offer the same product, with no innovation, it's very hard to compete.



is their humility; they are not the type to rest on their laurels. "You really have to constantly take care of the company. Even if you say you're number one now, within a few years, suddenly you're at the bottom. That's the usual problem with the successful companies, going towards complacency," Tan points out.

Burlington continues to innovate and grow with its product offerings: Biofresh technology, a branded anti-microbial treatment in socks; Shock XT, a protection-technology from the knee to the hips for basketball; FlexGel, silicone insoles that protect against calluses, corns and aid people with flat and high arch foot; and Dri+Plus, an added-value that keeps socks sweat-free for eight hours.

"If you're just going to offer the same product, with no innovation, it's very hard to compete. But even if you're new and you have a different product, you definitely have an edge over the others," he explains.

It was the Biofresh technology that sprung forth the idea to venture into shirts, sports bra and underwear with the same anti-microbial element for protection against perspiration or odor. This is Burlington's latest campaign featuring celebrity Ryan Bang.

In terms of design, Burlington's next season pieces are surely something to look forward to, as the company tries to be more in tune with what's in and hot. "As my uncle said, we should be the trendsetters! That should be our direction," Tan says.

To further market Burlington's



products, the company has gone online to serve modern-day consumers who prefer making purchases via the Internet and tap into the global market. So far, they've received orders from other countries and many queries. But currently, Burlington's primary mode of selling is through concession with big stores such as SM, Robinsons and Landmark.

Burlington's goal to become better isn't confined to their outputs alone. The company is also employing measures for overall efficiency such as retrofitting the factory with energy-efficient and cost-friendly LED lights and tapping into rainwater for washing.

EXCELLENT TEAMWORK

Naturally, behind a truly successful company is a good and dedicated team. The positive work attitude and high professionalism among their employees have ensured Burlington's success all these years.

Burlington provides their employees with tools for self-development and venues for

We shouldn't say we're already good... we constantly have to be dedicated, hardworking and focused.

voicing their opinions. "The objective here is to orient them to become better at their work and become the next leaders and supervisors," Tan says. The company has around 300 employees and some of them have been with the company for 25 years already.

"The industry is a good one and the consumers have a very good demand for our product. But we're also contributing to the economy because we're doing it here in the country," he says.

Although the Tan's are Chinese in origin, they have built a solid partnership with their Filipino employees. "Filipinos, in general, are very hard working. They are very good workers," he expresses, adding that, "our success lies in

having a professional management team. You can't do it alone."

And going back to Burlington's roots as a family business, the familial tie is kept to this day. Ruddy's wife Ellen handles finance while daughters Joyce and Kaye are in-charge of management information systems and marketing, respectively. His daughters know the business by heart since their home is also located on one of the floors in the building. The factory was their playground as young girls and they literally grew along with the business.

Aspiring small and medium entrepreneurs can definitely learn many lessons from Burlington's success journey. "It has to be a daily problem solving thing," advises Tan. "We shouldn't say we're already good...we constantly have to be dedicated, hard working and focused."

BURLINGTON INDUSTRIES PHILIPPINES, INC.
 7375 Bakawan Street,
 San Antonio Village, Makati City
 Tel. No.: (02) 892-7113
 Website: www.burlingtonphils.com

SME PROFILE

BURGER FOR THE EVERYDAY MAN

BY KRISTINE GONZALEZ
PHOTOS BY ARTHUR ABRAHAM
OF PARALLAX

L.C. Big Mak Burger Inc., started as a humble mom and pops burger stand in 1984. Today, they have more than 800 mobile van outlets located along national highways all over the country.

Francis and Edna Dy's common background and interest in entrepreneurship saw to an unexpected and successful business. Inspiration struck Mr. Dy one day, when he thought of introducing burger in his hometown, Lucena City, famous for chami noodles and other agricultural products. "It just entered my mind. I don't like to cook, but I love to eat," he says.

With a lot of gumption, the couple set out with their first hamburger mobile van. "It's accessible to customers," he says. "And you can transfer to a different location if it doesn't work out."

In the meantime, his wife Edna transformed the American favorite to a local best seller. "I experimented, made my recipe

from scratch, and the customers loved it," she says. The burger, priced at an affordable P3.00 at that time, was a huge hit. From the far provinces, people would queue and wait for a taste.

The second van came in a few months, and in less than five years, there were 200 outlets spread out in the towns of Cavite, Rizal, Bulacan, Tarlac, La Union, Ilocos, Isabela, and Cagayan. The bright fire engine red stalls of L.C. Big Mak were mushrooming at a rate that made the other players (with stellar advertising budgets) in the industry take notice.

FROM HOMETOWN TO NATIONWIDE

Naturally, there was a period of hardship. "We had to go to the market early in the morning to buy

the beef and start cooking," says Edna, recalling the birthing pains of the business. "We used margarine caps as a pattern for making patties, and we had one meat grinder," Mr. Dy laughingly adds.

"The patties were pre-cooked back then," says Mrs. Dy. As the business grew, so did the capacity to invest in systems and operations. "We had an R&D department after two years; they handle the standardization of the products," she says.

The patties are now frozen, the menu has been expanded to include other items such as hotdogs, pizza, siopao, and siomai, and improvements in production are continually introduced.

To meet the needs of the growing number of stores, the company has established bakeries for the hamburger buns, and more importantly, a number of commissaries that would supply all the outlets from north to south.

"You need to keep the quality and the consistency in this business," says Mr. Dy. "And you have to make sure that the volume is met." After 27 years, the growth is still unbelievable.

HARD WORK=SUCCESS

There is really no secret to their success. Value for money, quality products, and investing in good people are the oldest tenets in business. L.C. Big Mak embodies the best of Filipino values – hard work,





Francis and Edna Dy are partners in life and business.

persistence, and a deep connection to their Lucena City roots.

Few learn the value of perfect timing and the art of patience – the Dy’s have exhibited an amount of it and more. For now, there are only sixteen stand-alone stores nationwide, with room for more in the near future.

“Sometimes you would see Ifugaos in their traditional bahag costume lining up for burgers during a store opening,” shares Mr. Dy, who is still tickled pink at the sight, and who still makes the rounds in the different van locations.

TWO-GETHER IN LIFE AND BUSINESS

It was evident throughout the interview that it’s the marriage that is the meat in the whole L.C. Big Mak saga. Francis is the yang to Edna’s yin. “It’s a husband and wife team,” laughs Mrs. Dy.

The couple’s three grown-up children are all interested in

It’s the family unit—the malasakit for the other person, your employees.

becoming entrepreneurs. More than the average daily sales of burgers, it’s family—the children and the L.C. Big Mak family of employees, that keep the business grounded.

What makes the Filipino entrepreneur stand out? “It’s the family unit – the malasakit for the other person, your employees,” explains Mrs. Dy. “We were able to help a lot of people with this business,” her husband adds. The employment and training benefitted the local residents, and the Dys also lead in social activities in the community.

They are an example that

Filipino entrepreneurs have what it takes to make it big. To this day, L.C. Big Mak is 100 percent Pinoy-run.

Their relationship with Plantersbank is another example of family. “We’ve been with Plantersbank since 2002,” muses Mrs. Dy. “We started with a savings account and customized checks, and we’ve been growing with them ever since,” adds Mr. Dy. “When you need them, they’re there.”

“Dream, strong determination, and faith in God” are the first three tips Mrs. Dy has to share to young entrepreneurs. “You need to love your employees,” Mr. Dy adds. The last tip? “Honesty. You need to be the model to your employees – it has to start from you.”

LC BIGMAK BURGER INC.
 Head Office: National Highway,
 Barangay Domoit, Diversion Road,
 Lucena City.
 Tel Nos. (042) 373-5665, 660-3655, 373-0592

THE FIERCE FOOD SPECIALIST

BY JOSE BIMBO SANTOS
PHOTOS BY STANLEY ONG

At the young age of 15, Jose Ricardo M. Eleazar had the opportunity to enter a commissary. Any other high school boy could have seen it as just another field trip but the moment became extraordinary when he realized that he has found his dream business.

The experience stuck in Eleazar's mind and in a way, it led to the direction of his education. He graduated with an Entrepreneurial Management degree from the University of Asia and the Pacific, and went on to study at the prestigious Les Roches in Switzerland to earn his stripes as a culinary chef.

STRIVING FOR EXCELLENCE

In the next ten years, Eleazar worked hard to build his dream, which he named Wholesledge Corporation.

The company has a BFAD registered, NMIS "AA" category accredited, GMP and HACCP compliant manufacturing plant located at the Sterling Industrial Park in Meycauayan, Bulacan.

The plant is a veritable modern facility—a squeaky-clean, tip-top building that is equipped with state-of-the-art food-processing facilities.

"If we are going to do it, we do it well. Not mediocre. While we're at it, we do it well," Eleazar says repeatedly, revealing his management style.

As Eleazar walked us through the intricacies of his plant with absorbed passion, one can't help but understand how that boy of 15 must have felt in his first plant tour.

Blast freezers straight out of sci-fi flicks, conveyor belt assemblages, bone saw equipment, which rips through slabs of meat with clinical accuracy, and all the sundry contraptions for large-scale

cooking, chilling, packing and bottling that work with clockwork efficiency are truly impressive.

Aside from the importance of investing in machinery, Eleazar also explained that in this industry, one has to devote a lot of time in securing all the necessary permits. "We really need to have all those accreditations and permits because they add value to our services," he says.

CREATING A POSITIVE CULTURE

Aside from the facility and equipment, Eleazar is equally proud of his people and considers a good working environment as a prerequisite to customer satisfaction. "I believe that a happy staff means happy customers."





Visionary entrepreneur Joric M. Eleazar

I don't look for minimums because I look for the growth potential. So as they make it, I also make it.

humbly states that he is still a greenhorn by industry standards.

"Being a new entrant in the industry, there are giants already. So you are small and you want to enter a big man's game. Who are you?" he quips.

This is where his entrepreneurial savvy comes in. Eleazar has introduced Wholesaledge by carving a niche of reliability and flexibility. Whereas the giants in the business have multi-layered processes to accommodate clients, Eleazar quickly responds to the needs of his clients sans the bureaucratic hierarchies.

"I don't have a plant manager. I run the day-to-day operations. I talk to Research and Development. I talk to the buyers. I talk to the owners so information is fast and I can decide fast," he points out. "And, most of them are fastfood so I really need to decide right away."

And although Wholesaledge is already servicing big-ticket conglomerates, Eleazar still goes out of his way to help small entrepreneurs in the food industry.

"I don't look for minimums because I look at the growth potential. So as they make it, I also make it. And that's important," Eleazar says.

With its share of success and this considerable 32-year old dreamer at the helm, the company definitely has a long way to go.

"It's a continuous learning process," he says. "Integrity, quality and reliability are the norms in this business. If you don't have all of that, then you don't have a right to be in this business," Eleazar ends, his business values echoing loud and clear.

WHOLESALEDGE CORPORATION
 Head Office: Blk 1, Lot 8, Phase 5,
 Sterling Industrial Park
 Iba, Meycauayan, Bulacan
 Tel Nos. (044) 935-3700, 372-9111

Illustrative of Eleazar's sincerity was his disposition during the photo shoot for this story. With the camera lens aimed and ready, he shyly articulates a small request to also include the staff in the photos. "This (the company) is really also about them. I think it wouldn't be complete (without them)," he explains.

The close-knit and interpersonal working environment, in turn, fosters a sense of ownership to their products and service. "We are all proud here, we have pride in our work," states Eleazar.

Wholesaledge prides itself in being a Filipino-owned company that can stand its ground against other more established companies that have foreign equity.

"When we see our products on the billboards, people may not

know us but when we see that, we say 'I packed that. I was the one who cleaned the area where the food was manufactured. I supervised that,' " he says smiling.

BUILDING A FILIPINO GLOBAL BRAND

As his dream comes to near fruition, Eleazar looks back on how he built his company to its present state of uncompromising standards and world-class quality.

"I started in Quezon City in a very small shed with a makeshift kitchen. From there, I was able to buy this land and the building through the help of Plantersbank. And then slowly, I also purchased the equipment," he narrates.

With 10 years into the business, and a host of restaurant chains and institutions as clients, Eleazar

REVIEW

BOOK

"Socialnomics" explains the upside of social media.

TECH

Idle time can become productive with gadgets-to-go.



BOOK

SOCIALNOMICS: BUSINESS WITH AN E-TWIST

BY JOEL PABLO SALUD

Fun. Even downright hilarious at times. Definitely a cure for boredom ancient peoples would give an arm and a leg to have experienced during their heyday. Whichever way one sees it, social media is an invention that has offered more to the inexorable advance of business than anything else, together with the sticky yellow paper and the quintessential paper clip.

Socialnomics by author Erik Qualman explains the upside of social media and injects these thoughts into the stream of digital consciousness of which we all partake, be that for sheer social enjoyment or better yet, enjoyment of business. Much has been written about internet social networking sites, but none that expounds crisply on the familiar constructs on which human behaviour is based—behavior as a tool for, and important aspect of, our pursuit of the legal tender.

According to Qualman, "Socialnomics is a massive socioeconomic shift... We are already seeing the economic potential of social media in its ability to reduce inefficient marketing and middlemen. Million-dollar television advertisements are no longer the king influencer of purchase intent. People referring products and services via social media tools are the new king. It is the world's largest referral program in history... The end result is that everything from purchasing a baby carriage to drafting a last will and testament is easier and cheaper for the consumer and

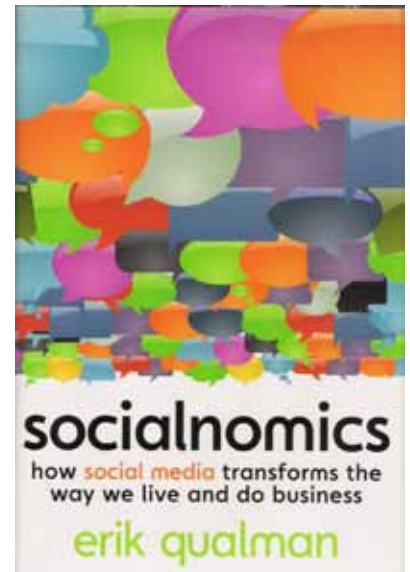
more profitable for the seller."

The public's sudden shift from traditional media to the Worldwide Web, and Worldwide Web to social networking sites is clearly a break from conventional thinking. Qualman relates how CBS has shifted to Facebook to promote its March Madness Basketball traffic. The reason? Because it's easier for social media to target interest groups and individuals with very specific needs even when compared to websites.

"The key to social media," Qualman explains, "is that it allows you to stay abreast with people you want to stay connected with via casual observation. It is this privilege of being allowed to look into what is going on in a group or an individual's life that makes social media a force that improves performance.

Take for example a Facebook user who receives several Facebook or Twitter updates on her mobile phone. One of her friends had just given birth. The other had just graduated. Another had posted that her computer had conked out. The Facebook user takes a detour and passes by a supermarket, where she purchases several gift items—one for the newborn baby, the other for the fresh graduate. She also posts a recommendatory note on who could fix another friend's computer. For what it's worth, social media has just contributed to business, in the selling and purchasing of products.

In fact, social media is such a



potent force for outreach that it literally zoomed a candidate for the presidency into power, according to Qualman. His name is Barack Obama, president of the United States of America.

Qualman also tackles in his book how executives "are still holding hard and fast to the concept of the traditional inbox." The author said that email, for executives, has been the best performing channel for outreach and data gathering through the years and they are not about to give up its hard-fought database. However, the same executives should realize that today's business effort does not rely too much on existing corporate database. Today, a company can use the database of another, namely Facebook's and Twitter's.

The book Socialnomics by Erik Qualman is a timely look at internet social networking phenomenon while it expounds on the behavior that gave it its meteoric rise to success. The same success may be had if people will only grasp the potential of social media in business.



PRODUCTIVITY GADGETS FOR ENTREPRENEURS ON-THE-GO

BY KC CALPO

An entrepreneur lives a hectic life, to say the least. In exchange for more control over one's professional and even personal life, self-employment presents its own set of headaches and hassles.

Time management has evolved from simply having a to-do list and sitting in front of your computer for hours on

end to accomplish each item. For a lot of entrepreneurs, what used to be "idle time" like taking a coffee break or being in transit is also spent accomplishing a task or two using gadgets like mobile phones and laptops.

SME Magazine has found tech tools that are sure to increase your productivity while on the road.

MOBILE INTERNET CONNECTION GADGETS

These days, you'll be hard-pressed to find a company that's completely offline. Every day, countless data essential to business operations are shared via e-mail, intranets and cloud computing services, and there are two devices that will keep you in the loop even if you're out of the office (and/or struggling with a bad Wi-Fi connection).

The Huawei E5 Pocket MiFi, which is priced close to PhP 6,000 and can

handle up to five device connections, can work with any mobile Internet subscription from the three Philippine telcos and lasts for around 4 hours on a full charge.

Another device is the teeny ASUS USB N10 Network Adapter transceiver. This small gadget works with Windows, Mac and Linux operating systems and boasts of fast data rates, too.



BLUETOOTH EARPHONES

You should never compromise your safety – and the safety of others – over the need to answer a phone call while driving. Be a responsible driver by investing in a Bluetooth headset.

The Jabra GO 6470 can connect to desk, mobile and smartphones. It offers a projected 6-hour talk time and 25-meter operating range for mobile phones; and has great features like

dual-microphone noise blackout and digital signal processing (DSP).

The Plantronics Voyager PRO+, which has an online price of US\$99.99 (or nearly PhP 4,500), treads the line between enterprise and personal use. It provides a 30-ft. Bluetooth transmission range and even comes with noise-cancelling and wind protection feature for clearer voice calls.



PORTABLE SCANNERS

Even though most businesses have gone digital, there are some things that need a little assistance to make the transition. Don't let hundreds of business cards, receipts and older documents take up valuable space on your table and drawers. Portable scanners will come in handy, especially when you're in between meetings and

not too keen on carrying additional materials around with you.

The HP ScanJet Professional 1000 and Fujitsu ScanSnap S1100 scanners (priced at PhP 10,990 and PhP 10,800, respectively) have impressive scanning rates, can handle various document sizes, and come with minimal power requirements.



SMEBILLBOARD

THERAPINOY GIVES NEW HOPE TO DIFFERENTLY-ABLED FILIPINO CHILDREN

To respond to the growing need for excellent yet affordable therapy services, Quality Life Discoveries, Inc. (QLDI) launched TheraPinoy: Gawad Therapy Para Sa Batang Pinoy. Funded through the kindness of Tasco, Inc. and Spira Sales Corp., the program aims to help differently-abled children achieve the maximum quality of life, give hope to and empower their families, as well as increase awareness in order to inspire more similar initiatives.

In the Philippines, only 160,000 out of 5.5 million children with special needs have had access to education and therapy, primarily due to the financial limitations of most families.

In addition, a Research Program was launched by QLDI in partnership with reputable research groups in the field of medicine and rehabilitation, to further promote evidence-based therapy practice.

For more information about this advocacy, please visit www.qualitylifediscoveries.com. You may also contact Prof. Archie David, TheraPinoy's Executive Director, at +63 (2) 912.7433 or info.qualitylifediscoveries@gmail.com.

Source article: Expanding Horizons: New Therapy Options Available to Differently-Abled Children

FRANCHISING GUIDEBOOK NOW AN E-BOOK

Armando "Butz" O. Bartolome's definitive guide to investing in a franchise in the Philippines, entitled "Is Franchising for You?", is now on sale at the Amazon Kindle Store and on Apple iTunes iBookstore as an EPUB e-book with secure Digital Rights Management (DRM).



Philippine Franchising Guru and GMB Franchise Developers Inc. president Butz Bartolome came out with "Is Franchising for You?" to address the growing need for a step-by-step guidebook to effective franchise risk/reward assessment, selection and management.

Filipinos in the Philippines and abroad can now easily buy and read "Is Franchising for You?" and other Flipside e-books from the Kindle reading device, as well as the iPad, Android tablets, and Windows and Macintosh computers through the Kindle reading application. iPad owners in the US, UK, Australia, Canada, Germany and France can also buy the e-books through iTunes and read them in the Apple iBooks app.

It will also be available on Barnes & Noble nook within the year.

AUTHOR'S AVENUE OFFERS UP TO 70% OFF ON LEATHER GOODS

Take advantage of huge discounts on selected leather items from Author's Avenue.

For orders and inquiries, call Mina at 533-9906 or check out authors.multiply.com. Author's Avenue items are also available at Rustans, Fully Booked, Powerbooks, National Bookstore and iStudio.

AUTHOR'S AVENUE
AUTHOR'S 920 APARTMENT 920
MEGA SALE
50% off regular priced laptop bags
25% off other regular priced stock
plus up to 75% off sale items

BINALOT OPENS NEW OUTLET

Popular all-Filipino fast-food brand Binalot recently opened a branch at California Garden Square in Mandaluyong City. This is the second Binalot franchise opened by AMN Connections, Inc. whose thrust is to open additional franchise of the profitable branch, owing to the success of its first outlet in ABS-CBN.

Binalot President and CEO Rommel Juan stressed the importance of tapping entrepreneurs that are concerned not only with return on investment, but with the brand as a whole. He noted that while a lot of people are interested to invest in order to make money, it is vital to look for franchisees that are willing to partner with the company in



protecting and growing the brand. The collaboration between the franchiser and the franchisee covers business operations as well as advocacies and goals. To date, Binalot already has a total of 35 branches.

For Binalot franchise opportunities, log on to www.binalot.com.

Even the smallest business can
light up the country's future.



Small and Medium Enterprises (SMEs) play a pivotal role in nation building because they comprise over 90% of all businesses in the country, which generate over a third of our economy and employ over half of the Filipino workforce.

That's why for over 40 years, Plantersbank has remained committed to helping Small and Medium Enterprises (SMEs) grow by providing the financial tools and expertise needed to better manage their business.

Our efforts have gained the support of financial institutions, including the World Bank's International Finance Corporation (IFC), the Netherlands Development Finance Company (FMO) and the Asian Development Bank (ADB). These alliances bring in resources from all over the world, allowing us to help enable even more entrepreneurs.

Because we know that when SMEs shine, the country shines too.



PLANTERSBANK

The SME Bank

Member of The Philippine Deposit Insurance Corporation.
Maximum deposit insurance for each depositor P500,000.

Member: **MegaLink**

Business DSL bundle for only **P2,899/month**.*



**FREE 15-DAY
DSL TRIAL**

Hurry! Promo ends on September 30, 2011.

*for 24 months contract period. Price is VAT-Inclusive.
Available in Metro Manila Only. See flyer for details



business
Business made personal.

Call (02) 449.9999
www.bayanbusiness.com.ph