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WOMEN IN EXPORT: EXPORTING SERVICES

WOMEN IN EXPORT TRADE EVENT

Sheraton Mirage Port Douglas, Queensland, Australia, June 24, 2007

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PRESENTATION OUTLINE

- I. INTRODUCTION
- II. GLOBAL REALITY ON EXPORT SERVICES
- III. ENTREPRENEURIAL BEHAVIORAL COMPETENCIES
- IV. IDENTIFYING A VIABLE EXPORT BUSINESS
- V. CHOOSING A PRODUCT OR SERVICE
- VI. THE E-BUSINESS SERVICE EXPORT INDUSTRY SECTOR
IN THE PHILIPPINES
- VII. INGREDIENTS OF A BUSINESS PLAN

I. INTRODUCTION

It is indeed, an honor to be invited and be a part of this “Women in Export Trade Event” coinciding with the 12th WLN Meeting, more so, to meet old friends and associates advocating for women’s empowerment, now focused on partnerships for Gender and Development. May I also convey our congratulations to the organizers and our host for their hospitality, the excellent preparations and handling of this meeting, and of course, to the many others who have assisted for the success of this meeting.

The topic of exporting is a subject close to my heart; this is the business that my husband opted to pursue when he decided to leave his career in banking in 1968. He ventured into “exports” when he was awarded a concession to sell oriental gift lines in one of the five (5) US Military Bases during the Vietnam War, then with an average sales of US\$600,000, of which nearly 50% (US\$ 250/280 thousand) were Philippine products. The other products were from Thailand, Hongkong, Chinese Taipei, Vietnam, and other Asian countries. The product line was the same in all the 5 military bases in a printed catalogue with its selling price.

Upon the termination of the Vietnam conflict, he shifted to the commercial market (1971-1972), and that was when he asked me to assist, and our partnership venture flourished. Even in the contemporary setting of today, you will see many export businesses being dominantly administered by women. This is certainly due to the intrinsic nature of women being endowed with artistic and creative capabilities, particularly in home products requiring taste, functions and beauty.

Exporting today has evolved although basic export strategies as provided in the traditional Marketing academic subjects are still the same, but immensely varies according to the product, and of course, on the raw materials. We are all aware of the different products such as industrial, raw materials, commercial, and finished products consumer categories. What makes it more interesting is the complex world of borderless and global economy which now includes variances in tariff (import duties/taxes) and non-tariff mandates that regulate and control the business of exporting. To mention a few of the existing regulatory institutions: WTO, EU, NAFTA, ASEAN and others.

But that is not in the context of my topic, and my presentation outline is now shown to you as a guide.

II. GLOBAL REALITY ON EXPORT SERVICES

In the topic of “BEST PRACTICES IN BUSINESS ESPECIALLY IN EXPORT SERVICES”, should significantly be noted that within the 21 APEC member economies are variances in socio-cultural profiles and thus would vary in methodologies and approaches. This situation, all the more, highlights and provides the challenges and the opportunities to share and develop the framework for partnerships for Gender and Development. The contribution of women to the economy has now become obvious because of their presence in almost all areas of concern, as seen in the many business advertisements globally. This has become possible because of the long-term strategies

undertaken for women's development. The business and socio-cultural environment is now more conducive to encouraging self-employment among women. In most countries, government policies have become favorable to women to go into independent enterprises/ ventures. A large number of strategies and specific programs have been formulated to encourage women to take up entrepreneurship as a career. This recent phenomenon of institutionalizing entrepreneurship development has resulted in an increase in the number of women entrepreneurs especially in the export business due to the following reasons:

- The income derived from enterprising is much better than that of paid employment.
- When you run your own business, you control your work schedule.
- You can choose the kind of business that best suits your circumstances.
- Entrepreneurship gives independence and self-fulfillment, because business rewards are related to initiatives and not on gender-related biases.
- The world is your market.

We are in a highly competitive world where macro thinking is being utilized with information and communication technology playing a key role in economic development. The scope and depth of information we gather, affects the daily decisions we make from the simplest of household chore, to the more complex world of governance, academe and business. In fact, the advent of information and communication technology made the world smaller, and borderless, and the transfer and sharing of knowledge and business transactions has been conveniently made accessible.

The world now is a virtual university thru the internet and websites which have prompted certain shifts in development thinking that made ICT, as a major global development concern. Development strategist now see the need for developing countries to adapt ICT as a way to avoid further marginalization, and also as a potential force for creating new economic growth opportunities with wider coverage.

In response, participation of women has broadened and is redefining their advocacy to reflect the advances in information and communication technologies in their business undertakings. This development has substantially changed the economic landscape. Not only women's participation in the labor force has increased, but also women-owned or managed businesses have become significant factors for economic growth and welfare improvement.

III. ENTREPRENEURIAL BEHAVIORAL COMPETENCIES

Women intending to take up entrepreneurial roles especially in exporting need to develop and strengthen these requisite attitudes and entrepreneurial behavioral competencies:

- **GOAL SETTING** – articulates long range vision and goals while setting short-range objectives.
- **RISK TAKING** – willing to take calculated and moderate risks while taking personal responsibility in facing its challenges.
- **INITIATIVE** – takes action that goes beyond the demand of the situation.

- PERSISTENCE - decisive in meeting the challenges at all cost in order to succeed.
- SEES AND ACTS ON NEW OR UNUSUAL BUSINESS OPPORTUNITIES – at the right time.
- INFORMATION SEEKING – diligently takes action to get information (especially from competitors) to help achieve objectives or clarify problems.
- CONCERN FOR QUALITY, INNOVATION AND EFFICIENCY – takes action or finds ways to improve things better, faster, or cheaper towards achieving standards of excellence and market expectations.
- PROBLEM SOLVING – generates new and potential unique ideas or innovative solutions to reach goals or if needed to even switch to alternative strategies leading to success.
- SYSTEMATIC PLANNING – develop and uses logical, step-by-step plans or even making plans by breaking a large task into sub-task in order to reach set goals.
- PERSUASION AND INFLUENCING STRATEGIES – uses a variety of deliberate strategies to influence or persuade others.
- SELF-CONFIDENCE – this is a must, to have a strong belief in your abilities to succeed.

IV. IDENTIFYING A VIABLE EXPORT BUSINESS

Choosing any business idea appears to be simple, but identifying a viable business idea is a complex and difficult task. Many large firms rely heavily on task forces or teams whose only function is to develop and commercialize new ideas. In the small business sector, ideas for new products often emerge from day to day operations. One needs to assess a number of factors in the business environment in the selection of an activity, product or service. A potential exporter needs to keep a keen and open mind to look for opportunities and generate business ideas in utilizing skills and services; available resources, raw materials and technology or other possibilities. In short, a woman entrepreneur needs to be an opportunity seeker. She is the person who eventually decides what business activity to undertake with the aim of satisfying her expectations.

The main objective should always be on the basis of reasonable profit expectation after having checked its feasibility. The following factors are important:

- A good market potential, i.e. a gap between existing supply and potential demand.
- An adequate return on investments.
- The availability of technology for production.
- The availability and accessibility of necessary funding for the project

V. CHOOSING A PRODUCT OR SERVICE

It is essential at this stage that women are provided with relevant information about selection of viable enterprise projects: manufacturing, service or trade. This can be done by assessing preliminary feasibility factors based on availability of the market, finance, technology and other commercial details. Every product idea has its strength and weaknesses and gives rise to a number of opportunities and threats. To discover all these, there is a need to apply the **SWOT Analysis – STRENGTH, WEAKNESSES,**

OPPORTUNITIES AND THREATS. With the help of such analysis, the woman entrepreneur should be well prepared to deal more effectively with the problems that may arise and looking at ways to overcome them. A feasibility study may also enable exporters to plan investments decisions for their enterprises by assessing the business environment from all aspects in so far as:

- Market research – size of the market, pattern of demand, buying habits and motives of buyer, as well as the competition scenario.
- Pricing and break-even analysis – correct pricing of products or services is vital for the success of any business.
- Technical requirements – details of the machineries and equipments needed.
- Financial analysis – the estimation and calculation of working capital is an important element in business plan preparation. In short, cost of project and means of finance.
- Other commercial and special considerations
- Estimated profitability

VI. THE E-BUSINESS SERVICE EXPORT INDUSTRY SECTOR IN THE PHILIPPINES

Government policies have shifted over time, as firms and economies have moved from concentrating on e-readiness and connectivity, to diffusion and use, and are moving towards mature e-business strategies, which blend broad policies for the business environment. Policy has moved beyond a narrow concept of e-commerce (on-line transaction) to a wider view of e-business integration of internal and external processes.

The liberalization of the telecommunications industry in the last few years in the Philippines has successfully improved access to basic communication services. The Philippine government has set its sights on becoming the e-services hub of Asia. There are now more than 8000 global companies outsourcing their ICT or ICT-enabled businesses in the Philippines. These companies include America On-Line (AOL), Barnes and Nobel, Flour Daniel, Bechtel, Sealand and Citibank Convergys, among others.

- The Philippines is the second among Asian countries in terms of having the largest number of training facilities for computer programming and computer-related courses. By working closely with the private sector to develop IT training centers all over the country, the Philippine government expects to meet the high demand for IT professionals especially in the developed countries.
- It is in the Philippine government's interest, given its strategic interest to be a leading "supplier" or highly-skilled IT professionals, to develop policies that will create more opportunities for more women to access IT training and employment. Building a constituency for such policies is

avored by several factors like high female adult literacy, high number of female Internet Users, and high number of female tertiary students.

E-service is the Philippines' market niche because of its high potential for growth and contribution to employment. Today's trend is on business process outsourcing (BPO). This is a service offered to companies from all over the world which the latter cannot do in their own countries either because of high costs or lack of appropriate experts or technology. Subcontracting certain e-services offshore to cheaper locations saves them as much as 20 to 40 % in operational costs. The BPO made possible the opening of new opportunities and affordable business horizon.

In the Philippines, e-services are classified into two types: ICT professional and technical services (requires technical knowledge and skills); and ICT-enabled services (requires skills on the application of information technology but which is not technology heavy). The following trade-based priority services offered in the Philippines for information technology are:

a. Software services	<ul style="list-style-type: none"> • Business process outsourcing 	<ul style="list-style-type: none"> • Database design and management • Finance and accounting services • Application systems development • Supply chain management • Marketing and sales • Logistics management
b. IT Professional services	<ul style="list-style-type: none"> • Customer relationship management 	<ul style="list-style-type: none"> • Customer contact • Voice processing • Data warehousing • Sales force automation • Web-based customer care
	<ul style="list-style-type: none"> • Consultancy 	<ul style="list-style-type: none"> • Project management • Internet systems development • System integration
c. Software products	<ul style="list-style-type: none"> • Content Development 	<ul style="list-style-type: none"> • Animation • Graphics design • Software development • Website development • Human resource services • Transcriptions (medical, legal, both).
	<ul style="list-style-type: none"> • Remote education/Web-based education 	

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Customer contact is where the Philippines is expected to be the largest market in Asia in the next five years. The more than 30 contact centers in the Philippines are expected to increase as foreign contractors come in.

OTHER SPECIAL AREAS:

Animation is an e-service where creativity and artistry of the Filipino can be greatly marketed. Aside from their artistry, Filipino animators stand out because of their multi-cultural orientation which is helpful in internalizing storylines and concepts for better artwork and execution. We are one of the most competent animators in Asia with only India and China as our closest rival.

Transcription of medical and legal records requires a huge chunk of time otherwise meant for actual care of patient. Health institutions worldwide are now burdened with the cost of transcribing medical records for diagnostic and other health care record purposes. Medical transcription works in two ways. One, the client may transfer all information for transcription to the e-service firm via internet and receive the required transcribed records via the same medium. The other is through the telephonic and digital dictation system which converts voice into electronically accurate reports. From available information, the US currently outsource 47% of its total medical transcription services. The medical transcription business worldwide is estimated to be worth \$10 Billion to \$16 billion. The Philippines is projecting to tap about 8% of this.

Other IT services on a trade-based approach include: consultancy, services, software development, telecommunications, electronic, education and training and professional associations. This recent phenomenon in the ICT industry has resulted in an increase in the number of women entrepreneurs in the export service enterprises.

I. INGREDIENTS OF A BUSINESS PLAN

William Sahlman, a successful investment analyst said “every seasoned investor knows that detailed financial projections for a new business venture is an act of imagination. Nevertheless, most business plans pour far too much ink on the numbers and far too little on the informations that really matters.

These are the four critical factors to the success of every new venture: 1) the people, 2.) the opportunity, 3.) the context and 4.) the possibilities for risk and reward.”

The questions about people revolve around three issues: What do they know? Whom do they know? And how well are they known?

As for opportunity, the plan should focus on two questions: Is the market for the venture’s product or service large or rapidly growing (or preferably both)? And is the industry structurally attractive?

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Then, in addition to demonstrating and understanding of the context in which their venture will operate, entrepreneurs should make clear how they will respond when that context inevitably change.

Finally the plan should look unflinchingly at the risks the new venture faces, giving would-be backers a realistic idea of what magnitude of reward they can expect and when they can expect it.

Please allow me to quote what Louis Pasteur said; “Thought and planning before action is the key to accomplishment.” In conclusion, it is most important for women exporters to prepare a detailed Business Plan before undertaking any business export venture to ensure success. To assist women exporters, I have included in my written presentation, a sample of an ideal business plan together with the needed questionnaires in accomplishing it.

Be guided of this saying, “**If you do not know where you are going, be prepared to get lost**”. What I’m trying to say is have a focus. In turning your goals into results, it is necessary to have a planning system as well as monitoring.

MABUHAY AND MAY GOD BLESS US ALL.

End

IDEAL BUSINESS PLAN ILLUSTRATION

- **Mission Statement**
- **Executive Summary**
- **Marketing Plan**
 - Products and Services
 - Customer Base
 - Competitive Position
 - External Factors Affecting Marketing Efforts
 - Pricing Strategy
 - Sales Organization
 - Sales Policies
 - Advertising and Promotion
- **Operational Plan**
 - Company Organization
 - Personnel Policies
 - Management Policies
- **Management Control Systems**
 - Job Estimating and Pricing
 - Job Profitability Reporting
 - Nursery Products Inventory Management
 - Credit and Collection Procedures
- **Financial Statements and Projections**
 - Projected Financial Statements
 - Commentary and Assumptions
 - Projection Assumptions
 - Schedule of Start-Up Costs
 - Personal Financial Statement
- **Long-Range Strategic Plan**

BUSINESS PLAN PROFORMA

A. GENERAL INFORMATION

1. WHAT IS YOUR ENTERPRISE ACTIVITY?
(income-generation or economic activity)
2. NAME OF THE ENTREPRENEUR
3. SEX FEMALE
4. DATE OF BIRTH
5. ADDRESS OF RESIDENCE
6. ADDRESS OF BUSINESS LOCATION
7. DETAILS OF PLANNED OR EXISTING BUSINESS ACTIVITY
8. TYPE OF ORGANIZATION
 - SOLE PROPRIETORSHIP
 - INFORMAL GROUP
 - CO-OPERATIVE
 - PARTNERSHIP
 - REGISTERED GROUP
 - ANY OTHER

B. PROJECT INFORMATION

9. WHAT IS THE PRODUCT? GIVE DETAILS.

NO.	ITEM TO BE MADE/SOLD	QTY./MONTH	SALES/MONTH

10. WHO ARE OR WHO WILL BE YOUR CUSTOMERS?
11. WHY WILL THEY BUY YOUR PRODUCTS/SERVICES?
12. WHO ARE YOUR COMPETITORS?
13. HOW WILL YOU PROMOTE, DISTRIBUTE AND SELL YOUR PRODUCTS/SERVICES?
14. WHAT EQUIPMENT WILL YOU NEED AND HOW MUCH WILL IT COST?

No.	Machinery/equipment	Price + Taxes Freight	Nos. Required	Total Value

15. WHAT MATERIALS YOU WILL NEED AND THEIR COST (WORKING CAPITAL)?

No	Item	Annual Requirement	
		Quality Monthly/Annually	Total Value Monthly / Annually

16. FROM WHERE WILL YOU OBTAIN THE ABOVE REQUIREMENTS? FROM WHOM?

17. WHERE WILL YOU LOCATE OR WHAT IS THE EXISTING LOCATION OF YOUR BUSINESS AND WHY? WORK SPACE RENTAL OR OTHER EXPENDITURE, IF ANY?

18. WHAT RECORDS WILL YOU KEEP AND WHO WILL KEEP THEM?

19. WHAT PRICES WILL YOU CHARGE?

20. WHAT QUANTITIES WILL YOU SELL? DAILY/MONTHLY?

21. WHAT WILL BE YOUR COSTS? (MONTHLY)

- RAW MATERIAL
- PRODUCT/MANUFACTURING COST
- ADMINISTRATIVE COST
- SELLING COST
- TOTAL

22. WHAT IS YOUR FORECAST OF TOTAL MONTHLY SALES?

23. WHAT ARE YOUR DAILY ESTIMATES FOR CASH INFLOWS AND OUT FLOWS OF YOUR BUSINESS?

24. WILL YOU NEED A LOAN? IF YOU NEED A LOAN:

- FOR HOW MUCH?
- FROM WHOM?
- HOW AND WHEN WILL IT BE REPAYED?
- WHAT SECURITY CAN YOU OFFER?

25. YOUR FINANCIAL STATEMENT

- COST OF PROJECT
 - CAPITAL COST OF PROJECT
 - WORKING CAPITAL REQUIREMENT
 - ANY OTHER (SPECIFY)
 - TOTAL
- SOURCES OF FUNDS
 - LOAN
 - GRANT/SUBSIDY
 - OWN INVESTMENT

- PROFITABILITY
 - A. SALES (MONTHLY & YEARLY)
 - B. YOUR TOTAL COSTS (TAKE FROM POINT 21 – MONTHLY & YEARLY)
 - C. INTEREST ON LOAN
 - D. OTHER EXPENSES
 - E. GROSS PROFIT [A – (B + C + D)]

26. a) WHAT IS YOUR BREAK-EVEN-POINT (UNITS)?
 b) WHAT IS YOUR BREAK-EVEN-POINT (SALES VALUE)?
27. WHAT IS YOUR PLANNED RETURN ON INVESTMENT?
28. WHAT IS THE PLANNED PAYBACK PERIOD OF THE PROJECT?
29. WHAT WILL BE YOUR BALANCE SHEET AT THE BEGINNING OF THE BUSINESS & YOUR FINAL ACCOUNTS CLOSING (1 YEAR LATER)?

STARTING BALANCE SHEET

HOW THE MONEY IS USED (ASSETS)	WHERE THE MONEY COMES FROM (LIABILITIES)
CASH STOCK EQUIPMENT OTHERS	LOAN/GRANT: OWN INVESTMENT OTHER
TOTAL	TOTAL

FINAL BALANCE SHEET (1 YEAR LATER)

HOW THE MONEY IS USED (ASSETS)	WHERE THE MONEY COMES FROM (LIABILITIES)
CASH STOCK EQUIPMENT OTHERS	LOAN/GRANT: OWN INVESTMENT + PROFIT OTHER
TOTAL	TOTAL

30. WHAT IS YOUR PROJECTED CASHFLOW FOR THE NEXT TWELVE MONTHS (INCLUDING ANY LOANS)?